



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended: **December 31, 2017**
2. SEC Identification Number: **25160** 3. BIR Tax Identification No. **000-189-138-000**
4. Exact name of issuer as specified in its charter **MILLENNIUM GLOBAL HOLDINGS, INC.**
5. **METRO MANILA, PHILIPPINES**
Province, Country or other jurisdiction
of incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **2ND FLOOR SENSES SPA BLDG., MIA ROAD CORNER PILDERA ST., TAMBO, PARANAQUE CITY**
1701
Address of principal office Postal Code
- Temporary address: **Blk 1 Lot 1, Dahlia St. corner J.P. Rizal St., Sto. Nino, Paranaque City**
8. **(632) 551-2575**
Issuer's telephone number, including area code
9. **IPVG CORP., 34F RCBC PLAZA TOWER 2, 6819 AYALA AVENUE 1200, MAKATI CITY**
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The Company should be headed by a competent, working board to foster the long-term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	✓	Provide information or link/reference to a document containing information on the following: 1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors	Please refer to the following: * 2017 Annual Report * Revised Manual on Corporate Governance
2. Board has an appropriate mix of competence and expertise.	✓	2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance	Please refer to the following: * 2017 Annual Report * Revised Manual on Corporate Governance
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.	✓		Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance

Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	✓	Identify or provide link/reference to a document identifying the directors and the type of their directorships	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	✓	Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
2. Company has an orientation program for first time directors.	X	Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.	The Company does not have a formal orientation program but new directors are provided with reference reading materials to assist them in understanding better the business and operations of the Company. The Company provides an overview of the Company and other reading materials as follows: (a) Audited Financial Statements; (b) SEC Form 20-IS Information Statement; (c) Annual Report; (d) Revised Manual on Corporate Governance; (e) Amended Articles of Incorporation; (f) Amended By-Laws; (g) various current disclosures of the Company.
3. Company has relevant annual continuing training for all directors.	✓		An annual seminar on corporate governance is provided to the directors and officers of the Company. In 2017, the seminar was provided by the Center for Global Best Practices. Please refer to MG's 2017 Annual Report. Attendance is also reported via SEC Form 17-C.
Recommendation 1.4			
1. Board has a policy on board diversity.	✓	Provide information on or link/reference to a document	Yes. As much as possible, the Company encourages diversity of experience and background among the

		containing information on the company's board diversity policy. Indicate gender composition of the board.	directors in the Board, albeit with a unifying force that makes every member work towards the common good of the Company. The Company's Board is composed of six (6) female and five (5) male Directors.
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	✓	Provide information 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.	The Company encourages diversity of experience and background among the directors in the Board, albeit with a unifying force that makes every member work towards the common good of the Company. Please refer to the Revised Manual on Corporate Governance.
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	✓	Provide information or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance * Amended By-Laws
2. Corporate Secretary is a separate individual from the Compliance Officer.	✓		Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance * Amended By-Laws
3. Corporate Secretary is not a member of the Board of Directors.	✓		Please refer to the following: * 2017 Annual Report * SEC Form 20-IS

			<ul style="list-style-type: none"> * Revised Manual on Corporate Governance * Amended By-Laws
4. Corporate Secretary attends training/s on corporate governance.	✓	Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered	<p>Please refer to the Company's disclosure on the Attendance of the Board of Directors and Officers in the 2017 in-house corporate governance seminar provided by the Center for Global Best Practices.</p> <p>http://edge.pse.com.ph/openDiscViewer.do?edge_no=25e6834937475eb83318251c9257320d#sthash.iV1CBDIa.dpbs</p>
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	X	Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting	<p>While the 5-business days rule is ideal, sometimes this is not observed due to non-availability yet of materials. Also, prudence is observed to avoid leak of material information prior to it becoming public.</p> <p>Nonetheless, it is ensured that notice of the meeting, agenda and relevant reference materials are made available to the members of the Board of Directors within a reasonable period prior to the date of the meeting.</p>
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	✓	Provide information on or link/reference to a document containing information on the Compliance Officer, including his, her name, position, qualifications, duties and functions.	<p>Please refer to the following:</p> <ul style="list-style-type: none"> * 2017 Annual Report * SEC Form 20-IS * SEC Form 17-Q * SEC Form 17-C on Results of the Annual Stockholders' Meeting * Revised Manual on Corporate Governance
2. Compliance Officer has a rank of Senior Vice President or an	✓		<p>Please refer to the following:</p> <ul style="list-style-type: none"> * 2017 Annual Report * SEC Form 20-IS

equivalent position with adequate stature and authority in the corporation.			<ul style="list-style-type: none"> * SEC Form 17-Q * SEC Form 17-C on Results of the Annual Stockholders' Meeting * Revised Manual on Corporate Governance
3. Compliance Officer is not a member of the board.	✓		<p>Please refer to the following:</p> <ul style="list-style-type: none"> * 2017 Annual Report * SEC Form 20-IS * SEC Form 17-Q * SEC Form 17-C on Results of the Annual Stockholders' Meeting * Revised Manual on Corporate Governance
4. Compliance Officer attends training/s on corporate governance.	✓	Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.	<p>Please refer to the Company's disclosure on the Attendance of the Board of Directors and Officers in the 2017 in-house corporate governance seminar provided by the Center for Global Best Practices.</p> <p>http://edge.pse.com.ph/openDiscViewer.do?edge_no=25e6834937475eb83318251c9257320d#sthash.iV1CBDIa.dpbs</p>

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

Recommendation 2.1

1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	✓	Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes or meeting)	<p>The Company's Board of Directors has the responsibility to foster the long-term success of the Company and sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders.</p> <p>Please refer to the following:</p> <ul style="list-style-type: none"> * 2017 Annual Report * SEC Form 20-IS
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			* Revised Manual on Corporate Governance
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	✓	Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)	The Board reviews and approves the Company's business objectives and strategies as often as required. Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	✓	Indicate frequency of review of business objectives and strategy.	The Board monitors the implementation of the company's business objectives and strategy as often as required. Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	✓	Indicate or provide link/reference to a document containing the company's vision, mission and core values. Indicate frequency of review of the vision, mission and core values.	Please refer to: * Revised Manual on Corporate Governance * Company website: http://www.millennium-globalholdingsinc.com The Board reviews vision, mission and core values as often as required.
2. Board has a strategy execution process that facilitates effective management	✓	Provide information on or link/reference to a document containing information on the strategy execution process.	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS

performance and is attuned to the company's business environment, and culture.			* Revised Manual on Corporate Governance
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	✓	Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications.	Yes. Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * SEC Form 17-Q
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	✓	Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation.	The President and CEO and officers occupying the top key management positions are elected/ reelected on a yearly basis during the organizational meeting. The Board sees to it that the qualifications of persons elected are in accordance with what are required of their positions.
2. Board adopts a policy on the retirement for directors and key officers.	✓		Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * SEC Form 17-Q
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	✓	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance Since the date of their elections, except for per diems as may be applicable, the directors have served without compensation. The directors did not also receive any amount or form of compensation for committee

