

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT


1. Report is Filed for the Year 2015
2. Exact Name of Registrant as Specified in its Charter Anglo Philippine Holdings Corporation
3. 6th Floor Quad Alpha Centrum 125 Pioneer St. Mandaluyong City 1550
Address of Principal Office  Postal Code
4. SEC Identification Number 14102
5. (SEC Use Only)
Industry Classification Code
6. BIR Tax Identification Number 000-175-630
7. (632) 631-5139; (632) 635-6130
Issuer's Telephone number, including area code
8. N/A
Former name or former address, if changed from the last report

TABLE OF CONTENTS

A. BOARD MATTERS	5
1) BOARD OF DIRECTORS	
(a) Composition of the Board	5
(b) Corporate Governance Policy/ies	5
(c) Review and Approval of Vision and Vision	6
(d) Directorship in Other Companies	6
(e) Shareholding in the Company	7
2) CHAIRMAN AND CEO	8
3) PLAN FOR SUCCESSION OF CEO/MANAGING DIRECTOR/PRESIDENT AND TOP KEY POSITIONS	9
4) OTHER EXECUTIVE, NON-EXECUTIVE AND INDEPENDENT DIRECTORS	9
5) CHANGES IN THE BOARD OF DIRECTORS	11
6) ORIENTATION AND EDUCATION PROGRAM	17
B. CODE OF BUSINESS CONDUCT & ETHICS	18
1) POLICIES	18
2) DISSEMINATION OF CODE	21
3) COMPLIANCE WITH CODE	21
4) RELATED PARTY TRANSACTIONS	21
(a) Policies and Procedures	21
(b) Conflict of Interest	22
5) FAMILY, COMMERCIAL AND CONTRACTUAL RELATIONS	22
6) ALTERNATIVE DISPUTE RESOLUTION	23
C. BOARD MEETINGS & ATTENDANCE	24
1) SCHEDULE OF MEETINGS	24
2) DETAILS OF ATTENDANCE OF DIRECTORS	24
3) SEPARATE MEETING OF NON-EXECUTIVE DIRECTORS	24
4) QUORUM REQUIREMENT	24
5) ACCESS TO INFORMATION	24
6) EXTERNAL ADVICE	25
7) CHANGES IN EXISTING POLICIES	26
D. REMUNERATION MATTERS	26
1) REMUNERATION PROCESS	26
2) REMUNERATION POLICY AND STRUCTURE FOR DIRECTORS	27
3) AGGREGATE REMUNERATION	28
4) STOCK RIGHTS, OPTIONS AND WARRANTS	28
5) REMUNERATION OF MANAGEMENT	29
E. BOARD COMMITTEES	29
1) NUMBER OF MEMBERS, FUNCTIONS AND RESPONSIBILITIES	29
2) COMMITTEE MEMBERS	33
3) CHANGES IN COMMITTEE MEMBERS	34
4) WORK DONE AND ISSUES ADDRESSED	34
5) COMMITTEE PROGRAM	35
F. RISK MANAGEMENT SYSTEM	35

1) STATEMENT ON EFFECTIVENESS OF RISK MANAGEMENT SYSTEM.....	36
2) RISK POLICY.....	36
3) CONTROL SYSTEM.....	39
G. INTERNAL AUDIT AND CONTROL.....	41
1) STATEMENT ON EFFECTIVENESS OF INTERNAL CONTROL SYSTEM.....	41
2) INTERNAL AUDIT.....	42
(a) Role, Scope and Internal Audit Function.....	42
(b) Appointment/Removal of Internal Auditor.....	42
(c) Reporting Relationship with the Audit Committee.....	42
(d) Resignation, Re-assignment and Reasons.....	43
(e) Progress against Plans, Issues, Findings and Examination Trends.....	43
(f) Audit Control Policies and Procedures.....	43
(g) Mechanisms and Safeguards.....	44
H. ROLE OF STAKEHOLDERS.....	44
I. DISCLOSURE AND TRANSPARENCY.....	46
J. RIGHTS OF STOCKHOLDERS.....	48
1) RIGHT TO PARTICIPATE EFFECTIVELY IN STOCKHOLDERS' MEETINGS.....	48
2) TREATMENT OF MINORITY STOCKHOLDERS.....	53
K. INVESTORS RELATIONS PROGRAM.....	54
L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES.....	55
M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL.....	56
N. INTERNAL BREACHES AND SANCTIONS.....	56

