





## SEC FORM – I-ACGR

### INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **2019**
2. SEC Identification Number **A1996-10620**
3. BIR Tax Identification No. **005-038-162**
4. Exact name of issuer as specified in its charter **TKC METALS CORPORATION**
5. **Metro Manila**  
Province, Country or other jurisdiction of  
incorporation or organization
6. (SEC Use Only)  
Industry Classification Code:
7. **Unit B1-A/C, 2F, Bldg B, Karrivin Plaza, 2316 Chino Roces Avenue Ext., Makati City 1227**  
Address of principal office Postal Code
8. **(632)8864-0736/8840-4335**  
Issuer's telephone number, including area code
9. **Not applicable.**  
Former name, former address, and former fiscal year, if changed since last report.

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

**COMPLIANT  
/ NON-  
COMPLIANT**

**ADDITIONAL INFORMATION**

**EXPLANATION**

**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. **Responsibilities**

**Recommendation 1.1**

<p>1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.</p>	<p align="center">COMPLIANT</p>	<p><b><i>Provide information or link/reference to a document containing information on the following:</i></b></p> <p><b><i>1. Academic qualifications, industry knowledge, professional experience, expertise and</i></b></p>	
<p>2. Board has an appropriate mix of competence and expertise.</p>	<p align="center">COMPLIANT</p>		

<p>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.</p>	<p>COMPLIANT</p>	<p><b>relevant trainings of directors</b></p> <p>Please refer to pp. 36-40, profile of the Board of Directors, contained in the 2019 Annual Report, attached herein as Annex "A".</p> <p><b>2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance</b></p> <p>Please refer to pp. 4-8, Part V. Board Governance, items C to E, which outlines the qualifications and disqualifications of Directors, of the Manual on Corporate Governance:  <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a></p>	
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**Recommendation 1.2**

<p>1. Board is composed of a majority of non- executive directors.</p>	<p>COMPLIANT</p>	<p><b>Identify or provide link/reference to a document identifying the directors and the type of their directorships</b></p> <table border="1" data-bbox="952 1045 1518 1412"> <thead> <tr> <th>Name</th> <th>Position</th> <th>Type of Director</th> </tr> </thead> <tbody> <tr> <td>Ben C. Tiu</td> <td>Chairman</td> <td>ED</td> </tr> <tr> <td>Ignatius F. Yenko</td> <td>Vice-Chairman</td> <td>ED</td> </tr> <tr> <td>Domingo S. Benitez, Jr.</td> <td>President</td> <td>ED</td> </tr> <tr> <td>Antonio Jacob A. Elizaga</td> <td>Treasurer</td> <td>ED</td> </tr> <tr> <td>A. Bayani K. Tan</td> <td>Director</td> <td>NED</td> </tr> <tr> <td>Prudencio C. Somera, Jr.</td> <td>Director</td> <td>NED</td> </tr> <tr> <td>Alexander Y. Tiu</td> <td>Director</td> <td>NED</td> </tr> </tbody> </table>	Name	Position	Type of Director	Ben C. Tiu	Chairman	ED	Ignatius F. Yenko	Vice-Chairman	ED	Domingo S. Benitez, Jr.	President	ED	Antonio Jacob A. Elizaga	Treasurer	ED	A. Bayani K. Tan	Director	NED	Prudencio C. Somera, Jr.	Director	NED	Alexander Y. Tiu	Director	NED	
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Ben C. Tiu	Chairman	ED																									
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Prudencio C. Somera, Jr.	Director	NED																									
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		<table border="1"> <tr> <td data-bbox="958 97 1211 140">Enrico G. Valdez</td> <td data-bbox="1211 97 1384 140">Director</td> <td data-bbox="1384 97 1496 140">NED</td> </tr> <tr> <td data-bbox="958 140 1211 196">Pablito Bermundo</td> <td data-bbox="1211 140 1384 196">Independent Director</td> <td data-bbox="1384 140 1496 196">Independent</td> </tr> <tr> <td data-bbox="958 196 1211 252">Vicente V. De Villa, Jr.</td> <td data-bbox="1211 196 1384 252">Independent Director</td> <td data-bbox="1384 196 1496 252">Independent</td> </tr> <tr> <td data-bbox="958 252 1211 308">Victor C. Fernandez</td> <td data-bbox="1211 252 1384 308">Independent Director</td> <td data-bbox="1384 252 1496 308">Independent</td> </tr> </table> <p data-bbox="949 344 1532 485">Out of eleven (11) directors, seven (7) directors are considered non-executive directors, including three (3) independent directors.</p>	Enrico G. Valdez	Director	NED	Pablito Bermundo	Independent Director	Independent	Vicente V. De Villa, Jr.	Independent Director	Independent	Victor C. Fernandez	Independent Director	Independent	
Enrico G. Valdez	Director	NED													
Pablito Bermundo	Independent Director	Independent													
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Victor C. Fernandez	Independent Director	Independent													
<b>Recommendation 1.3</b>															
<p data-bbox="107 531 622 667">1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.</p>	<p data-bbox="725 818 898 847">COMPLIANT</p>	<p data-bbox="949 531 1532 667"><b>Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.</b></p> <p data-bbox="949 711 1532 1031"><i>Please refer to pp. 3-10, Part V. Board Governance, part VI. Responsibilities, Duties, and Functions of the Board, and Part VII. Specific Duties and Responsibilities of a Director of the Manual on Corporate Governance: <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a></i></p> <p data-bbox="949 1075 1532 1139"><i>Please refer to the Board Charter attached as <b>Annex "B"</b></i></p>													
<p data-bbox="107 1147 591 1211">2. Company has an orientation program for first time directors.</p>	<p data-bbox="725 1254 898 1283">COMPLIANT</p>	<p data-bbox="949 1147 1532 1391"><b>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.</b></p>													

		<p>Please see pp. 9 and 15 on the Functions of the Chairman and Compliance Officer, respectively, as well as Annex "C" Corporate Governance Committee Charter, of the Manual on Corporate Governance:  <a href="http://www.tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">http://www.tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a></p>	
3. Company has relevant annual continuing training for all directors.	NON-COMPLIANT	<p>There are no first-time directors. However, the Company conducts orientation-seminars upon assumption of first-time directors to their position</p>	<p>The Company has not conducted any special in-house training for directors and senior management. The directors and senior officers, however, are reminded by the Compliance Officer to undergo workshops or seminars on corporate governance to ensure that they meet the regulatory requirements of the SEC and the PSE. Fees for such are shouldered by the Company.</p>
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	COMPLIANT	<p><b>Provide information on or link/reference to a document containing information on the company's board diversity policy.</b></p> <p>Having a board diversity policy is a mover to avoid groupthink and ensure that optimal decision-making is achieved. The Company's diversity policy shall not be limited to gender diversity. It also includes diversity in age, ethnicity, culture, skills, competence,</p>	

		<p>and knowledge. Please refer to the diversity policy contained in <b>Annex "B"</b>, the Board Charter.</p> <p><b>Indicate gender composition of the board.</b></p> <p>As of December 31, 2019, the Board is composed of eleven (11) male directors.</p>	
<b>Optional: Recommendation 1.4</b>			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.		<p>Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity.</p> <p>Provide link or reference to a progress report in achieving its objectives.</p>	
<b>Recommendation 1.5</b>			
1. Board is assisted by a Corporate Secretary.	COMPLIANT	<p><b>Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.</b></p> <p><i>The Corporate Secretary is Atty. Ann Margaret K. Lorenzo. Her qualifications may be found in the Profile of Board of Directors and Officers, pages 40-41 of the 2019 Annual Report attached as Annex "A".</i></p> <p><i>The duties and functions of the Corporate Secretary may be found in</i></p>	
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT		
3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT		

		pp. 16-17 of the Manual on Corporate Governance: <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a>	
4. Corporate Secretary attends training/s on corporate governance	COMPLIANT	<b>Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</b>  <i>Atty. Ann Margaret K. Lorenzo attended a corporate governance seminar conducted by the CFA Society Philippines entitled "Ethical Decision-Making Workshop" on 09 December 2019.</i>	

<b>Optional: Recommendation 1.5</b>			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.		Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting.	
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	COMPLIANT	<b>Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.</b>	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT		



<p>3. Compliance Officer is not a member of the board.</p>	<p>COMPLIANT</p>	<p><i>Mr. Wilfrido O. Gamboa is the Company's Compliance Officer. He is concurrently the Head of Corporate Services and enjoys adequate stature and authority in the organization. He is not a member of the Board.</i></p> <p><i>The duties and responsibilities of the Compliance Officer may be found in pp. 16-17, Part XI Officers, of the Manual on Corporate Governance: <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a></i></p> <p><i>His qualifications may be found in the Profile of Executive Officers, p. 36-40 of the 2019 Annual Report attached as Annex "A".</i></p>	
<p>4. Compliance Officer attends training/s on corporate governance.</p>	<p>NON-COMPLIANT</p>	<p><b>Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</b></p>	<p>The Company's Compliance Officer was unable to attend any training on corporate governance in 2019.</p>

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

**Recommendation 2.1**

<p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p>	<p>COMPLIANT</p>	<p><b>Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)</b></p> <p><i>Please refer to the Omnibus Secretary's Certificate on the attendance and participation of the Directors in Board Meetings attached herewith as <b>Annex "G"</b>.</i></p> <p><i>The Board conducts itself with diligence and integrity in the discharge of its duties, functions, and responsibilities to ensure a high standard of best practices for the Company, its stockholders, and other stakeholders. In meetings of the Board, and within their respective Committees, exchange of ideas and clarifications are thrown to the table, discussions ensure and thereafter, an agreement is arrived at, at all times.</i></p>	
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**Recommendation 2.2**

<p>1. Board oversees the development, review and approval of the company's business objectives and strategy.</p>	<p>COMPLIANT</p>	<p><b>Provide information or reference to a document containing information on how the directors performed their duties (can include board</b></p>	
<p>2. Board oversees and monitors the</p>	<p>COMPLIANT</p>	<p><b>their duties (can include board</b></p>	