			<p>participation or special assignments. Under Section 7, Article III of the By-Laws of the Company, the compensation of directors, which shall not be more than 10% of the net income before income tax of the Company during the preceding year, shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting. As of this date, no standard or other arrangements have been in respect of director's compensation.</p> <p>None of the officers receive direct or indirect compensation from the Company. Some officers receive compensation from the subsidiary.</p>
2. Board adopts a policy specifying the relationship between remuneration and performance.	✓		<p>Please refer to the following:</p> <ul style="list-style-type: none"> * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	✓		<p>Please refer to the following:</p> <ul style="list-style-type: none"> * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	✓	Provide proof of board approval	<p>Please refer to the following:</p> <ul style="list-style-type: none"> * 2017 Annual Report * SEC Form 20-IS
2. Company has measureable standards	✓	Provide information on or link/reference to a document	<p>Please refer to the following:</p> <ul style="list-style-type: none"> * 2017 Annual Report

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.		containing measurable standards to align performance-based remuneration with the long-term interest of the company.	* SEC Form 20-IS * Revised Manual on Corporate Governance
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	✓	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	✓		Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	✓	Provide proof of minority shareholders have a right to nominate candidates to the board.	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
4. Board nomination and election policy includes how the board shortlists candidates.	✓	Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
5. Board nomination and election policy includes an assessment of the effectiveness of the	✓		Please refer to the following: * 2017 Annual Report * SEC Form 20-IS

Board's processes in the nomination, election or replacement of a director.			* Revised Manual on Corporate Governance
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	✓		Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
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.	X	Identify the professional search firm used or other external sources of candidates.	The Company generates its own pool of candidates using established standards.
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.	✓	Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs. Identify transactions that were approved pursuant to the policy.	It is the policy of the Company that overlapping interests shall be disclosed to the Board and any material transaction involving such interests shall be similarly disclosed. Related party transactions shall be disclosed fully to the Board. Prior Board approval shall be obtained for related party transactions. Related party transactions shall be conducted in terms that are at least comparable to normal commercial practices to safeguard the best interest of the

			<p>Corporation, its stockholders, creditors and other stakeholders.</p> <p>Ex. Subscription to the Company's shares by Chairman/President and CEO</p>
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	✓		<p>Please refer to the following:</p> <ul style="list-style-type: none"> * 2017 Annual Report * SEC Form 20-IS * Previous ACGRs * Revised Manual on Corporate Governance
3. RPT policy encompasses all entries within the group, taking into account their size, structure, risk profile and complexity of operations.	✓		<p>Please refer to the following:</p> <ul style="list-style-type: none"> * 2017 Annual Report * SEC Form 20-IS * Previous ACGRs * Revised Manual on Corporate Governance
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.	✓	<p>Provide information on a materiality threshold for RPT disclosure and approval, if any.</p> <p>Provide information on RPT categories.</p>	<p>Please refer to the following:</p> <ul style="list-style-type: none"> * 2017 Annual Report * SEC Form 20-IS * Previous ACGRs * Revised Manual on Corporate Governance

<p>The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p>			
<p>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>Provide information on voting system, if any.</p>	<p>Please refer to the following:</p> <ul style="list-style-type: none"> * 2017 Annual Report * SEC Form 20-IS * Previous ACGRs * Revised Manual on Corporate Governance
Recommendation 2.8			
<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	✓	<p>Provide information on or before to a document containing the Board's policy and responsibility for approving the selection of management.</p> <p>Identify the Management team appointed.</p>	<p>Please refer to the following:</p> <ul style="list-style-type: none"> * 2017 Annual Report * SEC Form 20-IS * Disclosure on Results of Annual Stockholders' Meeting/Organizational Meeting
<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive</p>	✓	<p>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of</p>	<p>Please refer to the following:</p> <ul style="list-style-type: none"> * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance

Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).		management. Provide information on the assessment process and indicate frequency of assessment of performance.	
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.	✓	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
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.	✓		Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	✓	Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system.	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
2. The internal control system includes a mechanism for	✓		Please refer to the following: * 2017 Annual Report

monitoring and managing potential conflict of interest of the Management, members and shareholders.			<ul style="list-style-type: none"> * SEC Form 20-IS * Revised Manual on Corporate Governance
3. Board approves the Internal Audit Charter.	✓	Provide reference or link to the company's Internal Audit Charter.	Please refer to the following: <ul style="list-style-type: none"> * Revised Manual on Corporate Governance * Company website: http://www.millennium-globalholdingsinc.com
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	✓	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.	Please refer to the following: <ul style="list-style-type: none"> * Previous ACGRs * Revised Manual on Corporate Governance
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.	✓	Provide proof of effectiveness of risk management strategies, if any.	Please refer to the following: <ul style="list-style-type: none"> * Previous ACGRs * Revised Manual on Corporate Governance
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its	✓	Provide link to the company's website where the Board Charter is	<ul style="list-style-type: none"> * Revised Manual on Corporate Governance * Company website:

roles, responsibilities and accountabilities in carrying out its fiduciary role.		disclosed.	http://www.millennium-globalholdingsinc.com
2. Board Charter serves as a guide to the directors in the performance of their functions.	✓		* Revised Manual on Corporate Governance * Company website: http://www.millennium-globalholdingsinc.com
3. Board Charter is publicly available and posted on the company's website.	✓		* Revised Manual on Corporate Governance * Company website: http://www.millennium-globalholdingsinc.com
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	✓	Provide information on or link/reference to a document showing company's insider trading policy.	It is the Company's policy that Directors, senior management and employees, shall avoid any activity and interest that could significantly affect the objective or effective performance of duties and responsibilities in the Company, including business interests or unauthorized employment outside the Company, the receipt from and giving gifts of unusually high value to persons or entities with whom the Company relates, as well as insider dealing. They shall base all business decisions and actions on the best interests of the Company. Whenever opportunities arise, constantly advance the Company's legitimate interest. Please refer to the following: * Previous ACGRs * Revised Manual on Corporate Governance
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.	It is the Company's policy that Directors, officers and employees shall uphold right conduct and shall personally adhere to the norms and restrictions imposed by applicable laws, rules and regulations. They shall not accept demands brought on by prevailing business conditions or perceived pressures as excuses to violate any law, rule or regulation. All actions shall be conducted at arm's length basis.
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.	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance

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.	✓	Provide information or link/reference to a document containing information on all the board committees established by the company.	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
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Recommendation 3.2

1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial	✓	Provide information or link/reference to a document containing information on the Audit Committee, including its functions.	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
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reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.		Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.	Yes.
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	✓	Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance * Disclosure of Results of Annual Stockholders' Meeting/Organizational Meeting
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	✓	Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.	Yes. Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	X	Provide information or link/reference to a document containing information on the Chairman of the Audit Committee.	The Chairman of the Audit Committee is not the Chairman of the Board. But there is no prohibition that he must not be the Chairman of any other Committee. Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance * Disclosure of Results of Annual Stockholders' Meeting/Organizational Meeting

Supplement to Recommendation 3.2

1. Audit Committee approves all non-audit services conducted by the external auditor.	✓	Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	✓	Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.	Please refer to the following: * Previous ACGRs * 2017 Annual Report * SEC Form 20-IS
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	✓	Indicate the number of Audit Committee meetings during the year and provide proof.	4 meetings The number of meetings depends on the issues to be resolved/taken up. Please refer to the following: * Previous ACGRs * 2017 Annual Report * SEC Form 20-IS
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.	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance	✓	Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions.	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance * Disclosure of Results of Annual Stockholders' Meeting/

responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.		Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.	Organizational Meeting
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	X	Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.	The Committee is composed of at least 3 members but only the Chairman is required to be an independent director pursuant to the Company's Revised Manual on Corporate Governance. Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance * Disclosure of Results of Annual Stockholders' Meeting/ Organizational Meeting
3. Chairman of the Corporate Governance Committee is an independent director.	✓	Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance * Disclosure of Results of Annual Stockholders' Meeting/ Organizational Meeting
Optional: Recommendation 3.3			
1. Corporate Governance Committee meets at least twice during the year.	✓	Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.	2 meetings The number of meetings depends on the issues/concerns to be resolved/taken up. Please refer to the following: * Previous ACGRs

			<ul style="list-style-type: none"> * 2017 Annual Report * SEC Form 20-IS
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.	✓	Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions.	<p>Please refer to the following:</p> <ul style="list-style-type: none"> * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	✓	Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship.	<p>Please refer to the following:</p> <ul style="list-style-type: none"> * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
3. The Chairman of the BROC is not Chairman of the Board or of any other committee.	X	Provide information or link/reference to a document containing information on the Chairman of the BROC.	<p>There is no prohibition that the Chairman of the BROC must not be the Chairman of the Board or of any other committee.</p> <p>Please refer to the following:</p> <ul style="list-style-type: none"> * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	✓	Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.	<p>Please refer to the following:</p> <ul style="list-style-type: none"> * 2017 Annual Report * SEC Form 20-IS

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.	X	Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.	There is no separate RPT Committee. This function is absorbed by the Corporate Governance and Risk Management and Oversight Committee.
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	X	Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.	There is no separate RPT Committee. This function is absorbed by the Corporate Governance and Risk Management and Oversight Committee.
Recommendation 3.6			
1. All established committees have a Committee Charter straight in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	✓	Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.	Please refer to the committee charters
2. Committee Charters provide standards for evaluating the performance of the Committees.	✓		Please refer to the committee charters

3. Committee Charters were fully disclosed on the company's website.	✓	Provide link to company's website where the Committee Charters are disclosed.	Please refer to the following: * Company website: http://www.millennium-globalholdingsinc.com
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.	✓	Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings. Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.	Please refer to the following: * Amended By-Laws * 2017 Annual Report * SEC Form 20-IS Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Previous ACGRs
2. The directors review meeting materials for all Board and Committee meetings.	✓		Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	✓	Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors.	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Previous ACGRS
Recommendation 4.2			

<p>1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.</p>	<p>✓</p>	<p>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</p> <p>Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies.</p>	<p>Directors are encouraged to limit the number of publicly-listed companies they can concurrently serve as directors.</p> <p>Please refer to the following:</p> <ul style="list-style-type: none"> * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
<p>Recommendation 4.3</p>			
<p>1. The directors notify the company's board before accepting a directorship in another company.</p>	<p>X</p>	<p>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</p>	<p>This practice is encouraged but no written notification has yet been received.</p>
<p>Optional: Principle 4</p>			
<p>1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.</p>	<p>✓</p>		<p>Please refer to the following:</p> <ul style="list-style-type: none"> * 2017 Annual Report; * SEC Form 20-IS; and
<p>2. Company schedules board of directors' meetings before the start of the financial year.</p>	<p>✓</p>		<p>Apart from the scheduled meetings, special meetings may also be made as may be necessary.</p> <p>Please refer to the following:</p> <ul style="list-style-type: none"> * 2017 Annual Report * SEC Form 20-IS