A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	Eleven (11)
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Actual number of Directors for the year	Eleven (11)
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(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non- Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) ¹	Elected when (Annual /Special Meeting)	No. of years served as director
Alfredo C. Ramos	ED	National Book Store	Christopher M. Gotanco	April 11, 1979	July 31, 2015	Annual	35 years
Christopher M. Gotanco	ED	Alakor Corporation	Alfredo C. Ramos	July 22, 1987	July 31, 2015	Annual	27 years
Francisco A. Navarro	NED	Alakor Corporation	Alfredo C. Ramos	March 22, 1984	July 31, 2015	Annual	30 years
Augusto B. Sunico +	NED	Alakor Corporation	Alfredo C. Ramos	March 22, 1984	July 31, 2015	Annual	30 years
Roberto V. San Jose	ED	N.A.	Alfredo C. Ramos	May 28, 1985	July 31, 2015	Annual	29 years
Presentacion S. Ramos	NED	National Book Store	Alfredo C. Ramos	March 22, 1984	July 31, 2015	Annual	30 years
Maureen Alexandra S. Ramos-Padilla	NED	National Book Store	Alfredo C. Ramos	October 22, 2013	July 31, 2015	Annual	1 year and 5 months
Gerard Anton S. Ramos	ED	Alakor Corporation	Alfredo C. Ramos	July 29, 2011	July 31, 2015	Annual	3 years
Adrian Paulino S. Ramos	ED	Alakor Corporation	Alfredo C. Ramos	March 26, 2006	July 31, 2015	Annual	8 years
Adrian S. Arias	ED	Alakor Corporation	Christopher M. Gotanco	November 4, 2015	November 4, 2015	Special BOD Meeting	-
Renato C. Valencia	ID	N.A.	Mr. Noel T. Del Castillo (no relationship with ID)	Dec 15, 2006	July 31, 2015 (8 years)	Annual	7 years
Ramoncito Z. Abad	ID	N.A.	Mr. Victor V. Benavidez (no relationship with ID)	March 19, 2007	July 31, 2015 (7 years)	Annual	7 years

* **Augusto B. Sunico died on October 13, 2015**

** **Adrian S. Arias was elected on November 4, 2015**

- (b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities.

The Company has only one class of shares entitled to one vote each and each shareholder is treated equally with respect to the exercise of his rights in relation to other shareholders.

The rights of minority stockholders and stakeholders are accorded respect through their: (i) right to vote on all matters that require their consent or approval; (ii) right to inspect corporate books and records; (iii) right to information; (iv) right to dividends; and (v) appraisal right.

The Company's stockholders are also furnished with periodic reports, as well as access to all information, relating to Company operations for which management is accountable for.

It is the duty of the Board to promote shareholders' rights, remove impediments to the exercise of stockholders' rights, and provide an adequate avenue for them to seek timely redress for breach of their rights. The Board encourages the

exercise of stockholders' voting rights and the solution of collective action problems through appropriate mechanisms.

The Board takes the appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether in person or by proxy. The Board also gives minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Company.

(c) How often does the Board review and approve the vision and mission?

During each December Board meeting, the Board reviews the corporate vision and mission as it also conducts its evaluation of past year's performance and discusses / formulates business strategies for the succeeding years.

