

COVER SHEET

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S.E.C. Registration Number

S T E N I E L M A N U F A C T U R I N G

C O R P O R A T I O N

(Company's Full Name)

G A T E W A Y B U S I N E S S P A R K ,

B R G Y . J A V A L E R A , G E N E R A L

T R I A S , C A V I T E

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

Janice L. Co

Contact Person

8687 1195

Company Telephone Number

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3 1

Day

Fiscal Year

SEC Form I-ACGR

FORM TYPE

Last Tuesday of April

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

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## SEC FORM – I-ACGR

### INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended 31 December 2021
2. SEC Identification Number 237736
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. Address of principal office Gateway Business Park, Javalera, Gen. Trias, Cavite  
  
Postal Code 4107
8. Issuer's telephone number, including area code (46) 433-0066
9. Former name, former address, and former fiscal year, if changed since last report.  
Not Applicable

	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 present Board is composed of individuals who have broad experience in various fields of the Company's industry.	
2. Board has an appropriate mix of competence and expertise.	<b>COMPLIANT</b>	The incumbent Chairman, as well as the other directors, has experience in the packaging business and in the fields of sales, marketing, manufacturing, finance and legal.	
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>		
<b>Recommendation 1.2</b>			
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: <ol style="list-style-type: none"> <li>1. Mark O. Vergara – Director</li> <li>2. Esteban C. Ku – Director</li> <li>3. Kenneth George D. Wood – Lead Independent Director</li> <li>4. Adam Anthony S. Cabe, III – Independent Director</li> <li>5. Rhea M. Alarcon – Independent Director</li> </ol>	
<b>Recommendation 1.3</b>			
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 at	

		<a href="https://www.steniel.com.ph/data/stn_revised_manual_corp_gov_march_30_2017.pdf">https://www.steniel.com.ph/data/stn_revised_manual_corp_gov_march_30_2017.pdf</a>	
2. Company has an orientation program for first time directors.	<b>COMPLIANT</b>	None of the directors of the Company was classified as new directors.	
3. Company has relevant annual continuing training for all directors.	<b>COMPLIANT</b>		
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	<b>COMPLIANT</b>	Please see page 8 of the Company's Revised Manual on Corporate Governance which can be accessed at <a href="https://www.steniel.com.ph/data/stn_revised_manual_corp_gov_march_30_2017.pdf">https://www.steniel.com.ph/data/stn_revised_manual_corp_gov_march_30_2017.pdf</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.		xxx	
<b>Recommendation 1.5</b>			
1. Board is assisted by a Corporate Secretary.	<b>COMPLIANT</b>	Atty. Janice L. Co is the Corporate Secretary of the Company. As with all Corporate Secretaries, her primary duty revolves around providing the necessary assistance to the Board in conducting its affairs/meetings.	
2. Corporate Secretary is a separate individual from the Compliance officer.	<b>NON-COMPLIANT</b>		Due to limited manpower, Atty. Co also serves as the Compliance Officer.
3. Corporate Secretary is not a member of the Board of Directors.	<b>COMPLIANT</b>	The Corporate Secretary is not a member of the Board of Directors.	

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.		xxx	
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	<b>COMPLIANT</b>	Atty. Janice L. Co is the Compliance Officer of the Company.	
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>		While Atty. Co is not a Senior Vice President of the Company, she has adequate stature and authority to implement regulatory and compliance matters due to her expertise.
3. Compliance Officer is not a member of the board.	<b>COMPLIANT</b>	The Compliance Officer is not a member of the Board of Directors.	
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 at <a href="https://www.steniel.com.ph/data/stn_revised_manual_corp_gov_march_30_2017.pdf">https://www.steniel.com.ph/data/stn_revised_manual_corp_gov_march_30_2017.pdf</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 board of directors conducts 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 uploaded on its website and can be accessed at <a href="https://steniel.com.ph/mission/">https://steniel.com.ph/mission/</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 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>	The current Chairman, Mr. Nixon Lim, has worked extensively in the packaging business, particularly in the field of sales, marketing, manufacturing and finance. His knowledge, experience and expertise are aligned with the Company's vision and intentions.	
<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>		<p>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.</p> <p>The Board has yet to adopt and implement a plan that includes a policy on retirement of directors.</p>
<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>	The Company adheres to the general rule that directors do not receive remuneration from the Company.	
2. Board adopts a policy specifying the relationship between remuneration and performance.	<b>COMPLIANT</b>	This responsibility is enshrined in the Company's Revised Manual on Corporate Governance	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	<b>COMPLIANT</b>	The Company adheres to the general rule that directors do not receive remuneration from the Company.	
<b>Optional: Recommendation 2.5</b>			
1. Board approves the remuneration of senior executives.		xxx	