3. Board of Directors meet at least six times during the year.	✓	Indicate the number of board meetings during the year and provide proof.	9 meetings. Please refer to the following: * 2017 Annual Report * SEC Form 20-IS
4. Company requires as minimum quorum of at least 2/3 for board decisions.	X	Indicate the required minimum quorum for board decisions.	The Company requires the simple majority as minimum quorum for board decisions. But in case of RPT/conflict of interest, the board member abstains and does not participate.
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs.			
Recommendation 5.1			
1. The Board has at least 3 independent directors or such numbers as to constitute one-third of the board, whichever is higher.	X	Provide information or link/reference to a document containing information on the number of independent directors in the board.	The Company has two independent directors in its Board out of eleven pursuant to its Revised Manual on Corporate Governance.
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	✓	Provide information or link/reference to a document containing information on the qualifications of the independent directors.	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
Supplement to Recommendation 5.2			
1. Company has no shareholders agreements, by-laws provisions, or other arrangements that constrain the directors'	✓	Provide information or link/reference to a document containing information that directors are not constrained to vote independently.	Please refer to the following: * Amended By-Laws * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance

ability to vote independently.			
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012)	✓	Provide information or link/reference to a document showing the years IDs have served as such.	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Previous ACGRs
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	✓	Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director.	Please refer to MG's Revised Manual on Corporate Governance.
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.	X	Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.	This is not applicable. No independent director has served as such for more than 9 years. Please refer to MG's Revised Manual on Corporate Governance.
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	X	Identify the company's Chairman of the Board and Chief Executive Officer.	The positions are being held by one person, Yang Chi Jen (a.k.a. Michael Yang). Given his expertise in the industry and dedication to the Company, it is deemed that Mr. Yang is currently still best suited to occupy both positions.

2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	✓	Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer. Identify the relationship of Chairman and CEO.	The duties and functions of the Chairman and CEO are provided for under the company's By-laws and the Revised Manual on Corporate Governance.
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	X	Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any. Indicate if Chairman is independent.	The Board regards its independent directors equally. The Chairman is not an independent Director.
Recommendation 5.6			
1. Directors with material interests in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	✓	Provide proof of abstention, if this was the case.	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Disclosures on the relevant transaction/s
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	X	Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings.	This is not observed since the meetings conducted with the members of the Audit Committee are deemed sufficient.

risk functions, without any executive present.			
2. The meetings are chaired by the lead independent director.	X		This is not observed since the meetings conducted with the members of the Audit Committee are deemed sufficient.
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	X	Provide name/s of company CEO for the past 2 years.	Mr. Yang Chi Jen is MG's President and CEO during 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.	✓	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees.	During or right after the annual seminar on corporate governance, the Board reflects on and assesses its general performance.
2. The Chairman conducts a self-assessment of his performance.	✓		During or right after the annual seminar on corporate governance, the Board reflects on and assesses its general performance.
3. The individual members conduct a self-assessment of their performance.	✓		During or right after the annual seminar on corporate governance, the Board reflects on and assesses its general performance.
4. Each committee conducts a self-assessment of its performance.	✓		During or right after the annual seminar on corporate governance, the Board reflects on and assesses its general performance.
5. Every three years, the	X	Identify the external facilitator and	The Company has yet to conduct an in-depth

assessments are supported by an external facilitator.		provide proof of use of an external facilitator.	assessment every three years guided by an external facilitator for this sole purpose. Currently, it incorporates an annual assessment during or right after the corporate governance seminar.
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	✓	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.	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
2. The system allows for a feedback mechanism from the shareholders.	✓		
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
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.	X	Provide information on or link/reference to the company's Code of Business Conduct and Ethics.	While the Company does not have a formal Code of Business Conduct and Ethics yet, the Company makes it the responsibility of each employee to report legitimate concerns so that problems can be properly resolved and corrective measures instituted. An officer or employee, who becomes aware of any violation of this code, should immediately notify his Department/Division Head. The Department/Division Head shall in turn immediately inform the President and CEO. The President and CEO shall conduct or manage the necessary actions or investigation of any reported violations of this Code. In case Senior Management or any Board Member is involved, the same should be referred to the Audit

			<p>Committee.</p> <p>Generally, the Finance and Administration and/or the President and CEO (in the absence of HRD) shall be responsible for the company-wide implementation and monitoring of above-compliance.</p>
2. The Code is properly disseminated to the Board, senior management and employees.	X	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.	The Company is still in the process of formalizing its Code of Business Conduct and Ethics.
3. The Code is disclosed and made available to the public through the company website.	X	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/disclosed.	The Company is still in the process of formalizing its Code of Business Conduct and Ethics.
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	✓	Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery.	Any officer or employee who commits a violation shall be subject to disciplinary action (including termination), without prejudice to any civil or criminal proceedings that the company or regulators may file for violation of existing law, there shall be no exception from or waivers of any provision, except as expressly approved by the Board of Directors.
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	✓	<p>Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.</p> <p>Indicate who are required to comply with the Code of Business Conduct and Ethics and any</p>	While the Company does not have a formal Code of Business Conduct and Ethics yet, the Company makes it the responsibility of each employee to report legitimate concerns so that problems can be properly resolved and corrective measures instituted. An officer or employee, who becomes aware of any violation of this code, should immediately notify his Department/Division Head. The Department/Division Head shall in turn immediately inform the President and CEO. The President and CEO

		findings on non-compliance.	shall conduct or manage the necessary actions or investigation of any reported violations of this Code. In case Senior Management or any Board Member is involved, the same should be referred to the Audit Committee. Generally, the Finance and Administration and/or the President and CEO (in the absence of HRD) shall be responsible for the company-wide implementation and monitoring of above-compliance.
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	✓		

Disclosure and Transparency

Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

Recommendation 8.1

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	✓	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders.	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
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operations.			
Supplement to Recommendation 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.	X	Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.	Consolidated financial statements are made available within 105 days from the end of the calendar year, subject to extension as may be allowed, pursuant to the requirements of the Securities Regulation Code
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.	✓	Provide link or reference to the company's annual report where the following are disclosed: <ul style="list-style-type: none"> 1. Principal risks to minority shareholders associated with the identity of the company's controlling shareholders; 2. Cross-holdings among company affiliates; and 3. Any imbalances between the controlling shareholders' voting power and overall equity position in the company. 	Please refer to pages 23-26 of the 2017 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.	✓	Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share. Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.	All directors and officers are advised to comply with the requirement to immediately disclose any transaction involving the Company's shares, in compliance with the requirements of the PSE and the SEC. Please refer to the SEC 23-B reports as disclosed to the PSE and the SEC.
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.	✓		All directors and officers are advised to comply with the requirement to immediately disclose any transaction involving the Company's shares, in compliance with the requirements of the PSE and the SEC. Please refer to the SEC 23-B reports as disclosed to the PSE and the SEC.
Supplement to recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	✓	Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders. Provide link or reference to the company's Conglomerate Map.	In addition to directors and officers, substantial stockholders are also advised to immediately disclose any transaction involving the Company's shares. Please refer to the 2017 Annual Report (Audited Consolidated Annual Financial Statements) for the Company's conglomerate map.
Recommendation 8.3			
1. Board fully discloses all relevant and material	✓	Provide link or reference to the directors' academic qualifications,	Please refer to the following:

information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.		share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	* 2017 Annual Report * SEC Form 20-IS * SEC Form 17-Q
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.	✓	Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * SEC Form 17-Q
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.	✓	Disclose or provide link/reference to the company policy and practice for setting board remuneration	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	✓	Disclose or provide link/reference to the company policy and practice for determining executive remuneration.	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
3. Company discloses the	✓	Provide breakdown of director	Please refer to the following:

remuneration on an individual basis, including termination and retirement provisions.		remuneration and executive compensation, particularly the remuneration of the CEO.	* 2017 Annual Report * SEC Form 20-IS
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	✓	Disclose or provide reference/link to company's RPTs policies Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.	It is the policy of the Company that overlapping interests shall be disclosed to the Board and any material transaction involving such interests shall be similarly disclosed. Related party transactions shall be disclosed fully to the Board. Prior Board approval shall be obtained for related party transactions. Related party transactions shall be conducted in terms that are at least comparable to normal commercial practices to safeguard the best interest of the Corporation, its stockholders, creditors and other stakeholders. Director/s with conflict of interest shall abstain from the board discussion on the particular transaction. Please refer pages 4 and 14 of the Revised Manual on Corporate Governance.
2. Company discloses material or significant RPTs reviewed and approved during the year.	✓	Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs: 1. Name of the related counterparty; 2. Relationship with the party; 3. Transaction date; 4. Type/nature of transaction; 5. Amount o contract price;	Please refer to the following: * 2017 Annual Report (and Consolidated AFS) * SEC Form 20-IS

		6. Terms of the transaction; 7. Rationale for entering into the transaction; 8. The required approval (i.e.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. Other items and conditions	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	✓	Indicate where and when directors disclose their interests in transactions or any other conflict of interests.	The policies and procedures for related party transactions are observed to avoid and/or address actual or probable conflicts of interest. Please refer to the following: * 2017 Annual Report * SEC Form 20-IS
Optional: Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arm's length.	✓	Provide link or reference where this is disclosed, if any	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS * Revised Manual on Corporate Governance
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on	✓	Provide link or reference where this is disclosed.	Please refer to the following: * SEC Form 17-C as disclosed to the PSE and SEC * Company website: http://www.millennium-globalholdingsinc.com

the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.			
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	X	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.	While hiring an independent party is encouraged, the Company sees to it that the transactions are always executed above board and at arms length.
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.	✓	Provide link or reference where these are disclosed.	Please refer to SEC Form 17-C reports and related comprehensive corporate disclosures submitted to PSE and SEC
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual	✓	Provide link to the company's website where the Manual on Corporate Governance is posted.	Please refer to the Company's Revised Manual on Corporate Governance

on Corporate Governance (MCG).			
2. Company's MCG is submitted to the SEC and PSE.	✓		Please refer to submissions to PSE and SEC under Company name.
3. Company's MCG is posted on its company website.	✓		Please refer to the: Company website: http://www.millennium-globalholdingsinc.com
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	✓	Provide proof of submission.	Yes. Please check Disclosure in the PSE Edge Portal and SEC under MG's Company Disclosures; and Please refer to the: Company website: http://www.millennium-globalholdingsinc.com
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:		Provide link or reference to the company's Annual Report containing the said information.	Yes. Please refer to the following: * 2017 Annual Report; and * Company website: http://www.millennium-globalholdingsinc.com
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.	✓	Provide link or reference where this is contained in the Annual Report	Please refer to page 26 of the 2017 Annual Report
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	✓	Provide link or reference to where this is contained in the Annual Report	Please refer to the Statement of Management Responsibility and pages 14-15 of the 2017 Annual Report.

compliance controls) and risk management systems.			
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	Please refer to the Statement of Management Responsibility and pages 14-15 of the 2017 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, and economic).	✓	Provide link or reference to where these are contained in the Annual Report	Please refer to page 14 of the 2017 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.	✓	Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.	Please refer to the following: * 2017 Annual Report * SEC Form 20-IS

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.	✓	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the company's external auditor.	62.54% during the 2017 Annual Stockholders' Meeting Please refer to the following: * 2017 Annual Report * SEC Form 20-IS
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.	X	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.	This is not applicable because the Company did not remove or change its external auditor in 2017.
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	✓	Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.	Please refer to page 13 of the 2017 SEC Form 20-IS. This policy is also supported by the Audit Committee Charter.
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: i. Assessing the integrity and independence of external auditors; ii. Exercising effective	✓	Provide link/reference to the company's Audit Committee Charter	Please refer to pages 6-7 of the Audit Committee Charter.

<p>oversight to review and monitor the external auditor's independence and objectivity; and</p> <p>iii. Exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</p>			
<p>2. Audit Committee Charter containing the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	<p>✓</p>	<p>Provide link/reference to the company's Audit Committee Charter</p>	<p>Please refer to pages 6-7 of the Audit Committee Charter.</p>
<p>Supplement to Recommendation 9.2</p>			
<p>1. Audit Committee ensures that the external auditor is</p>	<p>✓</p>	<p>Provide link/reference to the company's Audit Committee</p>	<p>Please refer to pages 6-7 of the Audit Committee Charter.</p>

creditable, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.		Charter	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	✓	Provide link/reference to the company's audit Committee Charter	Please refer to pages 6-7 of the Audit Committee Charter.
Recommendation 9.3			
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.	✓	Disclose the nature of non-audit services performed by the external auditor, if any.	Please refer to the following: * Pages 17-18 of 2017 Annual Report * Pages 13-14 of SEC Form 20-IS
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.	✓	Provide link or reference to guidelines or policies on non-audit services.	Please refer to page 14 of the SEC Form 20-IS
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid	✓	Provide information on audit and non-audit fees paid.	No non-audit fees were paid in 2017.