(d) Directorship in Other Companies

(i) Directorship in the Company's Group²

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Alfredo C. Ramos	Vulcan Materials Corporation United Paragon Mining Corp The Philodrill Corporation	ED (Chairman and President) ED (Chairman and President) NED (Chairman)
Christopher M. Gotanco	Vulcan Materials Corporation United Paragon Mining Corporation The Philodrill Corporation	ED (Vice Chairman) NED NED
Francisco A. Navarro	The Philodrill Corporation Vulcan Materials Corporation	ED (President) NED
Presentacion S. Ramos	The Philodrill Corporation	NED
Maureen Alexandra S. Ramos-Padilla	The Philodrill Corporation	NED
Gerard Anton S. Ramos	Vulcan Materials Corporation United Paragon Mining Corp	ED (Executive Vice President) ED (Vice President)
Adrian Paulino S. Ramos	Vulcan Materials Corporation. United Paragon Mining Corp The Philodrill Corporation	ED (Treasurer) ED (Treasurer) NED
Augusto B. Sunico+	The Philodrill Corporation	NED

* Augusto B. Sunico died on October 13, 2015

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group:

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Alfredo C. Ramos	Atlas Consolidated Mining & Dev't. Corp. Shang Properties Inc. Vulcan Industrial & Mining Corporation	ED (Chairman) ED (Vice Chairman) ED (Chairman)
Christopher M. Gotanco	Boulevard Holdings Inc. Vulcan Industrial & Mining Corporation	NED ED (Vice Chairman)
Roberto V. San Jose	Mabuhay Holdings Corp.	ED (Chairman)
Francisco A. Navarro	Vulcan Industrial & Mining Corporation	NED
Presentacion S. Ramos	Vulcan Industrial & Mining Corporation	NED
Gerard Anton S. Ramos	Atlas Consolidated Mining & Dev't. Corp.	NED
Adrian Paulino S. Ramos	Atlas Consolidated Mining & Dev't Corp Vulcan Industrial & Mining Corporation	ED (President) ED (Treasurer)
Adrian S. Arias	Vulcan Industrial & Mining Corporation	NED

² The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

Renato C. Valencia	GT Capital Holdings, Inc. House of Investments Inc. Metropolitan Bank & Trust Co. Vulcan Industrial & Mining Corporation	ID ID ID ID
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(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

Director's Name	Name of the Significant Shareholder	Description of the relationship
Alfredo C. Ramos	National Book Store Inc. Alakor Corporation	ED (Chairman and President) ED (Chairman and President)
Presentacion S. Ramos	Alakor Securities Corp. Alakor Corporation National Book Store Inc.	ED (Chairman and President) ED (Vice President/Treasurer) ED (Vice President)
Maureen Alexandra S. Ramos-Padilla	Alakor Securities Corp. Alakor Corporation National Book Store Inc.	NED (Director) ED (Corp. Secretary) ED (Managing Director)
Gerard Anton S. Ramos	Alakor Securities Corp. Alakor Corporation National Book Store Inc.	ED (Vice President) ED (Vice President) ED (Asst. to Vice President)
Adrian Paulino S. Ramos	Alakor Securities Corp. Alakor Corporation National Book Store Inc.	ED (Corporate Secretary) ED (Vice President) Business Dev't Manager

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

No limit has been formally set by the Board although, as a matter of practice, directors do observe the limit of five board seats in other publicly listed companies.

The Board may consider the adoption of guidelines on the number of board seats that its directors can hold in other companies (publicly listed, ordinary and companies with secondary license). The CEO and other executive directors may be covered by a lower indicative limit for membership in other boards. In all cases, the optimum number should take into consideration the capacity of a director to diligently and efficiently perform his duties and responsibilities.

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	Please refer to discussions above	None
Non-Executive Director	Please refer to discussions above	None
CEO	Please refer to discussions above	None

(e) Shareholding in the Company

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company:

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Alfredo C. Ramos	11,000	24,692,638 (PCD FAO: Alakor Sec. Corp.)	0.82%
Christopher M. Gotanco	110	17,830,650 (PCD FAO: Alakor Sec. Corp.)	0.59%
Francisco A. Navarro	400,000	582 (PCD FAO: Alakor Sec. Corp.)	0.01%
Augusto B. Sunico+	22,110	110,000	<0.01%