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.		xxx	
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**Recommendation 2.6**

1. Board has a formal and transparent board nomination and election policy.	<b>COMPLIANT</b>	Nominations of directors is done through its Nominating Committee. This is in accordance with the existing provisions provided for under the Securities and Regulations Code as well as the applicable provisions of the Revised Corporation Code.  List of candidate-directors are duly disclosed to the SEC and the PSE. Disclosures are made after approval of the Board and included in the information statements distributed to the Company's stakeholders prior to the Annual Stockholders' Meeting (ASM).  The Company confirms that the nomination and election policy is stated in its Manual on Corporate Governance which can be accessed at <a href="https://www.steniel.com.ph/data/stn_revised_manual_corp_gov_march_30_2017.pdf">https://www.steniel.com.ph/data/stn_revised_manual_corp_gov_march_30_2017.pdf</a>  The Company's By-Laws provide for a nomination period.	
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>		
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>		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.		xxx	
<b>Recommendation 2.7</b>			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	<b>COMPLIANT</b>	This is provided for under the Company's Revised Manual on Corporate Governance – particularly Section 3.3.2.3 and its sub-provisions, which outlines the role and responsibility of the Related Party Transactions Committee and provides for the appropriate review process and subject material RPT transactions.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	<b>COMPLIANT</b>	Please see pages 23 and 24 of the Company's Revised Manual on Corporate Governance which can be accessed at <a href="https://www.steniel.com.ph/data/stn_revised_manual_corp_gov_march_30_2017.pdf">https://www.steniel.com.ph/data/stn_revised_manual_corp_gov_march_30_2017.pdf</a>	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	<b>COMPLIANT</b>		
<b>Supplement to Recommendations 2.7</b>			
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	<b>COMPLIANT</b>	Please refer to the Company's Material Related Party Transactions Policy which can be accessed at: <a href="https://www.steniel.com.ph/data/stn_material_rpt_policy.pdf">https://www.steniel.com.ph/data/stn_material_rpt_policy.pdf</a>	

purposes of applying the thresholds for disclosure and approval.			
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	<b>COMPLIANT</b>	Please refer to the Company's Material Related Party Transactions Policy which can be accessed at: <a href="https://www.steniel.com.ph/data/stn_material_rpt_policy.pdf">https://www.steniel.com.ph/data/stn_material_rpt_policy.pdf</a>	

#### Recommendation 2.8

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).	<b>NON-COMPLIANT as to appointment of Chief Risk Officer</b>  <b>COMPLIANT as to the other officers</b>	Appointment of the Management Team – which includes the CEO, Chief Compliance Officer, and Chief Audit Executive – is done at the organizational meeting of the Board held after the Company's ASM.	Due to the Company's limited operations, the Company currently has no Chief Risk Officer. 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.  Ms. Eliza C. Macuray is the Company's Chief Audit Executive.
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).	<b>COMPLIANT</b>	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.	

#### Recommendation 2.9

1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	<b>NON-COMPLIANT</b>		Due to the limited operations of the Company, the Management Team has yet to implement the performance assessment of the Company's Management and personnel. This is among the items which the Company will discuss.
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>		
<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>		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. The Board will consider establishing 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	<b>NON-COMPLIANT</b>		Due to the limited operations of the Company, an ERM framework is not yet in place. The Board will consider

as the effectiveness of risk management strategies.			establishing an ERM framework following increase in volume of business.
<b>Recommendation 2.12</b>			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	<b>NON-COMPLIANT</b>		The Company is in the process of completing 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 completing 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 completing a Board Charter which will be uploaded on the Company's website.
<b>Additional Recommendation to Principle 2</b>			
1. Board has a clear insider trading policy.	<b>COMPLIANT</b>	The Board adheres to the insider trading rules prescribed under Rule 27 if the Implementing Rules and Regulations of the SRC.	
<b>Optional: Principle 2</b>			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.		xxx	
2. Company discloses the types of decision requiring board of directors' approval.		xxx	