for audit services.			
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	✓	<p>Provide information on company's external auditor, such as:</p> <ol style="list-style-type: none"> 1. Name of the audit engagement partner; 2. Accreditation number; 3. Date Accredited; 4. Expiry date of accreditation; and 5. Name, address, contact number of the audit firm. 	<p>Alfonso L. Cay-an CPA Registration No. 99805 Issued on December 28, 2017 Valid until December 14, 2020 TIN No. 213-410-741-000 PTR No. 6617716, Issued Date: January 5, 2018, Makati City BOA/PRC Reg. No. 0314 Issued on November 2, 2015, Valid until December 31, 2018 SEC Accreditation No. A-782-A Issued on September 7, 2017, Valid until April 30, 2018 BIR Accreditation No. 08-002126-005-2017 Issued on December 13, 2017, Valid until December 13, 2020</p> <p>Audit firm: Valdes Abad and Company, CPAs CJV Building 108 Aguirre St., Legaspi Village, Makati City Contact Nos.:(632) 892-5931 to 35/(632) 519-2105</p>
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	X	<p>Provide information on the following:</p> <ol style="list-style-type: none"> 1. Date it was subjected to SOAR inspection, if subjected; 2. Name of the Audit firm; and 3. Members of the engagement team inspected by the SEC. 	<p>The Company has not been subjected to SOAR inspection program in 2017.</p>
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.	✓	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.	Please refer to the Revised Manual on Corporate Governance
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	X	Provide link to Sustainability Report, if any. Disclose the standards used.	The Company does not have a separate Sustainability Report but is guided by its 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 relevant information to its shareholders and other investors.	✓	Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings/ press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.	Please refer to the following: * PSE Edge Portal under MG's Company Disclosures; and * Company website: http://www.millennium-globalholdingsinc.com
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Supplemental to Principle 11

1. Company has a website disclosing up-to-date information on the following:		Provide link to company website	
a. Financial statements/reports (latest quarterly)	✓		Please refer to the: * Company website: http://www.millennium-globalholdingsinc.com
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.	✓		Please refer to the: * Company website: http://www.millennium-globalholdingsinc.com
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	✓	List quality service programs for the internal audit functions. Indicate frequency of review of the	Please refer to the Audit Committee Charter. The review of the internal control system is conducted as often as may be necessary.

conduct of its business.		internal control system	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	✓	<p>Identify international framework used for Enterprise Risk Management</p> <p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks <p>Indicate frequency of review of the enterprise risk management framework.</p>	<p>Please refer to the following:</p> <ul style="list-style-type: none"> * 2017 Annual Report * SEC Form 20-IS <p>The risk management system is updated and assessed, as may be necessary, to determine whether the risks identified, assessed, quantified and aggregated remain current and are among the key risks priorities. Measures and/or controls identified to address these key risk priorities are evaluated if still effective in mitigating subject risks. Risk monitoring and reporting activities are reviewed to ensure its effectiveness such that these risks priorities and control activities are optimized and utilized to help Management meet its goals and objectives.</p>
Supplement to Recommendation s 12. 1			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the	✓	<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>Please refer to the following:</p> <ul style="list-style-type: none"> *Revised Manual on Corporate Governance *CG Committee Charter

said issuances.			
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.	✓	Provide information on IT governance process.	
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.	✓	Disclose if the internal audit in-house or outsourced. If outsourced, identify external firm.	In-house
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	X	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	The Company has not formally designated a qualified CAE.
2. CAE oversees and is responsible for the internal audit activity of the organization,	X		The Company has not formally designated a qualified CAE.

including that portion that is outsourced to a third party service provider.			
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.	X	Identify qualified independent executive or senior management personnel, if applicable.	The Company does not have a fully outsourced internal audit activity.
Recommendation 12. 4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	✓	Provide information on company's risk management function.	Please refer to the following: * Revised Manual on Corporate Governance * Risk Management and Oversight Committee Charter
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	X	Identify source of external technical support, if any.	The Company is open to engaging external technical support should the need arise.
Recommendation 12. 5			
1. In managing the company's Risk Management System, the company has a	X	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her	The Company has not appointed a CRO. This task is taken on by the Risk Management and Oversight Committee.

Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).		responsibilities and qualifications/background.	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	X		The Company has not appointed a CRO. This task is supervised by the Risk Management and Oversight Committee.
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.	X	Provide link to CEO and CAE's attestation	The written attestation is not formally practised but the Company ensures that an effective internal audit system is in place.
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.	✓	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.	Please refer to pages 19-21 of the Company's Revised Manual on Corporate Governance
2. Board ensures that basic shareholder rights are disclosed on the company's website.	✓	Provide link to company's website	Please refer to the following: * Pages 19-21 of the Company's Revised Manual on Corporate Governance * Company website:

Supplement to Recommendation 13.1

<p>1. Company's common share has one vote for one share.</p>	<p>✓</p>		<p>Please refer to the following: * 2017 Annual Report * SEC Form 20-IS</p>
<p>2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.</p>	<p>✓</p>	<p>Provide information on all classes of shares, including their voting rights if any.</p>	<p>Please refer to the following: * 2017 Annual Report * SEC Form 20-IS</p>
<p>3. Board has an effective, secure, and efficient voting system.</p>	<p>✓</p>	<p>Provide link to voting procedure. Indicate if voting is by poll or show of hands.</p>	<p>Please refer to pages 34-36 of the 2017 SEC Form 20-IS. Voting is by show of hands.</p>
<p>4. Board has an effective shareholder voting mechanisms such as supermajority "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.</p>	<p>✓</p>	<p>Provide information on shareholder voting mechanisms such as supermajority or "majority of minority" , if any.</p>	<p>Please refer to pages 34-36 of the 2017 SEC Form 20-IS.</p>
<p>5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the</p>	<p>✓</p>	<p>Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)</p>	<p>Please refer to Section 2 of Article II of the Corporation's By-laws</p>