		(PCD FAO: Alakor Sec. Corp.)	
Roberto V. San Jose	373,866	59,386 (PCD FAO: Papa Securities)	0.01%
Presentacion S. Ramos	55,000	28,636,665 (PCD FAO: Alakor Sec. Corp.)	<0.96%
Maureen Alexandra S. Ramos-Padilla	22,000	873,066 (PCD FAO: Alakor Sec. Corp.)	0.03%
Gerard Anton S. Ramos	1,000	0	<0.01%
Adrian Paulino S. Ramos	1,000	33,000 (PCD FAO: Alakor Sec. Corp.)	<0.01%
Adrian S. Arias	1,000	19,000 (PCD FAO: Alakor Sec. Corp.)	<0.01%
Renato C. Valencia	1,100	0	<0.01%
Ramoncito Z. Abad	1,100	0	<0.01%

* **Augusto B. Sunico died on October 13, 2015**

2) Chairman and CEO

- (a) Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.

Yes ☐ No ☒

Determinations/resolutions of the Board are made by a collegial body wherein the Chairman/CEO has only one vote. In addition, the Board has constituted a Nomination, Audit and Compensation Committees headed by independent directors, which help identify and suggest strategic plans and proposals to the Board of Directors.

Identify the Chair and CEO:

Chairman of the Board/CEO	Alfredo C. Ramos

(b) Roles, Accountabilities and Deliverables

Define and clarify the roles, accountabilities and deliverables of the Chairman and CEO.

	Chairman	Chief Executive Officer
Role	<ul style="list-style-type: none"> Ensure that the meetings of the Board are held in accordance with the By-Laws, or as the Chairman may deem necessary; Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management and the Directors; and Maintain qualitative and timely lines of communication and information between the Board and Management. 	<ul style="list-style-type: none"> Shall have general supervision and control of the business management and administrative affairs of the Company. To sign or countersign all certificate of stocks of the Company. Direct the implementation of the policies established by the Board, accordingly. Direct and supervise the management of all the operations of the Company, and from time to time give such orders, directives and instructions to all personnel and employees. Carry out all lawful orders and directions of the Board of Directors. Execute and sign contracts entered into on behalf of the Company

		<ul style="list-style-type: none"> • Appoint, suspend and/or discharge, subject to confirmation of the Board of Directors, subordinate officers, employees and personnel of the Company. • Generally to exercise such authority and powers as may develop upon, or are naturally and customarily inherent to the management of the business and affairs of the company or are incident to his office.
Accountabilities	<ul style="list-style-type: none"> • As head of the Board, the Chairman is accountable to the same by ensuring that all Board meetings are properly held and all relevant information are timely distributed to its members to enable them to make a sound judgment on all matters brought to their attention for consideration or approval. 	<ul style="list-style-type: none"> • The CEO shall be accountable to the stockholders and to the Board inasmuch as he is given general supervision and control over corporate operations. As such, he shall oversee and implement the administrative and operational policies of the Company and make reports to the Board and the stockholders.
Deliverables	The Chairman shall submit a complete report of the operations of the Company for the preceding year in the Annual Report to the Stockholders.	The CEO shall prepare and submit a Management Report in the Company's financial statements, presenting the status and update on the Company's operations.

3) Explain how the board of directors plan for the succession of the CEO/Managing Director/President and the top key management positions?

Officers and employees undergo professional development programs. Succession plan for Senior Management is determined by the Board as the need arises.

4) Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the board? Please explain.

Yes. The membership of the Board is a combination of executive and non-executive directors (which include independent directors) in order that no director or small group of directors can dominate the decision-making process and, at the same time, ensure that they have a broad spectrum of business experiences and background for an efficient performance of their duties.

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain.

Yes. All members of the Board are required to have at least a practical understanding of the business of the Company, in addition to the other qualifications for membership in the Board provided for in the Corporation Code, the Securities Regulation Code and other relevant laws.