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

**Recommendation 3.1**

<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p><b>COMPLIANT</b></p>	<p>The Board has established the following committees:</p> <ul style="list-style-type: none"> <li>• Corporate Governance Committee (which also acts as Nomination Committee and Compensation Committee)</li> <li>• Audit Committee (which also acts as Board Risk and Oversight Committee and RPT Committee)</li> </ul>	
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**Recommendation 3.2**

<p>1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>	<p><b>COMPLIANT</b></p>	<p>The Company has an Audit Committee with functions as described on pages 18 to 24 of the Company's Revised Manual on Corporate Governance which can be accessed at:  <a href="https://www.steniel.com.ph/data/stn_revised_manual_corp_gov_march_30_2017.pdf">https://www.steniel.com.ph/data/stn_revised_manual_corp_gov_march_30_2017.pdf</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>	<p><b>COMPLIANT</b></p>	<p>Presently the Audit Committee is composed of 5 members; 3 of which are independent directors which includes the Chairman of the Committee.</p>	

3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	<b>COMPLIANT</b>	All the members of the Committee have relevant background, knowledge, skills and/or experience in the areas of accounting, auditing, risk, management, finance and regulatory compliance.	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	<b>NON-COMPLIANT</b>		Mr. Kenneth George D. Wood is the chairman of both the Audit Committee and Corporate Governance Committee. The Board will consider making the necessary adjustments at its next organizational board meeting.
<b>Supplement to Recommendation 3.2</b>			
1. Audit Committee approves all non-audit services conducted by the external auditor.	<b>COMPLIANT</b>	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	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	<b>NON-COMPLIANT</b>		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.
<b>Optional: Recommendation 3.2</b>			
1. Audit Committee meet at least four times during the year.		xxx	
2. Audit Committee approves the appointment and removal of the internal auditor.		xxx	

Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	<b>COMPLIANT</b>	The Company has a Corporate Governance Committee which also performs the functions of the Nomination Committee and Compensation Committee.	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	<b>COMPLIANT</b>	The Corporate Governance Committee is composed of 3 directors, all of whom are independent directors.	
3. Chairman of the Corporate Governance Committee is an independent director.	<b>COMPLIANT</b>	Mr. Kenneth George D. Wood, the lead independent director, is the chairman of the Corporate Governance Committee.	
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.		xxx	
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	<b>COMPLIANT</b>	The Audit Committee also acts as the Board Risk Oversight Committee.	
2.			
3. 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, which also acts as the BROC, is composed of three non-executive directors (all of whom are	

		independent directors, including the chairman).	
4. The Chairman of the BROCC is not the Chairman of the Board or of any other committee.	<b>NON-COMPLIANT</b>		The Audit Committee also acts as the BROCC. Mr. Kenneth George D. Wood is the chairman of both the Audit Committee and Corporate Governance Committee. The Board will consider making the necessary adjustments at its next organizational board meeting.
5. At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management.	<b>COMPLIANT</b>	The Company believes that members of the Audit Committee (which acts as the BROCC) have adequate professional experience on risk and risk management.	
<b>Recommendation 3.5</b>			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	<b>COMPLIANT</b>	The Audit Committee also acts as the Related Party Transactions (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, which also acts as the RPT Committee, is composed of three non-executive directors (all of whom are independent directors, including the chairman).	
<b>Recommendation 3.6</b>			
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>		The Company is currently in the process of completing the Committee Charters.



2. Committee Charters provide standards for evaluating the performance of the Committees.	<b>NON-COMPLIANT</b>		The Company is currently in the process of completing the Committee Charters.
3. Committee Charters were fully disclosed on the company's website.	<b>NON-COMPLIANT</b>		The Company is currently in the process of completing the Committee Charters. And will upload the same once the charters are available.

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

#### Recommendation 4.1

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	<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>	The directors are provided with board materials prior to the board meeting, giving them sufficient time to review the meeting materials.	
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.	