AGM or special meeting.			
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	✓	Provide information or link/reference to the policies on treatment of minority shareholders.	Please refer to pages 19-20 of the Revised Manual on Corporate Governance
7. Company has transparent and specific dividend policy.	✓	Provide information on or link/reference to the company's dividend policy. Indicate if company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company has offered scrip-dividends, indicate if the company paid the dividends within 60 days from declaration.	Please refer to pages 16-17 of the 2017 Annual Report. The Company did not declare dividends in 2017.
Optional: Recommendation 13.1			
1. Company appoints an independent party to account and/or validate the votes at the annual Shareholders' Meeting.	✓	Identify the independent party that counted/validated the votes at the ASM, if any.	The Company's stock transfer agent, STSI, accounts and validates the votes at the ASM. They are assisted by the external auditor and the Corporate Secretary.
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and	✓	Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out.	The Company filed/disclosed the Preliminary SEC Form 20-IS on November 7, 2017, 42 days before the ASM. For the Definitive SEC Form 20-IS, the Company observes the prescribed period of 15 business days under the SRC. The Definitive SEC Form 20-IS were sent out on November

relevant information at least 28 days before the meeting.		Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting. Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)	27, 2017, 22 days prior to the ASM on December 19, 2017. No shareholders' approval of remuneration or any changes therein were included in the agenda. Please see page 1 of the 2017 SEC Form 20-IS for the Agenda.
Supplement to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:		Provide link or reference to the company's notice of Annual Shareholders' Meeting	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	✓		Please refer to the following: * Pages 6-10 of the SEC Form 20-IS * Page 13 of the SEC Form 20-IS * Page 38 of the SEC Form 20-IS
b. Auditors seeking appointment/re-appointment	✓		
c. Proxy documents	✓		
Optional: Recommendation 13.2			
1. Company provides rationale for the annual stockholders meeting	✓	Provide link or reference to the rationale for the agenda items	Please refer to page 15 of SEC Form 20-IS
Recommendation 13.3			
1. Board encourages	✓	Provide information or reference to	Please refer to the Results of the ASM disclosed as

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.		a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.	follows: * PSE Edge Portal under MG's Company Disclosures * SEC 17-C * Company website: http://www.millennium-globalholdingsinc.com
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.	✓	Provide link to minutes of meeting in the company website. Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes. Indicate also if the voting on resolutions was by poll. Include whether there was opportunity to ask question and the answers given, if any.	Please refer to the following: * Company website: http://www.millennium-globalholdingsinc.com *Pages 8-9 of the 2017 Annual Report Voting was taken by viva voce Opportunity to ask questions was given
Supplemental to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	✓	Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting.	Representatives from VAC were present during the ASM
Recommendation 13.4			
1. Board makes available,	✓	Provide details of the alternative	The Company promotes the policy that the Board of

at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.		dispute resolution made available to resolve intra-corporate disputes.	Directors shall establish and maintain an alternative dispute resolution system that can amicably settle conflicts or differences between the Company and its stockholders and the Company and third parties, including the regulatory authorities.
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	✓	Provide link/reference to where it is found in the Manual on Corporate Governance.	Please refer to page 4 of the Revised Manual on Corporate Governance.
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	✓	Disclose the contact details of the officer/office responsible for investor relations, such as: 1. Name of the person 2. Telephone number 3. Fax number 4. E-mail address	The Office of the Corporate Secretary is the designated IRO. Atty. Lyra Gracia Y. Lipae-Fabella lyl.fabellalaw@gmail.com Company Tel. No. :(632) 5512575
2. IRO is present at every shareholder's meeting.	✓	Indicate if IRO was present during the ASM.	Yes.
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group.	✓	Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.	Please refer to page 20 of the Revised Manual on Corporate Governance.
2. Company has at least thirty percent (30%)	✓	Indicate the company's public float.	45.22% as of December 31, 2017

public float to increase liquidity in the market.			
Optional: Principle 13			
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.	Please refer to pages 19-21 of the Revised Manual on Corporate Governance.
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	X	Disclose the process and procedure for secure electronic voting in absentia, if any.	This is not yet practised by the Company.
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective 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.	✓	Identify the company's stakeholders and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.	Please refer to the following: * MG's Revised Manual on Corporate Governance * Amended By-Laws
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a	✓	Identify policies and programs for the protection and fair treatment of company's stakeholders	Please refer to the following: * MG's Revised Manual on Corporate Governance; and * Amended By-Laws

mechanism on the fair treatment and protection of stakeholders.			
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.	✓	Provide the contact details (i.e., name of contract 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 whistle blowing policy, practices and procedures for stakeholders	Atty. Lyra Gracia Y. Lipae-Fabella lyl.fabellalaw@gmail.com Company Tel. No. :(632) 5512575
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.	✓	Provide information on the alternative dispute resolution system established by the company.	The Company promotes the policy that the Board of Directors shall establish and maintain an alternative dispute resolution system that can amicably settle conflicts or differences between the Company and its stockholders and the Company and third parties, including the regulatory authorities.
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,	✓	Disclose any requests for exemption by the company and the reason for the request.	MG has not requested for exemption in 2017.

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.			
2. Company respects intellectual property rights.	✓	Provide specific instances, if any.	Use of licensed softwares.
Optional: Principle 14			
1. Company discloses its policies and practices that addresses customers' welfare	✓	Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.	Customer satisfaction is a primary concern. Significant risk concentrations may result in potential losses in a given area, including losses that could arise from catastrophes such as earthquakes and typhoons and thereby the Company gets an excess of loss protection to limit the Company's exposure up to a specified amount.
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.	For major suppliers or service providers, a request for proposal is required to be submitted based on an approved term of reference. A separate committee may be designated to review and evaluate proposals submitted and make recommendations for Board consideration.
Principle 15. A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate	✓	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.	

in the realization of the company's goals and in its governance.			
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	✓	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.	It is the policy of the Company to promote advancement among its employees for consistently exceeding expectations over 7 years, meeting organizational requirements and facilitating the achievement of long-term corporate goals and objectives. Depending on the performance of the Company and also taking into consideration various qualitative parameters such as succession planning and corporate governance, the Board also grants performance bonus.
2. Company has policies and practices on health, safety and welfare of its employees.	✓	Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.	<p>The Company's policy on Health, Safety, Security and Proper Use of Company Assets affirms the Company's commitment in providing and maintaining a safe, secure and healthy work environment. In turn, the employee has the responsibility to work safely, to keep work areas and common areas in the company neat and clean, not just to reduce the chances of injury but also to make the office a more attractive and pleasant place to work in.</p> <p>The regular employees of the Company are encouraged to undergo annual medical check-up.</p> <p>There have been no reported work-related accidents or health concerns in the Company.</p>
3. Company has policies and practices on training and development of its employees.	✓	Disclose and provide information on policies and practices on training and development of employees. Include information on any training conducted or attended.	The Company recognizes that its people are its assets. Trainings, seminars appropriate to the workplace and teambuilding activities are made available for the improvement of the employees.