<p>implementation of the company's business objectives and strategy.</p>		<p><b>resolutions, minutes of meeting)</b></p> <p><i>Management regularly presents and updates the Board of the developments and concerns faced in business operations Each year, through the year-end meeting or the year-planning meeting, financial objectives and strategies are presented for approval. Periodically, in the Board of Directors' meeting, financial results and other metrics are presented to apprise the Board of the company performance in terms of its business objectives and strategies.</i></p>	
<b>Supplement to Recommendation 2.2</b>			
<p>1. Board has a clearly defined and updated vision, mission and core values.</p>	<p>COMPLIANT</p>	<p><b>Indicate or provide link/reference to a document containing the company's vision, mission and core values.</b></p> <p><i>Please refer to the Company's website: <a href="http://www.tkcmetals.com.ph">http://www.tkcmetals.com.ph</a></i></p> <p><b>Indicate frequency of review of the vision, mission and core values.</b></p> <p><i>The review of the corporation's business objectives is done on an annual basis, upon the approval of the Company's financial statements.</i></p>	

<p>2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.</p>	<p>COMPLIANT</p>	<p><b>Provide information on or link/reference to a document containing information on the strategy execution process.</b></p> <p><i>The Board holds regular meetings to review the operations and financial performance of the Company and to consider matters brought before it for approval. The Board also periodically evaluates and monitors the implementation of its strategic policies and programs, business plans, operating budgets, including the Management's overall performance through the following multi-step strategy execution process:</i></p> <ol style="list-style-type: none"> <li><i>1. Identify the goal, steps, framework, and schedule in order to devise an organized and detailed plan;</i></li> <li><i>2. Involve process stakeholders by communicating the plan to Management and the employees;</i></li> <li><i>3. Setting concrete goals for involved units or departments;</i></li> <li><i>4. Regularly tracking goals through periodic reports;</i></li> <li><i>5. Evaluation of achievement of goals or re-evaluation of goals.</i></li> </ol>	
<b>Recommendation 2.3</b>			
<p>1. Board is headed by a competent and qualified Chairperson.</p>	<p>COMPLIANT</p>	<p><b>Provide information or reference to a document containing information on the Chairperson, including his/her name and</b></p>	

		<b>qualifications</b>  <i>Mr. Ben C. Tiu is the Chairman of the Company. Please refer to his profile on p. 36-40, the Profile of Board of Directors in the 2019 Annual Report attached as Annex "A".</i>	
<b>Recommendation 2.4</b>			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	<b>Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation</b>  <i>The Company's senior officers work closely with the CEO and President, and under the guidance of the Board of Directors, to ensure that they are given ample training and experience in running the Company. This approach exposes the senior officers to the day-to-day demands of the Company.</i>	
2. Board adopts a policy on the retirement for directors and key officers.	NON-COMPLIANT		Management will endeavor to propose a retirement policy for adoption and approval by the Board.
<b>Recommendation 2.5</b>			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT	<b>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.</b>	
2. Board adopts a policy specifying the relationship between remuneration and performance.	NON-COMPLIANT		
3. Directors do not participate in discussions or	COMPLIANT		

<p>deliberations involving his/her own remuneration.</p>		<p>All members of the Board of Directors receive per diem per meeting only.</p> <p>There are no other arrangements for compensation either by way of payments for committee participation or special assignments other than reasonable per diems.</p> <p>Compensation is provided for in page 11, Section 9 of the By-Laws: <a href="http://tkcmetals.com.ph/sites/default/files/field/pdfpreview/tkcsteelcorporationamendedby-laws.pdf">http://tkcmetals.com.ph/sites/default/files/field/pdfpreview/tkcsteelcorporationamendedby-laws.pdf</a></p> <p>Key officers are evaluated periodically and good performance of these officers merit review for bonuses and incentives</p>	
<b>Optional: Recommendation 2.5</b>			
<p>1. Board approves the remuneration of senior executives.</p>		<p>Provide proof of board approval</p>	
<p>2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.</p>		<p>Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.</p>	
<b>Recommendation 2.6</b>			
<p>1. Board has a formal and transparent board nomination and election policy.</p>	<p>COMPLIANT</p>	<p><b>Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the</b></p>	
<p>2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.</p>	<p>COMPLIANT</p>		

3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	COMPLIANT	<b>criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders</b>  Please refer to Annex "C" of the Manual on Corporate Governance regarding the Nomination and Election of Directors: <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a>  Please also see pp. 3-8 of the Company's By Laws: <a href="http://tkcmetals.com.ph/sites/default/files/field/pdfpreview/tkcsteelcorporationamendedby-laws.pdf">http://tkcmetals.com.ph/sites/default/files/field/pdfpreview/tkcsteelcorporationamendedby-laws.pdf</a>  <b>Provide proof if minority shareholders have a right to nominate candidates to the board</b>  Section 2 of Article III-A on page 8 of the Company's By-Laws provides that all nominations by the stockholders, without distinction as to the number of shares held by such stockholder, shall be submitted to the Nomination Committee on or before the 30 <sup>th</sup> of January each year. The persons nominated who possess all the qualifications and none of the disqualifications will then be included in the List of Candidates that will be distributed	
4. Board nomination and election policy includes how the board shortlists candidates.	COMPLIANT		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	COMPLIANT		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT		

		<p>to the stockholders.</p> <p><b>Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.</b></p> <p><i>In 2019, there was no such assessment.</i></p>	
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**Optional: Recommendation to 2.6**

1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.		Identify the professional search firm used or other external sources of candidates	
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**Recommendation 2.7**

1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	<p><b>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</b></p> <p><i>Please refer to Annex 2, Related Party Transactions Policy, appended to the Company's Code of Business Conduct and Ethics, attached as <b>Annex "C"</b>, as well as the Company's Material Related Party Transactions (RPT) Policy attached as <b>Annex "D"</b>.</i></p>	
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<p>2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.</p>	<p>COMPLIANT</p>	<p><b>Identify transactions that were approved pursuant to the policy.</b></p> <p>There were no material RPTs approved by the Board in 2019.</p>	
<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	<p>COMPLIANT</p>		
<b>Supplement to Recommendations 2.7</b>			
<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p>	<p>COMPLIANT</p>	<p><b>Provide information on a materiality threshold for RPT disclosure and approval, if any.</b></p> <p><b>Provide information on RPT categories</b></p> <p><i>The threshold for disclosure and approval of RPTs are indicated in the Company's Material RPT Policy approved by the Board on 21 October 2019, attached as <b>Annex "D"</b>.</i></p> <p><i>It provides that material transactions are those with amounts equivalent to ten percent (10%) or more of the total assets of the Company based on its latest consolidated audited financial statement.</i></p>	
<p>2. Board establishes a voting system whereby a majority of non-related party</p>	<p>COMPLIANT</p>	<p><b>Provide information on voting system, if any.</b></p>	

shareholders approve specific types of related party transactions during shareholders' meetings.		No material RPTs were approved by the Board in 2019.									
<b>Recommendation 2.8</b>											
<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>	COMPLIANT	<p><b>Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.</b></p> <p><i>Please refer to p. 8, VI. Responsibilities and Functions of the Board of the Manual on Corporate Governance:</i>  <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a></p> <p><b>Identity the Management team appointed.</b></p> <p>The Management Team and Officers of the Company are as follows as of 31 December 2019:</p> <table border="1" data-bbox="1032 978 1554 1321"> <thead> <tr> <th data-bbox="1032 978 1294 1015">Name</th> <th data-bbox="1294 978 1554 1015">Position</th> </tr> </thead> <tbody> <tr> <td data-bbox="1032 1015 1294 1118">Domingo S. Benitez, Jr.</td> <td data-bbox="1294 1015 1554 1118">President &amp; Chief Operating Officer</td> </tr> <tr> <td data-bbox="1032 1118 1294 1222">Antonio Jacob A. Elizaga</td> <td data-bbox="1294 1118 1554 1222">Treasurer</td> </tr> <tr> <td data-bbox="1032 1222 1294 1321">Efren A. Realeza, Jr.</td> <td data-bbox="1294 1222 1554 1321">Chief Finance Officer</td> </tr> </tbody> </table>	Name	Position	Domingo S. Benitez, Jr.	President & Chief Operating Officer	Antonio Jacob A. Elizaga	Treasurer	Efren A. Realeza, Jr.	Chief Finance Officer	
Name	Position										
Domingo S. Benitez, Jr.	President & Chief Operating Officer										
Antonio Jacob A. Elizaga	Treasurer										
Efren A. Realeza, Jr.	Chief Finance Officer										

		<p>Wilfrido O. Gamboa</p>	<p>Head of Corporate Services &amp; Chief Compliance Officer</p>	
<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>COMPLIANT</p>	<p><b>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</b></p> <p><i>The Board assesses the performance of Management vis-à-vis the standards laid down in the Company's Manual on Corporate Governance. They provide ample guidance and training to ensure that the officers are equipped to deal with day-to-day demands of the Company's operations.</i></p> <p><b>Provide information on the assessment process and indicate frequency of assessment of performance.</b></p> <p><i>The Board periodically evaluates and monitors the implementation of its strategic policies, programs, and business plans, operating budgets, including the Management's overall performance.</i></p>		
<p><b>Recommendation 2.9</b></p>				

<p>1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.</p>	<p>COMPLIANT</p>	<p><b>Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.</b></p>	
<p>2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.</p>	<p>COMPLIANT</p>	<p><i>The Board is tasked to establish minimum internal control mechanisms for monitoring and overseeing management performance and to monitor the implementation of its strategic policies and programs, including the overall performance of management.</i></p> <p><i>Please refer to pp. 11-12 VIII. Internal Control Responsibilities of the Board of the Manual on Corporate Governance:</i>  <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a></p>	
<b>Recommendation 2.10</b>			
<p>1. Board oversees that an appropriate internal control system is in place.</p>	<p>COMPLIANT</p>	<p><b>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</b></p>	
<p>2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.</p>	<p>COMPLIANT</p>	<p><i>Please refer to pp. 11-12 Part VIII. Internal Control Responsibilities of the Board and pp. 18-19 Part XI.</i></p>	