#### Recommendation 4.2

1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes,	<b>COMPLIANT</b>	None of the non-executive directors serve over the maximum count of publicly-listed companies (5).	
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challenge Management's proposals/views, and oversee the long-term strategy of the company.		All directors are able to allocate sufficient time to prepare for minutes, discuss and challenge Management's proposals, views and projects, and oversee the long-term strategic direction of the Company.	
<b>Recommendation 4.3</b>			
1. The directors notify the company's board before accepting a directorship in another company.	<b>COMPLIANT</b>	This duty of the directors is provided on page 10 of the Company's Revised Manual on Corporate Governance.	
<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.		xxx	
2. Company schedules board of directors' meetings before the start of the financial year.		xxx	
3. Board of directors meet at least six times during the year.		xxx	
4. Company requires as minimum quorum of at least 2/3 for board decisions.		xxx	
<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>	The Board has 3 independent directors out of 7 directors.	
<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>	All incumbent independent directors possess all qualifications and none of the disqualifications of independent directors as provided for under the Company's	

		Revised Manual on Corporate Governance.	
<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>COMPLIANT</b>	These are all currently practiced / implemented and provided for under the Company's Revised Manual on Corporate Governance	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	<b>COMPLIANT</b>		
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	<b>COMPLIANT</b>		
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	<b>NON-COMPLIANT</b>		The Chairman of the Board and President is Mr. Nixon Y. Lim.
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	<b>COMPLIANT</b>	The roles and responsibilities of the Chairman of the Board and Chief Executive Officer are clearly defined in the Company's Revised Manual on Corporate Governance.	
<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>COMPLIANT</b>	The Chairman is not an Independent Director. Thus, the Board designated a lead director among the independent directors.	
<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>	The Company has not encountered this situation in its dealings.	
<b>Recommendation 5.7</b>			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	<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 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.
<b>Optional: Principle 5</b>			
1. None of the directors is a former CEO of the company in the past 2 years.		xxx	
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.			
<b>Recommendation 6.1</b>			

1. Board conducts an annual self-assessment of its performance as a whole.	<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.
2. The Chairman conducts a self-assessment of his performance.	<b>NON-COMPLIANT</b>		
3. The individual members conduct a self-assessment of their performance.	<b>NON-COMPLIANT</b>		
4. Each committee conducts a self-assessment of its performance.	<b>NON-COMPLIANT</b>		
5. Every three years, the assessments are supported by an external facilitator.	<b>NON-COMPLIANT</b>		
<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>		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>COMPLIANT</b>		At annual stockholders' meetings, stockholders are given the opportunity to 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	<b>NON-COMPLIANT</b>		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 in the future.

internal and external dealings of the company.			
2. The Code is properly disseminated to the Board, senior management and employees.	<b>NON-COMPLIANT</b>		
3. The Code is disclosed and made available to the public through the company website.	<b>NON-COMPLIANT</b>		
<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>		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 in the future.
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	<b>NON-COMPLIANT</b>		
<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>	The Company adheres to the disclosure policies and procedures of the Philippine Stock Exchange (PSE) through its "Edge Submission System" and as provided for under the Company's Manual on Corporate Governance and existing PSE Listing and Disclosure Rules and relevant SEC circulars/issuances.	

Supplement to Recommendations 8.1			
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.	<b>NON-COMPLIANT</b>		There were delays in the submission of the financial reports of the Company as it needs time to consolidate the reports of its subsidiaries. The Company will implement an internal system that will expedite the preparation of the reports.
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.	<b>NON-COMPLIANT</b>		Currently there is no disclosure of these risks in the latest Annual Report of the Company.  The Company shall endeavor to discuss with the respective and relevant departments to address this and strive for the inclusion of said disclosures in the Annual Report.
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	<b>COMPLIANT</b>	Please see page 29 of the Company's Revised Manual on Corporate Governance which can be accessed at <a href="https://www.steniel.com.ph/data/stn_revised_manual_corp_gov_march_30_2017.pdf">https://www.steniel.com.ph/data/stn_revised_manual_corp_gov_march_30_2017.pdf</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>		
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase	<b>COMPLIANT</b>	Trading of the Company's shares are suspended at the PSE.	

of its shares from the market (e.g. share buy-back program).			
<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>	Qualifications of the directors are clearly and fully provided through the Information Statement distributed by the Company prior to any ASM.	
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>	Qualifications and details of the Company's Officers are also indicated in the Information Statement distributed by the Company prior to any ASM.	
<b>Recommendation 8.4</b>			
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>	The Company adheres to the general rule that directors do not receive remuneration from the Company.  The exception being the President/ CEO and Treasurer, whose remuneration as a group, are disclosed in the Information Statement.	
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>		Board has yet to establish the policies and procedures in setting executive remuneration.