Recommendation 15.2			
<p>1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.</p>	<p>✓</p>	<p>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption</p>	<p>The Company does not condone dishonest, unethical or unprofessional behavior and actions displayed by an employee, regardless of his/her level of authority.</p> <p>It is the responsibility of each employee to report legitimate concerns so that issues can be properly investigated or resolved and corrective measures can be instituted.</p> <p>These concerns may involve commission of fraud, theft or corruption, unauthorized use of Company funds and properties, breach of a legal obligation, internal or external regulation or any procedure regarding accounting, auditing matters, as well as alleged irregularities of a general, operational and financial nature in the Company.</p>
<p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>	<p>✓</p>	<p>Identify the board disseminated the policy and program to employees across the organization</p>	<p>The employees are taught that concerns may be raised verbally or in writing to the immediate supervisor/department head.</p> <p>Management shall maintain the confidentiality of all the concerns or complaints raised and the anonymity of the person making the complaint to the fullest extent reasonably practicable within the legitimate needs of law.</p>
Supplement to Recommendation 15.2			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.</p>	<p>✓</p>	<p>Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices.</p>	<p>Any officer or employee who commits a violation shall be subject to disciplinary action (including termination), without prejudice to any civil or criminal proceedings that the company or regulators may file for violation of existing law, there shall be no exception from or waivers of any provision, except as expressly approved by the Board of Directors.</p>

		Include any finding of violations of the company policy.	
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	✓	<p>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.</p> <p>Indicate if the framework includes procedures to protect the employees from retaliation.</p> <p>Provide contact details to report any illegal or unethical behavior.</p>	<p>Illegal or unethical behavior by a colleague or co-employee, regardless of his or her level of authority, should not be condoned. It is the responsibility of each employee to report legitimate concerns so that problems can be properly resolved and corrective measures instituted. An officer or employee who becomes aware of any violation of business conduct or ethics should immediately notify his Department/Division Head. The Division/Department Head shall in turn immediately inform the President and CEO. The President and CEO shall conduct or manage the necessary actions or investigation of any reported violations of this Code. In case Senior Management or any Board Member is involved, the same shall be referred to the Audit Committee.</p>
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	✓		
3. Board supervises and ensures the enforcement of the whistleblowing framework.	✓	<p>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</p>	<p>a.) Concerns may be raised verbally or in writing to the Division/Department Head, the Company CEO or to the Chairman of the Audit Committee of the Company.</p> <p>b.) When raising a concern or complaint, the employee should give the background, the nature of the alleged wrongdoing or a description of the event,</p>

			<p>relevant dates, reasons for the concern, witnesses and the names of the individual involved.</p> <p>c.) If the concern is raised verbally, then the person receiving the information should prepare the outline of the matter raised.</p> <p>d.) Employees are assured that Management shall maintain the confidentiality of all the concerns and complaints raised and the anonymity of the person making the complaint to the fullest extent reasonably practicable within the legitimate needs of law.</p> <p>e.) The person receiving the information/monitoring officer shall be responsible for deciding whether there are grounds for proceeding further with the case. Potential action may include a clarification of facts, a more formal investigation, or referral to external auditors or legal consultants. Concerns that fall within the scope of specific procedures shall be referred for consideration under those procedures.</p> <p>f.) The monitoring officer shall inform the reporting employee in writing within seven (7) working days of the following: a. What has been done or how monitoring officer plans to deal with the matter; b. An estimate of how long it might take to give a final response; c. If an initial inquiry has been made; d. If further investigation will take place; and</p> <p>g.) Any further information that may be sought from the employee. The monitoring officer, subject to legal constraints, will provide the employee with information on the outcome of any investigation.</p>
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Principle 16: The company should be socially responsible in all its dealings with the communities where is 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

1. Company recognizes	✓	Provide information or reference to	The Company recognizes promotion of safe and
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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.		a document containing information on the company's community involvement and environment-related programs.	environment-friendly waste disposal methods.
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	✓	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.	The Company's directs its efforts in promoting environment-friendly waste disposal activities.
2. Company exerts effort to interact positively with the communities in which it operates	✓	Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.	The Company interacts with local fisherfolks in the communities where the plants are located.

Pursuant to the requirements of the Securities and Exchange Commission and the Philippine Stock Exchange, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned thereunto duly authorized in

MANILA, PHILIPPINES on MAY 28 2018

SIGNATURES



YANG SHI JEN (a.k.a. Michael Yang)
Chairman of the Board/ President and CEO



MARIA LUISA T. WU
Independent Director



LYRA GRACIA Y. LIPAE-FABELLA
Corporate Secretary



CRISTINA HILTRUDE L. AGANON
Independent Director

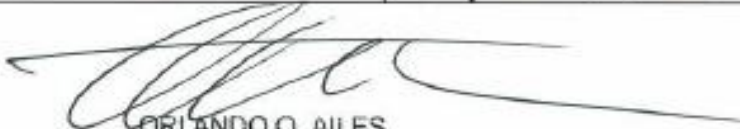


JANINE G. MANZANO
Compliance Officer

SUBSCRIBED AND SWORN to before me this MAY 28 2018 affiants exhibiting to me their competent proof of identity as follows:

NAME	Tax Identification Number/ SSS/Unified Multi-Purpose ID	PLACE OF ISSUANCE
YANG CHI JEN (a.k.a. Michael Yang)	TIN 114-348-293	Bureau of Internal Revenue
MARIA LUISA T. WU	TIN 164-229-550	Bureau of Internal revenue
CRISTINA HILTRUDE L. AGANON	SSS No. 01-0643570-2	Social Security System
LYRA GRACIA Y. LIPAE-FABELLA	SSS No. 09-1836302-0	Social Security System
JANINE G. MANZANO	CRN 0111-6424871-0	Social Security System

Doc No. 420 ;
Page No. 86 ;
Book No. 44 ;
Series of 2018.


ORLANDO O. AILES
Commission No. 358
Notary Public for Caloocan City
Until December 31, 2019
2/F ARCA Bldg., fronting SSS Deparo
Celia Subd., Deparo, Caloocan City
PTR-9405176-1/03/2018-Cal.
IBP-AR000549-1/03/2018-Cal.
Roll No. 20332-3/19/65