		Officers G. Internal Auditor of the Manual on Corporate Governance: <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a> ; as well as to Annex A therein for the Audit Committee Charter.	
3. Board approves the Internal Audit Charter.	NON-COMPLIANT	<b>Provide reference or link to the company's Internal Audit Charter</b>	There is still no formal Internal Audit Charter. Meanwhile, the Company abides by internal audit policies found at page 4 of Annex A for the Audit Committee Charter of the Manual on Corporate Governance: <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a>
<b>Recommendation 2.11</b>			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	<b>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.</b>	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	COMPLIANT	<i>Please refer to pp. 8-10, Part VI. Responsibilities, Duties and Functions of the Board of the Manual on Corporate Governance: <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a></i>  <b>Provide proof of effectiveness of risk management strategies, if any.</b>	

		There were no issues reported to disprove the effectiveness of the currently adopted risk management policies.	
<b>Recommendation 2.12</b>			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	COMPLIANT	<b>Provide link to the company's website where the Board Charter is disclosed.</b>	
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT	Please refer to <b>Annex "B"</b> for the Charter of the Board of Directors	
3. Board Charter is publicly available and posted on the company's website.	NON-COMPLIANT		The Board Charter is distributed to the members of the Board upon their assumption to office. Unfortunately, the Board Charter has not been posted to the website due to technical difficulties and bandwidth restrictions that has led to system failure upon its posting thereto.
<b>Additional Recommendation to Principle 2</b>			
1. Board has a clear insider trading policy.	COMPLIANT	<b>Provide information on or link/reference to a document showing company's insider trading policy.</b>  Please refer to the Insider Trading Policy annexed to the Company's Code of Business Conduct and Ethics, attached as <b>Annex "C"</b> .	
<b>Optional: Principle 2</b>			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at		Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.	

market rates.			
2. Company discloses the types of decision requiring board of directors' approval.		Indicate the types of decision requiring board of directors' approval and where there are disclosed.	

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

**Recommendation 3.1**

1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	<p><b>Provide information or link/reference to a document containing information on all the board committees established by the company.</b></p> <p><i>Please refer to pp. 12-13, Part X. Board Committees and Annexes "A" to "D" of the Manual on Corporate Governance: <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a></i></p>	
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**Recommendation 3.2**

1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	COMPLIANT	<p><b>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</b></p> <p><i>Please refer to Annex A of the Company's Manual on Corporate Governance: <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporat">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporat</a></i></p>	
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		<p><i>egovernance.pdf</i></p> <p><b>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</b></p> <p><i>The Audit Committee Charter is directly responsible for the appointment, compensation, retention and removal of the external auditor. Please refer to page 2 of the Audit Committee Charter, annexed to the Manual on Corporate Governance: <a href="https://tkcmets.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporat_egovernance.pdf">https://tkcmets.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporat_egovernance.pdf</a></i></p>	
<p>2. Audit Committee is composed of at least three appropriately qualified non- executive directors, the majority of whom, including the Chairman is independent.</p>	<p>COMPLIANT</p>	<p><b>Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.</b></p> <p><i>The Audit Committee is composed of one executive director and three non-executive directors, two of which are independent directors. The Chairman of the Committee is an independent director.</i></p>	
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>COMPLIANT</p>	<p><b>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.</b></p> <p><i>Please refer to pp. 36-40, for the profiles of Mr. Vicente V. De Villa, Jr., Mr. Alexander Y. Tiu, and Mr. Pablito Bermundo, the</i></p>	



		<i>members of the Audit Committee, in the 2019 Annual Report attached as <b>Annex "A"</b>.</i>	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	NON-COMPLIANT	<b>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee</b>  <i>For the profile of Mr. Vicente V. De Villa, Jr., the Chairman of the Audit Committee, kindly refer to pp. 36-40, the Profile of Board of Directors, in the 2019 Annual Report attached as <b>Annex "A"</b>.</i>	The Chairman of the Audit Committee is also the Chairman of the Board Risk Oversight Committee. The Board shall endeavor to re-organize the Board Committee memberships to comply with good corporate governance principles.

<b>Supplement to Recommendation 3.2</b>			
1. Audit Committee approves all non-audit services conducted by the external auditor.	COMPLIANT	<b>Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.</b>  <i>There were no non-audit services that were conducted by the Company's external auditor.</i>	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	NON-COMPLIANT	<b>Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.</b>	Management is present during Audit Committee meetings to address questions of the Committee members, if any.
<b>Optional: Recommendation 3.2</b>			
1. Audit Committee meet at least four times during the year.		Indicate the number of Audit Committee meetings during the year and provide proof	

2. Audit Committee approves the appointment and removal of the internal auditor.		Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.	
<b>Recommendation 3.3</b>			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	NON-COMPLIANT	<p><b>Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions.</b></p> <p><b>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</b></p>	<p>The Company has not established a Corporate Governance Committee yet. However, it has provided for the Corporate Governance Committee Charter in Annex "C" of the Manual on Corporate Governance: <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a>.</p>
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	NON-COMPLIANT	<p><b>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.</b></p>	<p>It provides therein that the Corporate Governance Committee is responsible to ensure that the Board has an appropriate mix of competence, expertise, and diversity and that its members remain qualified for their positions.</p>
3. Chairman of the Corporate Governance Committee is an independent director.	NON-COMPLIANT	<p>Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.</p>	<p>At present, the Nomination and Remuneration Committees still exist and are readying to transfer their duties and functions upon the establishment of the Corporate Governance Committee.</p>
<b>Optional: Recommendation 3.3.</b>			
1. Corporate Governance		Indicate the number of Corporate	

Committee meet at least twice during the year.		Governance Committee meetings held during the year and provide proof thereof.	
<b>Recommendation 3.4</b>			
<p>1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.</p>	COMPLIANT	<p><b>Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions</b></p> <p><i>Please refer to the Company's Manual on Corporate Governance, particularly the Board Risk Oversight Committee Charter attached as Annex B thereof: <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdfs">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdfs</a></i></p>	
<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	COMPLIANT	<p><b>Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship</b></p> <p><i>Please refer to pp. 36-40, for the profiles of Mr. Vicente V. De Villa, Jr., Mr. Alexander Y. Tiu, and Mr. Pablito Bermundo, the members of the Board Risk Oversight Committee, in the 2019 Annual Report attached as <b>Annex "A"</b>.</i></p>	
<p>3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.</p>	NON-COMPLIANT	<p><b>Provide information or link/reference to a document containing information on the Chairman of the BROC</b></p>	<p>The Chairman of the Board Risk Oversight Committee is Vicente V. De Villa, Jr. who is also the Chairman of the Audit Committee. The Board shall endeavor to re-organize the Board Committee memberships to comply with good corporate governance principles.</p>

<p>4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.</p>	<p>COMPLIANT</p>	<p><b>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.</b></p> <p><i>Please refer to pp. 36-40, for the profiles of Mr. Vicente V. De Villa, Jr., Mr. Alexander Y. Tiu, and Mr. Pablito Bermundo, the members of the Board Risk Oversight Committee, in the 2019 Annual Report attached as <b>Annex "A"</b>.</i></p>	
<b>Recommendation 3.5</b>			
<p>1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p>	<p>NON-COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.</p>	<p>The Manual on Corporate Governance contains the Related Party Transactions Committee Charter, attached as Annex "D" therein:  <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a></p>
<p>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.</p>	<p>NON-COMPLIANT</p>	<p>Provide information or link/reference</p>	<p>However, this Committee has not yet been constituted.</p> <p>The Company's Material RPT Policy is likewise attached as <b>Annex "D"</b>.</p> <p>Taking into consideration the size of the Company, as reflected in the Company's Material RPT Policy, the Board has decided that the Risk and Audit Committees shall assume the functions of the Related Party Transactions Committee. They shall revisit the establishment of the RPT</p>

			Committee when the financial situation of the Company improves and business operations expand.
<b>Recommendation 3.6</b>			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	NON-COMPLIANT	<b>Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes</b>	The Manual on Corporate Governance contains the Charters for the Audit Committee and the Board Risk Oversight Committee. However, in lieu of the Corporate Governance Committee, the Nomination and Remuneration Committees continue to exist. These have no separate charter and owe its existence and mandate to the By-Laws as found on page 4: <a href="http://tkcmetals.com.ph/sites/default/files/field/pdfpreview/tkcsteelcorporationamendedby-laws.pdf">http://tkcmetals.com.ph/sites/default/files/field/pdfpreview/tkcsteelcorporationamendedby-laws.pdf</a>
2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT	<i>Please refer to the Committee Charters annexed to the Manual on Corporate Governance: <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a></i>	
3. Committee Charters were fully disclosed on the company's website.	COMPLIANT	<b>Provide link to company's website where the Committee Charters are disclosed.</b>  <i>Please refer to the Committee Charters, annexed to the Manual on Corporate Governance: <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a></i>	

**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	COMPLIANT	<b>Provide information or link/reference to a document containing information on</b>	
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<p>Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.</p>		<p><b>the process and procedure for tele/videoconferencing board and/or committee meetings.</b></p> <p><i>Please refer to p. 12, Part IX. Board Meetings and Quorum Requirement of the Manual on Corporate Governance:</i>  <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a></p> <p><i>Please also see the Internal Procedure for Board and Stockholders' Meeting through Remote Communication attached as <b>Annex "H."</b></i></p> <p><b>Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.</b></p> <p><i>Please refer to the Omnibus Secretary's Certificate reflecting the attendance of the Directors in meetings of the Board attached herewith as <b>Annex "G"</b>.</i></p>	
<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>COMPLIANT</p>	<p><i>Board and Committee members are furnished a copy of the materials at least five (5) days before the meeting.</i></p>	
<p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	<p>COMPLIANT</p>	<p><b>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors.</b></p>	