3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	<b>NON-COMPLIANT</b>		Remuneration of officers are not disclosed on an individual basis for security reasons.  These are instead reported on a group basis in the Company's Information Statements.
<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 at <a href="https://www.steniel.com.ph/data/stn_revised_manual_corp_gov_march_30_2017.pdf">https://www.steniel.com.ph/data/stn_revised_manual_corp_gov_march_30_2017.pdf</a>	
2. Company discloses material or significant RPTs reviewed and approved during the year.	<b>COMPLIANT</b>	No MRPT disclosures have been made for the year 2021.	
<b>Supplement to Recommendation 8.5</b>			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	<b>COMPLIANT</b>	Please refer to the Company's Material Related Party Transactions Policy which can be accessed at <a href="https://www.steniel.com.ph/data/stn_material_rpt_policy.pdf">https://www.steniel.com.ph/data/stn_material_rpt_policy.pdf</a>	
<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.	<b>COMPLIANT</b>	Please refer to the Company's Material Related Party Transactions Policy which can be accessed at <a href="https://www.steniel.com.ph/data/stn_material_rpt_policy.pdf">https://www.steniel.com.ph/data/stn_material_rpt_policy.pdf</a>	
<b>Recommendation 8.6</b>			

1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	<b>COMPLIANT</b>	Done through Edge Submission system of the PSE as well as through the relevant disclosures made to the SEC through its recently implemented EFAST (OST) and email submission channels.	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	<b>COMPLIANT</b>	The Company engaged the services of Unicapital Inc. in the preparation of the Fairness Opinion in relation to the Company's debt to equity transaction and share swap transaction.	
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	<b>COMPLIANT</b>	The Company had disclosed the acquisitions and subscriptions by the Greenkraft Group of substantial number of shares of stock in the Company resulting to the change of control.	
Recommendation 8.7			
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 at <a href="https://www.steniel.com.ph/data/stn_revised_manual_corp_gov_march_30_2017.pdf">https://www.steniel.com.ph/data/stn_revised_manual_corp_gov_march_30_2017.p</a>	
2. Company's MCG is submitted to the SEC and PSE.	<b>COMPLIANT</b>	<a href="https://www.steniel.com.ph/data/stn_revised_manual_corp_gov_march_30_2017.pdf">df</a>	
3. Company's MCG is posted on its company website.	<b>COMPLIANT</b>	The Revised Manual on Corporate Governance was submitted to the SEC on 30 May 2017	

<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>	The Company's corporate governance policies and procedures are embodied in the Revised Manual on Corporate Governance.	
<b>Optional: Principle 8</b>			
1. Does the company's Annual Report disclose the following information:			
a. Corporate Objectives	<b>NON-COMPLIANT</b>		The Board will discuss inclusion in the next Annual Report.
b. Financial performance indicators	<b>COMPLIANT</b>		
c. Non-financial performance indicators	<b>NON-COMPLIANT</b>		The Board will discuss inclusion in the next Annual Report.
d. Dividend Policy	<b>COMPLIANT</b>		
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	<b>COMPLIANT</b>		
f. Attendance details of each director in all directors' meetings held during the year	<b>NON-COMPLIANT</b>		The Board will discuss inclusion in the next Annual Report.
g. Total remuneration of each member of the board of directors	<b>COMPLIANT</b>		
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance	<b>COMPLIANT</b>		

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.	<b>NON-COMPLIANT</b>		The Board will discuss inclusion in the next 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.	<b>NON-COMPLIANT</b>		The Board will discuss inclusion in the next 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).	<b>COMPLIANT</b>		The Board will discuss inclusion in the next Annual Report.

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

#### Recommendation 9.1

1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	<b>COMPLIANT</b>	The Audit Committee reviews the qualifications and competence of the external auditor.	
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>	The Company adheres to the process where the appointment of the external auditors is recommended by the Audit Committee and endorsed by the Board for the concurrent approval by the shareholders during the ASM.	