		Please refer to the Omnibus Secretary's Certificate attached herewith as <b>Annex "G"</b> .	
<b>Recommendation 4.2</b>			
<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>	COMPLIANT	<p><b>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</b></p> <p><i>As the executive profile of the Board of Directors will show, most directors of the Company have very few concurrent directorships and officerships. Please refer to the Profile of the Board of Directors, pp. 36-40 of the 2019 Annual Report attached as <b>Annex "A"</b>.</i></p> <p><i>The policy setting the limit of board seats that a non-executive director can hold simultaneously may be found on p. 4 of the Manual on Corporate Governance: <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a></i></p> <p><b>Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies.</b></p> <p><i>Please refer to the Profile of the Board of Directors, pp. 36-40 of the 2019 Annual Report attached as <b>Annex "A"</b>.</i></p>	
<b>Recommendation 4.3</b>			

1. The directors notify the company's board before accepting a directorship in another company.	NON-COMPLIANT	<b>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</b>	Some directors accepted directorships in other companies in 2019, which were only communicated verbally to the Chairman and President.
<b>Recommendation 4.4</b>			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.			
2. Company schedules board of directors' meetings before the start of the financial year.			
3. Board of directors meet at least six times during the year.		Indicate the number of board meetings during the year and provide proof	
4. Company requires as minimum quorum of at least 2/3 for board decisions.		<b>Indicate the required minimum quorum for board decisions</b>  A Majority of the members of the Board constitutes a quorum,	

**Principle 5:** The board should endeavor to exercise an objective and independent judgment on all corporate affairs

**Recommendation 5.1**



<p>1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.</p>	<p>NON-COMPLIANT</p>	<p><b>Provide information or link/reference to a document containing information on the number of independent directors in the board</b></p> <p><i>The independent directors of the Company are:</i></p> <ol style="list-style-type: none"> <li>1. Vicente de Villa, Jr.</li> <li>2. Pablito Bermundo</li> <li>3. Victor C. Fernandez</li> </ol> <p><i>Please refer to the Profile of the Board of Directors, pp. 36-40 of 2019 Annual Report attached as <b>Annex "A"</b>.</i></p>	<p>At present, only three (3) out of the eleven (11) directors are independent directors. This is compliant with the requirement under Section 22 of the Revised Corporation Code that corporations vested with public interest shall have independent directors constituting at least 20% of such board.</p>
<b>Recommendation 5.2</b>			
<p>1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the qualifications of the independent directors.</p> <p><i>Please refer to the profile of Mr. Vicente V. De Villa, Jr., Mr. Victor C. Fernandez, and Mr. Pablito Bermundo, pp. 36-40, Profile of the Board of Directors of the 2019 Annual Report attached as <b>Annex "A"</b>.</i></p>	
<b>Recommendation 5.2</b>			
<p>1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.</p>	<p>COMPLIANT</p>	<p><b>Provide link/reference to a document containing information that directors are not constrained to vote independently.</b></p> <p><i>The Company's By-Laws (<a href="http://tkcmetals.com.ph/sites/default/files/field/pdfpreview/tkcsteelcorporationamendedby-laws.pdf">http://tkcmetals.com.ph/sites/default/files/field/pdfpreview/tkcsteelcorporationamendedby-laws.pdf</a>) contains no</i></p>	

		<p>provision constraining the directors' ability to vote independently. Likewise, page 11 of the Manual on Corporate Governance (<a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a>) and page 5 of the Board Charter (<b>Annex "B"</b>), enumerates the exercise of independent judgment as one of the duties and responsibilities of the Directors.</p>	
<b>Recommendation 5.3</b>			
<p>1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).</p>	COMPLIANT	<p><b>Provide information or link/reference to a document showing the years IDs have served as such.</b></p> <p>Reckoned from 2012, Mr. Vicente V. De Villa, Jr., Mr. Pablito Bermundo, and Mr. Victor C. Fernandez have been independent directors of the Company for just seven (7) years.</p>	
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	COMPLIANT	<p><b>Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director.</b></p> <p>Please refer to p. 3, Part V. Board Governance A.2, of the Manual on Corporate Governance: <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a>. It provides that an Independent Director shall sit in the Board for a maximum cumulative term of nine years, and shall, thereafter,</p>	

		<i>be perpetually barred from re-election as such in the same Company.</i>	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	COMPLIANT	<b>Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.</b>  <i>All Independent Directors had served for less than nine (9) years, reckoned from 2012.</i>	
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	COMPLIANT	<b>Identify the company's Chairman of the Board and Chief Executive Officer</b>  <i>The Chairman of the Board is Mr. Ben C. Tiu while the Chief Executive Officer is Mr. Domingo S. Benitez, Jr.</i>	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	COMPLIANT	<b>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.</b>  <i>Please refer to Article IV, Sections 2 and 3 of the Company's By-Laws: <a href="http://tkcmetals.com.ph/sites/default/files/field/pdfpreview/tkcsteelcorporationamendedby-laws.pdf">http://tkcmetals.com.ph/sites/default/files/field/pdfpreview/tkcsteelcorporationamendedby-laws.pdf</a></i>  <b>Identify the relationship of Chairman and CEO.</b>  <i>The Chairman and CEO are not related. The Chairman heads the Board of Directors. The CEO, at the end of the day, reports to the Board and its</i>	

		Chairman.	
<b>Recommendation 5.5</b>			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	NON-COMPLIANT	<p><b>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.</b></p> <p><b>Indicate if Chairman is independent.</b></p> <p><i>The Chairman is not an independent director.</i></p>	The Board shall endeavor to appoint a Lead Independent Director in order to comply with good corporate governance principles.
<b>Recommendation 5.6</b>			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	COMPLIANT	<p><b>Provide proof of abstention, if this was the case</b></p> <p><i>No such transaction was discussed; hence, no abstention occurred during the period covered.</i></p>	
<b>Recommendation 5.7</b>			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	NON-COMPLIANT	<p><b>Provide proof and details of said meeting, if any.</b></p> <p><b>Provide information on the frequency and attendees of meetings.</b></p>	There have been no separate periodic meetings by the non-executive directors with the external auditor and heads of the internal audit, compliance and risk functions. Given the size of the company and the size of business operations, the directors deemed it unnecessary to hold separate periodic meetings. These shall be held when deemed necessary by any Board Committee.
2. The meetings are chaired by the lead independent director.	NON-COMPLIANT		

<b>Optional: Principle 5</b>			
1. None of the directors is a former CEO of the company in the past 2 years.	COMPLIANT	<b>Provide name/s of company CEO for the past 2 years</b> <i>.Mr. Domingo S. Benitez, Jr. was appointed as President during the 2018 Annual Stockholders' Meeting of the Company.</i>	

**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.	NON-COMPLIANT	<b>Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees</b>	Self-assessment processes are usually carried out by the Board, the Committees, the Directors, and the Chairman.  Unfortunately, a formal self-assessment was not conducted, reported, or discussed in any of the meetings held by the Board in 2019. The Company aims to formally conduct assessments processes in the future.
2. The Chairman conducts a self-assessment of his performance.	NON-COMPLIANT		
3. The individual members conduct a self-assessment of their performance.	NON-COMPLIANT		
4. Each committee conducts a self-assessment of its performance.	NON-COMPLIANT		
5. Every three years, the assessments are supported by an external facilitator.	NON-COMPLIANT	<b>Identify the external facilitator and provide proof of use of an external facilitator.</b>	No external facilitator has been engaged as of yet in any of the assessments made by the Board. The Company shall endeavor to enlist the support of an external facilitator for assessments made in the future.

**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	COMPLIANT	<b>Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the</b>	
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directors and committees.		<b>board, individual directors and committees, including a feedback mechanism from shareholders</b>	
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT	<p><i>The Manual on Corporate Governance serves as the minimum criteria in determining the performance of the Board, individual directors, and committees. Please refer to pp. 8-12: <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a></i></p> <p><i>At every shareholders meeting, shareholders are invited to give feedback on management performance.</i></p> <p><i>The Company's contact details are located conspicuously in the website. Shareholders are encouraged to provide feedback.</i></p>	

**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.	COMPLIANT	<p><b>Provide information on or link/reference to the company's Code of Business Conduct and Ethics.</b></p> <p><i>Please refer to the Code of Business Conduct and Ethics, attached as <b>Annex "C"</b>.</i></p>	
2. The Code is properly disseminated to	COMPLIANT	<b>Provide information on or discuss how</b>	

<p>the Board, senior management and employees.</p>		<p><b>the company disseminated the Code to its Board, senior management and employees.</b></p> <p><i>The directors, members of senior management and employees were furnished copies of the Company's Code of Ethics upon their assumption of their respective positions in the Company.</i></p>	
<p>3. The Code is disclosed and made available to the public through the company website.</p>	<p>COMPLIANT</p>	<p>Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/disclosed.</p> <p><i>The Committee Charters, as attached to the Manual on Corporate Governance, are accessible through: <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a>.</i></p>	
<p><b>Supplement to Recommendation 7.1</b></p>			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.</p>	<p>COMPLIANT</p>	<p><b>Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery</b></p> <p><i>The Company desires to strengthen its integrity and the fight against corruption and related offences. The Code of Business Conduct and Ethics sets forth the conditions and procedures for investigations of allegations of corruption, fraud, and misconduct.</i></p>	

		<i>Please refer to the Code of Business Conduct and Ethics, attached as Annex "C".</i>	
<b>Recommendation 7.2</b>			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	<b>Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.</b>	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT	<p><i>Management may suspend or terminate employees for violation of the Code.</i></p> <p><b>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</b></p> <p><i>All employees are mandated to report any violation of the Company's Code of Business Conduct to the Human Resources Department Head, Head of the Governance, Corporate Affairs and Investor Relation Department or to any member of the Audit Committee.</i></p>	



## Disclosure and Transparency

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

### Recommendation 8.1

<p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>	COMPLIANT	<p><b>Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders</b></p> <p><i>Please refer to p. 23, Part XVI. Disclosure and Transparency, and XVII. Information Dissemination of the Manual on Corporate Governance: <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a>. All required disclosures and reports are uploaded to PSE Edge.</i></p>	
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### Supplement to Recommendations 8.1

<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty- five (45) days from the end of the reporting period.</p>	NON-COMPLIANT	<p><b>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.</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Report</th> <th style="text-align: center;">Publishing Date</th> <th style="text-align: center;">No. of Days</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2019 Annual Report</td> <td style="text-align: center;">20 August 2020</td> <td style="text-align: center;">233</td> </tr> <tr> <td style="text-align: center;">2019 1st Quarter</td> <td style="text-align: center;">21 May 2019</td> <td style="text-align: center;">51</td> </tr> </tbody> </table>	Report	Publishing Date	No. of Days	2019 Annual Report	20 August 2020	233	2019 1st Quarter	21 May 2019	51	<p>The Company will endeavor to be more compliant with the regulations of the Securities and Exchange Commission and Philippine Stock Exchange as to the disclosures of its annual and quarterly financial reports.</p>
Report	Publishing Date	No. of Days										
2019 Annual Report	20 August 2020	233										
2019 1st Quarter	21 May 2019	51										

		<table border="1"> <tr> <td><i>Report</i></td> <td></td> <td></td> </tr> <tr> <td><i>2019 2nd Quarter Report</i></td> <td><i>15 August 2019</i></td> <td><i>46</i></td> </tr> <tr> <td><i>2019 3rd Quarter Report</i></td> <td><i>15 November 2019</i></td> <td><i>45</i></td> </tr> </table>	<i>Report</i>			<i>2019 2nd Quarter Report</i>	<i>15 August 2019</i>	<i>46</i>	<i>2019 3rd Quarter Report</i>	<i>15 November 2019</i>	<i>45</i>	
<i>Report</i>												
<i>2019 2nd Quarter Report</i>	<i>15 August 2019</i>	<i>46</i>										
<i>2019 3rd Quarter Report</i>	<i>15 November 2019</i>	<i>45</i>										
<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	NON-COMPLIANT	<p><b>Provide link or reference to the company's annual report where the following are disclosed:</b></p> <ol style="list-style-type: none"> <li><b>1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders;</b></li> <li><b>2. cross-holdings among company affiliates; and</b></li> <li><b>3. any imbalances between the controlling shareholders' voting power and overall equity position in the company.</b></li> </ol>	<p>The Company Annual Report does not contain all of the items in the previous column, but is compliant with the regulations of the Securities and Exchange Commission and Philippine Stock Exchange as to the disclosures of its annual and quarterly financial reports.</p>									
<b>Recommendation 8.2</b>												
<p>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.</p>	COMPLIANT	<p><b>Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.</b></p>										

<p>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.</p>	<p>COMPLIANT</p>	<p><i>No dealings were made by the directors and officers of the Company's shares in 2019</i></p>	
<b>Supplement to Recommendation 8.2</b>			
<p>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).</p>	<p>COMPLIANT</p>	<p><b>Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders.</b></p> <p><i>Please refer to <b>Annex "E"</b> for the Public Ownership report and to <b>Annex "E"</b> for the Top 100 Stockholders.</i></p> <p><b>Provide link or reference to the company's Conglomerate Map.</b></p> <p><i>The Conglomerate Map of the company may be accessed at: <a href="http://www.tkcmetals.com.ph/officers">http://www.tkcmetals.com.ph/officers</a></i></p>	
<b>Recommendation 8.3</b>			
<p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p>COMPLIANT</p>	<p><b>Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</b></p> <p><i>The academic qualifications,</i></p>	

		<p>membership in other boards, other executive positions, professional experiences and expertise of directors may be found on pp. 36-40, Profile of Board Directors in the 2019 Annual Report attached as <b>Annex "A"</b>.</p> <p>For the directors' share ownership in the Company, please refer to <b>Annex "E"</b> for the Public Ownership report and to <b>Annex "F"</b> for the Top 100 Stockholders.</p>	
<p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p>COMPLIANT</p>	<p><b>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.</b></p> <p>The academic qualifications, membership in other boards, other executive positions, professional experiences and expertise of directors may be found on pp. 36-40, Profile of Board Directors in the 2019 Annual Report attached as <b>Annex "A"</b>.</p> <p>For the directors' share ownership in the Company, please refer to <b>Annex "E"</b> for the Public Ownership report and to <b>Annex "F"</b> for the Top 100 Stockholders.</p>	

**Recommendation 8.4**

<p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.</p>	COMPLIANT	<p><b>Disclose or provide link/reference to the company policy and practice for setting board remuneration</b></p> <p><i>Under the By-Laws of the Company (<a href="http://tkcmetals.com.ph/sites/default/files/field/pdfpreview/tkcsteelcorporationamendedby-laws.pdf">http://tkcmetals.com.ph/sites/default/files/field/pdfpreview/tkcsteelcorporationamendedby-laws.pdf</a>), by resolution of the Board, each director shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than ten percent (10%) of the net income before income tax of the Company during the preceding year. Such compensation 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 of the stockholders.</i></p>	
<p>2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.</p>	COMPLIANT	<p><b>Disclose or provide link/reference to the company policy and practice for determining executive remuneration.</b></p> <p><i>The Remuneration Committee is responsible for the establishment of a formal and transparent procedure to</i></p>	

		<p>develop a policy for determining the remuneration of officers that is consistent with the Company's culture and strategy as well as the business environment in which it operates.</p> <p>The Board evaluates the performance of Management and Key Officers. In turn, the later evaluates the Company's employees. Evaluation is the basis of remuneration and incentives given thereto.</p>	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	NON-COMPLIANT	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.	The Company regularly discloses the remuneration of the top executives on an aggregate basis in its Annual Report.
<b>Recommendation 8.5</b>			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	COMPLIANT	<p><b>Disclose or provide reference/link to company's RPT policies</b></p> <p>Please refer to <b>Annex "D"</b> for the Company's Material Related Party Transactions Policy.</p> <p><b>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</b></p> <p>No instance requiring the above.</p>	While not found in the manual on Corporate Governance, the Related Party Policy is appended as Annex 1 to the Company's Code of Business Conduct and Ethics, attached as <b>Annex "C"</b> .
2. Company discloses material or significant RPTs reviewed and approved during the year.	COMPLIANT	<b>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</b>	

		<ol style="list-style-type: none"> <li>1. name of the related counterparty;</li> <li>2. relationship with the party;</li> <li>3. transaction date;</li> <li>4. type/nature of transaction;</li> <li>5. amount or contract price;</li> <li>6. terms of the transaction;</li> <li>7. rationale for entering into the transaction;</li> <li>8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and</li> <li>9. other terms and conditions</li> </ol> <p><i>There were no material RPTs for the year 2019. The Company's Material RPT Policy provides that full disclosure of the details, nature, extent, and all other information on the material RPTs including but not limited to the financial or non-financial interest of the related parties, the type, and nature of the transaction including a description of the assets involved, the percentage of the contract price to the total consolidated assets of the Company, the rationale for entering into the transaction, and the approval obtained shall be made. It shall likewise be posted</i></p>	
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		on the website within five (5) days from the submission to the Commission.	
<b>Supplement to Recommendation 8.5</b>			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	COMPLIANT	<p><b>Indicate where and when directors disclose their interests in transactions or any other conflict of interests.</b></p> <p><i>The Company requires directors to fully and immediately disclose actual or potential conflict of interest which may arise on his part. In such case, the director shall not participate in the decision-making process.</i></p> <p><i>This is specifically provided for in the Annex 3 Conflict of Interest Policy, appended to the Company's Code of Business Conduct and Ethics, attached as <b>Annex "C"</b>. Please also refer to p. 10, Part VII. Specific Duties and Responsibilities of a Director of the Manual on Corporate Governance: <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a>.</i></p> <p><i>There were no matters discussed during the Board meeting where a director had the occasion or the need to disclose his conflict of interest, if any.</i></p>	
<b>Optional : Recommendation 8.5</b>			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms'		Provide link or reference where this is disclosed, if any	



length.			
<b>Recommendation 8.6</b>			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	COMPLIANT	<b>Provide link or reference where this is disclosed</b> <i>The Company did not acquire or dispose any significant asset that could adversely affect the viability or the interest of its shareholders and other stakeholders.</i>	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	COMPLIANT	<b>Identify independent party appointed to evaluate the fairness of the transaction price.</b> <i>The Company did not acquire or dispose any significant asset for 2019.</i>	
<b>Supplement to Recommendation 8.6</b>			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	COMPLIANT	<b>Provide link or reference where these are disclosed.</b> <i>The Company does not have shareholder agreements, voting trust agreements, confidentiality agreements and such other agreements that may impact on control, ownership, and strategic direction of the Company.</i>	
<b>Recommendation 8.7</b>			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	<b>Provide link to the company's website where the Manual on Corporate Governance is posted.</b>	
2. Company's MCG is submitted to the SEC and PSE.	COMPLIANT	<i>Access the Company's Manual on Corporate Governance here:</i>	

3. Company's MCG is posted on its company website.	COMPLIANT	<a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a>	
<b>Supplement to Recommendation 8.7</b>			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	COMPLIANT	<p><b>Provide proof of submission.</b></p> <p>Access the Company's Revised Manual on Corporate Governance stamped, "received" by the SEC here: <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a></p>	
<b>Optional: Principle 8</b>			
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.	
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 to where this is contained in the 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 compliance controls) and risk management systems.		Provide link or reference to where this is contained in the Annual Report	
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.		Provide link or reference to where this is contained in the Annual Report	
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).		Provide link or reference to where this is contained in the 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.	COMPLIANT	<p><b>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.</b></p> <p><i>Please refer to p. 2 of Annex A Audit Committee Charter, appended to the Manual on Corporate</i></p>	
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		Governance: <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a>	
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.	NON-COMPLIANT	<b>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</b>	The re-appointment and fees of Reyes Tacandong and Co. as external auditor has been recommended by the Audit Committee and approved by the Board.
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	COMPLIANT	<b>Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.</b>  <i>The external auditor was not removed nor changed in the previous year.</i>	
<b>Supplement to Recommendation 9.1</b>			
1. Company has a policy of rotating the lead audit partner every five years.	COMPLIANT	<b>Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.</b>  <i>The external auditor or the lead partner thereof primarily responsible for the audit of the Company or the review thereof shall be rotated or changed at least once every five (5) years or as determined by the regulatory authorities. This is provided in page 2 of the Audit Committee Charter, appended as Annex A to the Manual on Corporate Governance:</i>	