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>	This embodied in the Company's Revised Manual on Corporate Governance.	
<b>Supplement to Recommendation 9.1</b>			
1. Company has a policy of rotating the lead audit partner every five years.	<b>COMPLIANT</b>	This embodied in the Company's Revised Manual on Corporate Governance.	
<b>Recommendation 9.2</b>			
<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>		The Company is currently in the process of completing the Committee Charter.
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	<b>NON-COMPLIANT</b>		The Company is currently in the process of completing the Committee Charter.
<b>Supplement to Recommendations 9.2</b>			

1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	<b>COMPLIANT</b>	The Audit Committee reviews the qualifications and competence of the external auditor.	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	<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 Annual Report.	
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.	
<b>Supplement to Recommendation 9.3</b>			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	<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.	

Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	<b>COMPLIANT</b>	The Company's external auditor is KPMG R.G. Manabat & Co, which is accredited by the SEC under Group A category.	
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>	The external auditor has been subjected to SOAR inspection program in 2019.	
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
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>COMPLIANT</b>	This is provided for under the Company's Revised Manual on Corporate Governance	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	<b>COMPLIANT</b>	This is provided for under the Company's Revised Manual on Corporate Governance	
Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and	<b>COMPLIANT</b>	The Company utilizes the PSE Edge website to disseminate its current, quarterly, and annual reports to its shareholders and the public.	

relevant information to its shareholders and other investors.			
<b>Supplemental to Principle 11</b>			
1. Company has a website disclosing up-to-date information on the following:	<b>NON-COMPLIANT</b>		The Company's website (www.steniel.com.ph) 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			
<b>Additional Recommendation to Principle 11</b>			
1. Company complies with SEC-prescribed website template.	<b>COMPLIANT</b>		The Company website is currently being reformatted for easier access.
<b>Internal Control System and Risk Management Framework</b>			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
<b>Recommendation 12.1</b>			
1. Company has an adequate and effective internal control system in the conduct of its business.	<b>NON-COMPLIANT</b>		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.
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	<b>NON-COMPLIANT</b>		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.
<b>Supplement to Recommendations 12.1</b>			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	<b>NON-COMPLIANT</b>		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.
<b>Optional: Recommendation 12.1</b>			
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.		xxx	
<b>Recommendation 12.2</b>			
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.	
<b>Recommendation 12.3</b>			

1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	<b>COMPLIANT</b>	Ms. Eliza C. Macuray is the Company's Chief Audit Executive.	
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>COMPLIANT</b>	The functions of the Company's Chief Audit Executive are provided in the Company's Revised Manual on Corporate Governance.	
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>COMPLIANT</b>	The Company's internal audit is in-house. This will be observed in case the internal audit will be fully outsourced.	
<b>Recommendation 12.4</b>			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	<b>NON-COMPLIANT</b>		<p>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.</p> <p>The risk management oversight function is performed by the Company's Audit Committee which also performs the functions of the Board Risk and Oversight Committee.</p>
<b>Supplement to Recommendation 12.4</b>			
1. Company seeks external technical support in risk management when such competence is not available internally.	<b>NON-COMPLIANT</b>		<p>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.</p>

<b>Recommendation 12.5</b>			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	<b>NON-COMPLIANT</b>		The Company currently has no Chief Risk Officer but will consider appointing one in case business operations improve in the future. 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 currently has no Chief Risk Officer but will consider appointing one in case business operations improve in the future. The Board handles risk management functions.
<b>Additional Recommendation to Principle 12</b>			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	<b>NON-COMPLIANT</b>		The Board will consider implementing this once business operations improve in the future.
<b>Cultivating a Synergic Relationship with Shareholders</b>			
<b>Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.</b>			
<b>Recommendation 13.1</b>			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	<b>COMPLIANT</b>	Basic rights of shareholders are provided for under the Company's Bylaws and the revised Manual on Corporate Governance.	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	<b>COMPLIANT</b>	The Company's Revised Manual on Corporate Governance is publicly accessible in the Company's website.	The Company website is <a href="http://www.steniel.com.ph">www.steniel.com.ph</a> and is currently being reformatted for easier access.
<b>Supplement to Recommendation 13.1</b>			