		<a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a>	
<b>Recommendation 9.2</b>			
1. Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors;</li> <li>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</li> <li>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</li> </ul>	COMPLIANT	<b>Provide link/reference to the company's Audit Committee Charter</b>  <i>Please refer to page 2 of the Audit Committee Charter, appended as Annex A to the Manual on Corporate Governance:</i> <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a>	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	COMPLIANT	<b>Provide link/reference to the company's Audit Committee Charter</b>  <i>Please refer to the Audit Committee Charter, appended as Annex A to the Manual on Corporate Governance:</i> <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a>	
<b>Supplement to Recommendations 9.2</b>			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand	COMPLIANT	<b>Provide link/reference to the company's Audit Committee Charter</b>	

<p>complex related party transactions, its counterparties, and valuations of such transactions.</p>		<p>Please refer to the Audit Committee Charter, appended as Annex A to the Manual on Corporate Governance:  <a href="https://tkcmets.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmets.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a></p>	
<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	<p>COMPLIANT</p>	<p><b>Provide link/reference to the company's Audit Committee Charter</b></p> <p>Please refer to the Audit Committee Charter, appended as Annex A to the Manual on Corporate Governance:  <a href="https://tkcmets.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmets.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a></p>	
<p><b>Recommendation 9.3</b></p>			
<p>1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.</p>	<p>COMPLIANT</p>	<p><b>Disclose the nature of non-audit services performed by the external auditor, if any.</b></p> <p><i>There were no non-audit services provided by the external auditor for the Company in 2019.</i></p>	
<p>2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.</p>	<p>COMPLIANT</p>	<p><b>Provide link or reference to guidelines or policies on non-audit services.</b></p> <p><i>The Audit Committee disallows any non-audit work that will conflict with the duties of the External Auditor or may pose a threat to his independence. The non-audit work,</i></p>	

		<i>if allowed, should be disclosed in the Company's annual report</i>	
<b>Supplement to Recommendation 9.3</b>			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	COMPLIANT	<b>Provide information on audit and non-audit fees paid.</b>  <i>There were no non-audit services provided by the external auditor in 2019.</i>	
<b>Additional Recommendation to Principle 9</b>			
1. Company's external auditor is duly accredited by the SEC under Group A category.	COMPLIANT	<b>Provide information on company's external auditor, such as:</b>  <b>1. Name of the audit engagement partner;</b>  Arthur V. Ong  <b>2. Accreditation number;</b>  <i>SEC Accreditation No. 1752-A Group A</i>  <b>3. Expiry date of accreditation;</b> May 6, 2022  <b>4. Name, address, contact number of the audit firm.</b>  <i>Reyes Tacandong &amp; Co. Citibank Tower 8741 Paseo de Roxas, Makati City 1226 Philippines Phone: +632 982 9100; Fax: +632 982 9111</i>	
2. Company's external auditor agreed to be subjected to the SEC Oversight	COMPLIANT	<b>Provide information on the following:</b>	

Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).		<p><b>1. Date it was subjected to SOAR inspection, if subjected;</b></p> <p><b>2. Name of the Audit firm; and</b></p> <p><b>3. Members of the engagement team inspected by the SEC.</b></p> <p><i>While not yet subjected to SOAR, Reyes Tacandong &amp; Co. is amenable to be subjected thereto.</i></p>	
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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.	NON-COMPLIANT	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.	There is still no formal comprehensive policy on the disclosure on non-financial information. The Board shall endeavor to adopt a policy in order to comply with good corporate governance principles.
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	NON-COMPLIANT	Provide link to Sustainability Report, if any. Disclose the standards used.	<p>Non-financial information were taken into account and disclosed in the Company's Annual Report attached as <b>Annex "A"</b>.</p> <p>It discussed regulatory, environmental, operational, social, and economic development risks and factors that affect or may affect business operations.</p> <p>The Company intends to submit its</p>



			Sustainability Report as soon as its engaged third-party consultant accomplishes the same.
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**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.	NON-COMPLIANT	Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.	While the Company has not made use of media and analysts' briefings as channels of communication, the Company adheres to its disclosure policy of full and fair disclosure of material information and transactions. The policy is found on page 1 of the Company's Code of Business Conduct and Ethics, attached as <b>Annex "C"</b> .  Required disclosures are submitted to the SEC and uploaded to PSE Edge.
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**Supplemental to Principle 11**

1. Company has a website disclosing up-to-date information on the following:	NON-COMPLIANT	Provide link to company website: <a href="http://www.tkcmetals.com.ph/">http://www.tkcmetals.com.ph/</a>	The Company is currently working towards updating the information uploaded on the website. Unfortunately, such have not been posted to the website due to technical difficulties and bandwidth restrictions that has led to system failure upon its posting thereto
a. Financial statements/reports (latest quarterly)	NON-COMPLIANT		
b. Materials provided in briefings to analysts and media	NON-COMPLIANT		
c. Downloadable annual report	NON-COMPLIANT		
d. Notice of ASM and/or SSM	NON-COMPLIANT		

e. Minutes of ASM and/or SSM	NON-COMPLIANT		
f. Company's Articles of Incorporation and By-Laws	COMPLIANT		
<b>Additional Recommendation to Principle 11</b>			
1. Company complies with SEC-prescribed website template.	COMPLIANT	Please refer to Company's website. <a href="http://www.tkcmetals.com.ph/">http://www.tkcmetals.com.ph/</a>	

### Internal Control System and Risk Management Framework

**Principle 12:** To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.

#### Recommendation 12.1

1. Company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	<p><b>List quality service programs for the internal audit functions.</b></p> <p><i>Internal Audit provides full audit, general audit, and spot audit.</i></p> <p><b>Indicate frequency of review of the internal control system.</b></p> <p><i>Review of the internal control system is done annually.</i></p>	
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<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>COMPLIANT</p>	<p><b>Identify international framework used for Enterprise Risk Management</b></p> <p><i>Please refer to the enterprise risk management policy provisions as contained in Annex B of the Manual on Corporate Governance: <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a></i></p>	
		<p><b>Provide information or reference to a document containing information on:</b></p> <ol style="list-style-type: none"> <li><b>1. Company's risk management procedures and processes</b></li> <li><b>2. Key risks the company is currently facing</b></li> <li><b>3. How the company manages the key risks</b></li> </ol> <p><i>Key risks and risk management strategies are disclosed in the Company's Annual Report, pp. 17-20 of the 2019 Annual Report attached as <b>Annex "A"</b>.</i></p> <p><b>Indicate frequency of review of the enterprise risk management framework.</b></p> <p><i>The Board Risk Oversight Committee annually reviews the Company's approaches to risk management</i></p>	

		<p>and recommends to the Board the changes or improvements to key elements of its processes and procedures. After submission of the Committee's recommendation, the Board then reviews the risk management system.</p>	
<b>Supplement to Recommendations 12.1</b>			
<p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>	<p>COMPLIANT</p>	<p><b>Provide information on or link/reference to a document containing the company's compliance program covering compliance with laws and relevant regulations.</b></p> <p><i>The Compliance Program covering compliance with laws and relevant regulation is outlined in the duties and responsibilities of the Compliance Officer. This is provided for in page 10 of the Manual of Corporate Governance: <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a>.</i></p> <p><i>The Company also has a legal compliance policy found in the Code of Business Conduct and Ethics, attached as <b>Annex "C"</b>.</i></p> <p><b>Indicate frequency of review.</b></p> <p><i>The Company's enterprise-wide compliance program is done annually.</i></p>	

<b>Optional: Recommendation 12.1</b>			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.		Provide information on IT governance process	
<b>Recommendation 12.2</b>			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	NON-COMPLIANT	Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.	Due to the limited operations of the Company, the independent audit function of the Company is performed by the Audit Committee. The Committee can provide independent and objective advice since majority of its members are independent directors.
<b>Recommendation 12.3</b>			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	NON-COMPLIANT	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	The Company currently does not have a Chief Audit Executive. Given that the Company has limited operations and its financial condition is being improved, the Board does not deem it necessary to appoint a Chief Audit Executive at this time.  The Audit Committee currently oversees the internal audit function.
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	NON-COMPLIANT		Please refer to page 4 of Annex A in connection with pp. 11-12 and pp. 18-19 of the Manual on Corporate Governance: <a href="https://tkcmembers.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmembers.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a>
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.	NON-COMPLIANT	Identify qualified independent executive or senior management personnel, if applicable.	

<b>Recommendation 12.4</b>			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT	Provide information on company's risk management function.  <i>The Board Risk Oversight Committee oversees, conducts, and implements measures towards risk assessment, awareness, and mitigation in the Company. The company's risk management functions are enumerated in the Committee's Charter, appended as Annex B to the Manual on Corporate Governance: <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a></i>	
<b>Supplement to Recommendation 12.4</b>			
1. Company seeks external technical support in risk management when such competence is not available internally.	COMPLIANT	<b>Identify source of external technical support, if any.</b>  <i>The Company employs consultant and legal counsels, among others, to provide support in risk management.</i>	
<b>Recommendation 12.5</b>			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	NON-COMPLIANT	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	The Company currently does not have a Chief Risk Officer. Given that it has limited operations and its financial condition is being improved, the Board does not deem it necessary to appoint a Chief Audit Executive at this time.
2. CRO has adequate authority, stature, resources and support to fulfill his/her	NON-COMPLIANT		The Board Risk Oversight Committee currently oversees the risk management function.

responsibilities.			Please refer to Annex B appended to the Manual on Corporate Governance: <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a>
<b>Additional Recommendation to Principle 12</b>			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	NON-COMPLIANT	Provide link to CEO and CAE's attestation	As disclosed earlier, the Company has not appointed a CAE. The Audit Committee performs functions related to the internal audit, control, and compliance systems to ensure that these are working effectively.

### Cultivating a Synergic Relationship with Shareholders

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

#### Recommendation 13.1

<p>1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.</p>	<p>COMPLIANT</p>	<p><b>Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.</b></p> <p><i>Please refer to pp. 20-23, Part XIV. Stockholders' Rights and Protection of Minority Stockholders' Interests of the Manual on Corporate Governance:</i>  <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a></p>	
<p>2. Board ensures that basic shareholder rights are disclosed on the company's website.</p>	<p>COMPLIANT</p>	<p><b>Provide link to company's website:</b></p> <p><i>The Stockholders' Rights and Protection of Minority Stockholders' Interest are included in the Manual on Corporate Governance:</i>  <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a></p>	
<h4>Supplement to Recommendation 13.1</h4>			
<p>1. Company's common share has one vote for one share.</p>	<p>COMPLIANT</p>	<p><i>Stocks of the same class, which in the Company's case is limited to common shares, have equal rights to vote. Each share is entitled to one vote without any distinction or limitation.</i></p>	
<p>2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.</p>	<p>COMPLIANT</p>	<p><b>Provide information on all classes of shares, including their voting rights if any.</b></p>	



		<p>As of December 31, 2019, there is only one class of share – Common. All shareholders have equal rights. For particulars, please refer to its voting rights in page 20, part XIV. Stockholders' Rights and Protection of Minority Stockholders' Interests of the Manual on Corporate Governance:  <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a></p>	
3. Board has an effective, secure, and efficient voting system.	COMPLIANT	<p><b>Provide link to voting procedure. Indicate if voting is by poll or show of hands.</b></p> <p>The By-Laws of the Company allows other methods of voting other than through ballot. In practice, however, the same is done by the raising of hands or viva voce.</p> <p>Please refer to the Company's By-Laws:  <a href="http://www.tkcmetals.com.ph/sites/default/files/field/pdfpreview/tkcstelcorporationamendedby-laws.pdf">http://www.tkcmetals.com.ph/sites/default/files/field/pdfpreview/tkcstelcorporationamendedby-laws.pdf</a></p>	
4. Board has an effective shareholder voting mechanisms such as supermajority or “majority of minority” requirements to protect minority shareholders against actions of controlling shareholders.	COMPLIANT	<p><b>Provide information on shareholder voting mechanisms such as supermajority or “majority of minority”, if any.</b></p> <p>All shareholders, including minority shareholders, have the right to elect, remove, and replace directors. They also have the right to vote on</p>	

		<p>certain corporate acts, as provided under the Revised Corporation Code. With the use of cumulative voting, minority shareholders may vote together to secure a seat in the Board.</p>	
<p>5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.</p>	<p>COMPLIANT</p>	<p><b>Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)</b></p> <p><i>Special meetings of stockholders for any purpose or purposes may be called at any time by a written request of shareholders representing a majority of the outstanding capital stock.</i></p> <p><i>Please refer to page 2, Article II, Section 2 of the Company's By-Laws:  <a href="http://tkcmetals.com.ph/sites/default/files/field/pdfpreview/tkcsteelcorporationamendedby-laws.pdf">http://tkcmetals.com.ph/sites/default/files/field/pdfpreview/tkcsteelcorporationamendedby-laws.pdf</a></i></p> <p><i>As of date, there has been no call for a shareholders' meeting initiated by a shareholder.</i></p>	
<p>6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to the policies on treatment of minority shareholders</p> <p><i>Please refer to pp. 20-23, Part XIV. Stockholders' Rights and Protection of Minority Stockholders' Interests of the Manual on Corporate Governance:</i></p>	

		<a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a>	
<p>7. Company has a transparent and specific dividend policy.</p>	<p>COMPLIANT</p>	<p><b>Provide information on or link/reference to the company's dividend Policy.</b></p> <p><i>The Company's Shareholders have the right to receive dividends subject to the discretion of the Board.</i></p> <p><i>However, the Company shall be required to declare dividends when its retained earnings shall be in excess of 100% of its paid up capital.</i></p> <p><i>Please refer to pp. 20-23, Part XIV. Stockholders' Rights and Protection of Minority Stockholders' Interest of the Manual on Corporate Governance:</i>  <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a></p> <p><b>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</b></p> <p><i>The Company has not declared</i></p>	

		<i>dividends since incorporation.</i>	
<b>Optional: Recommendation 13.1</b>			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.		Identify the independent party that counted/validated the votes at the ASM, if any.	
<b>Recommendation 13.2</b>			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	NON-COMPLIANT	<p><b>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out</b></p> <p><b>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</b></p> <p><b>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS).</b></p>	<p>In compliance with the Amended Implementing Rules and Regulations of the SRC, the Company observes a minimum of 15 business days for giving out of the ASM's notice.</p> <p>Unfortunately, no ASM has been conducted for 2019. Nonetheless, shareholders may still exercise their right to call for an ASM by a written request of shareholders representing a majority of the outstanding capital stock. They also have the right to participate and vote on any matter brought up in the said meeting. The basic shareholder rights may be found in pp. 20-23, "XIV. Stockholders' Rights and Protection of Minority Stockholders' Interests" of Annex "B", the Manual on Corporate Governance.</p>
<b>Supplemental to Recommendation 13.2</b>			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:		<b>Provide link or reference to the company's notice of Annual Shareholders' Meeting a.</b>	No Notice of Annual Stockholders Meeting (ASM) has been sent for 2019

a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	NON-COMPLIANT		as there was no ASM conducted for said period. However, for the previous year, the matters enumerated in the previous column were included in the Company's Notice of ASM.
b. Auditors seeking appointment/re-appointment	NON-COMPLIANT		
c. Proxy documents	NON-COMPLIANT		
<b>Optional: Recommendation 13.2</b>			
1. Company provides rationale for the agenda items for the annual stockholders meeting		<b>Provide link or reference to the rationale for the agenda items.</b>	
<b>Recommendation 13.3</b>			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	NON-COMPLIANT	<b>Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</b>	In every ASM, shareholders are given the opportunity to raise relevant questions and assess the Company's management. These, as well as the results of the votes taken during the ASM were previously available in the Company's website. The Company is currently working towards reinstating the website and rectifying this as soon as possible. In future ASMs, the Company shall endeavor to disclose votes taken during the ASM in the website within the next working day.

<p>2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.</p>	<p>NON-COMPLIANT</p>	<p><b>Provide link to minutes of meeting in the company website.</b></p> <p>The minutes of the 2018 ASM last October 25, 2018 may be found here:  <a href="http://tkcmetals.com.ph/sites/default/files/field/pdfpreview/tkc2018asmminutes181025.pdf">http://tkcmetals.com.ph/sites/default/files/field/pdfpreview/tkc2018asmminutes181025.pdf</a></p> <p><b>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</b></p>	<p>No Annual Stockholders' Meeting was held in 2019.</p>
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		<p><b>Indicate also if the voting on resolutions was by poll.</b></p> <p><i>The By-Laws of the Company is silent as to the method by which votes are to be counted. In practice, however, the same is done by the raising of hands or viva voce.</i></p> <p><b>Include whether there was opportunity to ask question and the answers given, if any</b></p>	
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<b>Supplement to Recommendation 13.3</b>			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	COMPLIANT	<p><b>Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting</b></p> <p><i>Representatives of Reyes Tacandong &amp; Co., the Company's External Auditor were present during the last Annual Stockholders' Meeting.</i></p>	
<b>Recommendation 13.4</b>			

<p>1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.</p>	<p>COMPLIANT</p>	<p><b>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes</b></p> <p><i>It has been the Company's practice for a number of years now to have conflicts resolved through mediation between the parties. A mediator will be selected by the parties to facilitate communication and negotiation and to assist them in reaching a voluntary agreement regarding the issue involved.</i></p> <p><i>Failing such an amicable settlement, the Company would suggest that the issue be settled by arbitration in a neutral forum and preferably in accordance with the local arbitration rules.</i></p>	
<p>2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.</p>	<p>COMPLIANT</p>	<p><b>Provide link/reference to where it is found in the Manual on Corporate Governance</b></p> <p><i>Please refer to Annex B appended to the Manual on Corporate Governance:</i>  <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a></p>	



<b>Recommendation 13.5</b>			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	COMPLIANT	<p><b>Disclose the contact details of the officer/office responsible for investor relations, such as:</b></p> <p><b>1. Name of the person:</b> Wilfrido O. Gamboa</p> <p><b>2. Telephone number:</b> (632) 864-0734; 864-0736</p> <p><b>3. Fax number:</b> (632) 893-3702</p> <p><b>4. E-mail address:</b> corporateservices@tkcmetals.com.ph</p>	
2. IRO is present at every shareholder's meeting.	NON-COMPLIANT	<p><b>Indicate if the IRO was present during the ASM.</b></p> <p><i>The IRO was present during the last Annual Stockholders' Meeting</i></p>	
<b>Supplemental Recommendations to Principle 13</b>			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	COMPLIANT	<p><b>Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.</b></p> <p><i>There were no anti-takeover measures or similar devices that was proposed or implemented during the year.</i></p>	

2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	NON-COMPLIANT	<p><b>Indicate the company's public float.</b></p> <p><i>The Company's public float as of December 31, 2019 is 29.042%.</i></p>	The Company is well above the current requirement of the Securities and Exchange Commission and Philippine Stock Exchange of 10%.
<b>Optional: Principle 13</b>			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting		Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.		Disclose the process and procedure for secure electronic voting in absentia, if any.	