1. Company's common share has one vote for one share.	<b>COMPLIANT</b>	These are provided for under the Company's Bylaws and Manual on Corporate Governance.	
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>		
3. Board has an effective, secure, and efficient voting system.	<b>COMPLIANT</b>		
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>COMPLIANT</b>	The Company adheres to the general voting requirements prescribed by the Corporation Code.	
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>	This is provided for under 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.	
7. Company has a transparent and specific dividend policy.	<b>COMPLIANT</b>	<p>The By-laws of the Company prescribes the legal requirements for the declaration of dividends, giving the Board the authority to determine the specific amount, time and mode of payment, when and if dividends are declared and approved by the Board.</p> <p>The Company has not declared dividends for the past several years.</p>	

Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.		xxx	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	<b>NON-COMPLIANT</b>		The Company adheres to the minimum required period for sending of notices as prescribed by the Securities Regulation Code – 15 business days prior to ASM.
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:			
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	<b>COMPLIANT</b>	These are all included in the Company's SEC Form 20-IS as well as clearly indicated in the Agenda for the year's ASM.	
b. Auditors seeking appointment/re-appointment	<b>COMPLIANT</b>		
c. Proxy documents	<b>COMPLIANT</b>		
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	<b>COMPLIANT</b>	Rationale for agenda items is only provided for those matters requiring it and which have elicited questions from the Company's stakeholders.	
Recommendation 13.3			

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>NON-COMPLIANT</b>		The Company's website is currently being reformatted for easier access, hence, data may not be currently available.
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>NON-COMPLIANT</b>		The Company's website is currently being reformatted for easier access; hence, data may not be currently available.
<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>	The presence of the external auditors are ensured by the Company to address any questions of the shareholders during the ASM. Their attendance is also properly documented in the Minutes of the Meeting.	
<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>	This is provided for in the Company's Revised Manual on Corporate Governance.	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	<b>COMPLIANT</b>	This is provided for in the Company's Revised Manual on Corporate Governance.	
<b>Recommendation 13.</b>			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	<b>NON-COMPLIANT</b>		Establishment of the Investor Relations Office will be considered in the near future.

2. IRO is present at every shareholder's meeting.	<b>NON-COMPLIANT</b>		There is no Investor Relations Office. Establishment of the Investor Relations Office will be considered in the near future.
<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>COMPLIANT</b>	<p>The Company does not employ anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group.</p> <p>The Company upholds the rights of all shareholders to effectively participate in decisions affecting the Company.</p> <p>The Company allows tender offer of shares and exercise of proxy votes which are recognized strategies in takeovers.</p>	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	<b>NON-COMPLIANT</b>		The Company's public float is below the 30% indicator under this item, but is in compliance with the SEC and PSE requirements for all listed companies.
<b>Optional: Principle 13</b>			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting		xxx	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.		xxx	
<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.

Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	<b>COMPLIANT</b>	This is provided in the Company's Revised Manual on Corporate Governance.	
Recommendation 14.2			
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 at <a href="https://www.steniel.com.ph/data/stn_revised_manual_corp_gov_march_30_2017.pdf">https://www.steniel.com.ph/data/stn_revised_manual_corp_gov_march_30_2017.pdf</a>	
Recommendation 14.3			
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>		The Board has yet to establish this process. Pending the establishment, concerned stakeholders may reach the company through the Office of the Corporate Secretary.
Supplement to Recommendation 14.3			
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>	This is provided in the Company's Revised Manual on Corporate Governance.	
Additional Recommendations to Principle 14			
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	<b>COMPLIANT</b>	The Company did not seek any exemption from the application of a law, rule or regulation.	



well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.			
2. Company respects intellectual property rights.	<b>COMPLIANT</b>		
<b>Optional: Principle 14</b>			
1. Company discloses its policies and practices that address customers' welfare		xxx	
2. Company discloses its policies and practices that address supplier/contractor selection procedures		xxx	
<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 actively participate in the realization of the company's goals and in its governance.	<b>COMPLIANT</b>	This is provided in the Company's Revised Manual on Corporate Governance.	
<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>		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.	

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.	
<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>		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>		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>		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>		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>		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.			
<b>Recommendation 16.1</b>			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	<b>COMPLIANT</b>	The Company is compliant with applicable environmental laws, rules, and regulations but the Board is still considering a community involvement program.	
<b>Optional: Principle 16</b>			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development		xxx	
2. Company exerts effort to interact positively with the communities in which it operates		xxx	