#### Duties to Stakeholders

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

#### Recommendation 14.1

1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	COMPLIANT	<p><b>Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.</b></p> <p><i>Please refer to <b>Annex "E"</b>, the Public Ownership report and to <b>Annex "F"</b>, the Top 100 Stockholders for Identification of the company's shareholders.</i></p> <p><i>Please refer to pp. 20-23, Part XIV. Stockholders' Rights and Protection</i></p>	
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		<p>of Minority Stockholders' Interest of the Manual on Corporate Governance:  <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a>.</p> <p>Further, policies affecting other stakeholders may be found in the Company's Code of Business Conduct and Ethics attached as <b>Annex "C"</b></p>	
<b>Recommendation 14.2</b>			
<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	<p>COMPLIANT</p>	<p><b>Identify policies and programs for the protection and fair treatment of company's stakeholders</b></p> <p>Please refer to pp. 20-23, Part XIV. Stockholders' Rights and Protection of Minority Stockholders' Interest of the Manual on Corporate Governance:  <a href="https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf">https://tkcmetals.com.ph/sites/default/files/field/pdfpreview/2017tkcmanualofcorporategovernance.pdf</a>.</p> <p>Policies and programs include voting rights, preemptive rights, power of inspection, right to information, right to dividends, appraisal right, and shareholder's meetings</p> <p>Further, policies affecting other</p>	

		<p>stakeholders may be found in the Company's Code of Business Conduct and Ethics attached as <b>Annex "C"</b>.</p>	
<b>Recommendation 14.3</b>			
<p>1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.</p>	<p>COMPLIANT</p>	<p><b>Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.</b></p> <p><i>Wilfrido O. Gamboa;</i></p> <p><b>Tel. No.</b> (632) 864-0734; (632) 864-0736</p> <p><b>Fax No.</b> (632) 893-3702</p> <p><b>E-mail:</b> corporateservices@tkcmetals.com.ph</p> <p><b>Address</b> TKC Steel Corporation Unit B1 A&amp;C Karrivin Plaza, 2316 Chino Roces Avenue Extension, Makati City, Metro Manila, Philippines</p> <p><b>Provide information on whistleblowing policy, practices and procedures for stakeholders.</b></p> <p><i>Whenever a report is made to the Compliance Officer, the Human Resource Department Head, or to any member of the Audit Committee, anonymity and</i></p>	

		<p>confidentiality consistent with conducting a thorough and fair investigation are prioritized. Since the Company values people who identify issues that need to be addressed, any form of retaliation is clearly proscribed.</p>	
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<b>Supplement to Recommendation 14.3</b>			
<p>1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.</p>	<p>COMPLIANT</p>	<p><b>Provide information on the alternative dispute resolution system established by the company.</b></p> <p><i>Conflicts are usually resolved through mediation between the parties. A mediator will be selected by the parties to facilitate communication and negotiation and to assist them in reaching a voluntary agreement regarding the issue involved.</i></p> <p><i>Failing such an amicable settlement, the Company would suggest that the issue be settled by arbitration in a neutral forum and preferably in accordance with the local arbitration rules.</i></p>	
<b>Additional Recommendations to Principle 14</b>			

1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	COMPLIANT	<b>Disclose any requests for exemption by the company and the reason for the request.</b>  <i>There were no requests for exemption from the Company.</i>	
2. Company respects intellectual property rights.	COMPLIANT	Provide specific instances, if any.  <i>There were no instances where the Company needed to use a trademark and/or trade name other than their own trade name and/or trademark.</i>	

**Optional: Principle 14**

1. Company discloses its policies and practices that address customers' welfare		Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.	
2. Company discloses its policies and practices that address supplier/contractor selection procedures		Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.	

**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	COMPLIANT	<b>Provide information on or link/reference to company policies,</b>	
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<p>to actively participate in the realization of the company's goals and in its governance.</p>		<p><b>programs and procedures that encourage employee participation.</b></p> <p><i>The Company provides orientation and training programs at the beginning of each project.</i></p> <p><i>The nature of the Company's business requires constant training of its employees for the operation of its equipment as well as substantial improvements thereto. Hence, employees have undergone various trainings during the course of the year, specifically focusing on enhancing their technical competencies.</i></p>	
<b>Supplement to Recommendation 15.1</b>			
<p>1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.</p>	<p>NON-COMPLIANT</p>	<p><i>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.</i></p>	<p>While there is no formal compensation policy, the Company takes into consideration both the Company's performance and individual performance of employees in determining bonus and incentives.</p>
<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	<p>COMPLIANT</p>	<p><b>Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.</b></p> <p><i>The Company aims to provide quality and timely health and welfare services to its employees in order to avoid interruption on their</i></p>	

		<p>jobs and to prevent conditions (physical, mental, or social) that will preclude them from giving their full attention to their work. Company adopts and implements practices required under regulations of DOLE and other regulatory government agencies.</p> <p>Likewise, TSC and ZZS, subsidiaries of the company, are subject to the regulatory rules in their respective jurisdictions. Such regulations include compliance with labor standards on health, safety, and welfare of employees.</p>	
3. Company has policies and practices on training and development of its employees.	COMPLIANT	<p><b>Disclose and provide information on policies and practices on training and development of employees. Include information on any training conducted or attended.</b></p> <p>At the beginning of each project, the Company conducts training programs for its employees. Employee training is also conducted in instances required by government regulatory bodies.</p>	
<b>Recommendation 15.2</b>			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	COMPLIANT	<p><b>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption.</b></p> <p>Please refer to the Code of Business Conduct and Ethics attached as</p>	



		<b>Annex "C".</b>	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	<p><b>Identify how the board disseminated the policy and program to employees across the organization</b></p> <p><i>Upon promulgation of the Company's policies, the Company issued a company-wide memo. The Human Resources Department is tasked to implement training programs to the Company's officers and employees.</i></p>	

<b>Supplement to Recommendation 15.2</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	COMPLIANT	<p><b>Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices.</b></p> <p><i>Employees are encouraged to promptly report concerns about any illegal and unethical behavior. Reports can be made anonymously to the Company's Compliance Officer, Human Resource Department Head, or to any member of the Audit Committee. To enable the Company to verify and act on the report, employees are encouraged to make reports that contain as much information as possible, including the person</i></p>	

		<p>involved, any witnesses, location of any other information that would assist in investigating the concerns, and any supporting documentation. All reports received are forwarded to the Risk and Audit Committee that will make the preliminary assessment of the issues raised. The Risk and Audit Committee will then determine whether there is justification for an investigation and how it should be handled, should one be necessary.</p> <p>Prompt and appropriate corrective action will be taken in response to any finding of illegal and unethical behavior. If after the investigation, the Risk and Audit Committee concludes that disciplinary measures are necessary, it will recommend such measures to the Board of Directors.</p> <p>Please refer to the Code of Business Conduct and Ethics attached as <b>Annex "C"</b>.</p>	
<p><b>Recommendation 15.3</b></p>			

<p>1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation</p>	<p>COMPLIANT</p>	<p><b>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.</b></p> <p><i>Please refer to the Company's Whistleblowing Policy, which is Annex 5 to the Code of Business Conduct and Ethics, attached as <b>Annex "C"</b>.</i></p> <p><b>Indicate if the framework includes procedures to protect the employees from retaliation.</b></p> <p><i>Please refer to the Company's Whistleblowing Policy, which is Annex 5 to the Code of Business Conduct and Ethics, attached as <b>Annex "C"</b>.</i></p> <p><b>Provide contact details to report any illegal or unethical behavior.</b></p> <p><i>Wilfrido O. Gamboa</i>  <b>Tel. No.</b> (632) 864-0734; (632) 864-0736  <b>E-mail:</b>  corporateservices@tkcmetals.com.ph</p>	
<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</p>	<p>COMPLIANT</p>	<p><i>Whenever a report is made to the Compliance Officer, to the Human Resource Department Head, or to any member of the Audit Committee, anonymity and</i></p>	

<p>concerns.</p>		<p>confidentiality consistent with conducting a thorough and fair investigation are prioritized. Since the Company values people who identify issues that need to be addressed, any form of retaliation is proscribed.</p> <p>Please refer to the Company's Whistleblowing Policy, which is Annex 5 to the Code of Business Conduct and Ethics, attached as <b>Annex "C"</b>.</p>	
<p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	<p>COMPLIANT</p>	<p><b>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</b></p> <p>The Board has already approved a whistleblowing policy and a framework found in Annex 5 of the Code of Business Conduct and Ethics, attached as <b>Annex "C"</b>. Whistleblowing concerns are reported to the Audit Committee. Thus, the Board, through the Audit Committee, ensures enforcement and compliance with the whistleblowing framework of the Company.</p>	

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

**Recommendation 16.1**

<p>1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>	<p>COMPLIANT</p>	<p><b>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</b></p> <p><i>The Company works closely with the community to improve the area, provide employment to residents therein, and address concerns in relation to its conduct of business.</i></p> <p><i>Further, the Company, through its subsidiaries, rehabilitated and upgraded the dust collection system to meet environmental standards and to make it more effective and able to cope with anticipated increase in production volume resulting from new facilities.</i></p>	
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**Optional: Principle 16**

<p>1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development</p>		<p>Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.</p>	
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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.	
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Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in PASIG CITY on 28 AUG 2020.

**SIGNATURES**

  
**BEN C. TIU**  
 Chairman of the Board

  
**DOMINGO S. BENITEZ, JR.**  
 President

  
**VICENTE V. DE VILLA, JR.**  
 Independent Director

  
**VICTOR C. FERNANDEZ**  
 Independent Director

  
**PABLITO BERMUNDO**  
 Independent Director


  
**WILFRIDO O. GAMBOA**  
 Chief Compliance Officer

  
**ANN MARGARET K. LORENZO**  
 Corporate Secretary

SUBSCRIBED AND SWORN to before me this \_\_\_\_ day of 28 AUG 2020 2020, affiants exhibiting to me their Competent Evidence of Identity, as follows:

<u>Name</u>	<u>Competent Evidence of Identity</u>
BEN C. TIU	TIN 101-333-103
VICTOR C. FERNANDEZ	TIN 155-565-214
DOMINGO S. BENITEZ, JR.	TIN 204-285-734
VICENTE DE VILLA	TIN 130-929-611
PABLITO B. BERMUNDO	TIN 125-832-706
WILFRIDO O. GAMBOA	TIN 104-731-427
ANN MARGARET K. LORENZO	TIN 274-323-370

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 Page No: 4 ;  
 Book No: ✓ ;  
 Series of 2020.

  
**ISAIAH G. SAN MIGUEL**  
 Notary Public for Cities of Pasig and San Juan  
 and in the Municipality of Pateros  
 Appointment No. 225 (2019-2020)  
 Commission Expires on December 31, 2020  
 2704 East Tower, PSE Centre, Exchange Road  
 Ortigas Center, 1605 Pasig City  
 PTR No. 2053658 / 01.08.20 / Mandaluyong  
 IBP No. LRN-013775 / 04.22.15 / PPLM  
 Roll of Attorneys No. 64234  
 MCLEC No. VI-0025655 / 04 15.19