Define and clarify the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent Directors:

	Executive	Non-Executive	Independent Director
Role	<ul style="list-style-type: none"> • Manage and supervise the day-to-day operations of the Company. • Formulate strategic 	<ul style="list-style-type: none"> • Assist the executive directors in directing the business affairs of the Company and in controlling its property by rendering reasonable judgment and creative 	<ul style="list-style-type: none"> • Coordinate and assist with the executive and non-executive directors of the Company in implementing strategic policies and supervision of the business

	<p>business plans in collaboration with the Board.</p> <ul style="list-style-type: none"> Implement the business plans and directions offered, suggested and approved by the Board on how to improve the Company. 	<p>criticism that would enable the Board to formulate sound corporate plans geared towards the Company's overall performance.</p> <ul style="list-style-type: none"> Assist in ensuring that the Board works towards the best interests of the Company. 	<p>operations of the Company by maintaining objectivity and impartiality in addressing corporate issues and concerns.</p> <ul style="list-style-type: none"> Allow for the possibility of introducing new and innovative ideas for the Company. Assist the Board in achieving a consensus on important issues.
Accountabilities	<p>Executive directors are accountable to the stockholders of the Company as they are tasked to implement corporate business plans, decisions and policies, and are involved in the day-to-day activities of the Company.</p>	<p>Non-executive directors are accountable to the stockholders by overseeing the Board's activities and ensuring that sound business decisions are made and that the Board is performing its role in accordance with the Company's business plans and strategies.</p>	<p>Independent directors are accountable to the stockholders by making sure that the formulation of effective business plans involves independent judgment and diversity of views and perspectives.</p>
Deliverables	<p>In the performance of their primary functions, executive directors submit reports to the Board on a regular basis - quarterly, semiannually, or annually, including sound proposals and recommendations for consideration of the Board.</p>	<p>Non-executive directors are expected to render an effective scrutiny of the performance of Management and the Board in meeting the agreed goals and objectives.</p>	<p>Independent directors are expected to render a thorough consideration of the issues, an informed debate and deliberation of ideas during the Board meetings.</p>

Provide the company's definition of "independence" and describe the company's compliance with the definition.

"Independence" vis-à-vis Independent Directors is defined by the Company as one who:

- is not a director or officer of the Company or of its related companies or any of its substantial shareholders (other than as an independent director of any of the foregoing);
- does not own more than two percent (2%) of the shares of the Company or of its related companies or any of its substantial shareholders;
- is not related to any director, officer or substantial shareholder of the Company, any of its related companies or any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
- is not acting as a nominee or representative of a director or substantial shareholder of the Company, and/or any of its related companies, and / or any of its substantial shareholders, pursuant to a Deed of Trust or any contract or arrangement;
- has not been employed in any executive capacity by the Company, any of its related companies, and / or by any of its substantial shareholders within the last two (2) years;
- is not retained, either personally or through his firm or any similar entity, as professional adviser by the Company, any of its related companies, and / or any of its substantial shareholders within the last two (2) years;

- has not engaged and does not engage in any transaction with the Company and / or with any of its related companies and / or with other persons and / or through a firm of which he is a partner and / or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms length and are immaterial.

The Company strictly adheres to the above definition of “independence” for the selection, nomination, and appointment of its Independent Directors.

Does the company have a term limit of five consecutive years for independent directors? If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

Yes. In accordance with SEC Memorandum Circular No. 09-2011, which took effect on 02 January 2012, Independent Directors can serve for a period of five (5) consecutive years, and thereafter must undergo a cooling off period of two (2) years before he may be eligible for re-election as an Independent Director. An Independent Director who has been re-elected after the cooling-off period can serve for another four (4) additional years (maximum of nine (9) years as Independent Director).

5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period:

Name	Position	Date of Cessation	Reason
Augusto B. Sunico	Director	October 13, 2015	Death

Atty. Adrian S. Arias was appointed Director on November 4, 2015 to replace Atty. Sunico.

(b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors	<p>A. Regular process:</p> <ol style="list-style-type: none"> 1. All nominees to the Board are submitted by the stockholders to the Nomination Committee for validation. 2. The Nomination Committee submits a list of nominees to the incumbent board for notation. 3. The Board then submits to the stockholders a final list of nominees at the Annual Stockholders' Meeting during which all the directors are elected by the stockholders. <p>B. In case of vacancy, where the remaining members of the Board still constitute a quorum, the Board elects a replacement director to serve the unexpired portion of the term of the predecessor only.</p>	<p>The following constitute additional qualifications for membership in the Board in addition to those provided in the Corporation Code, Securities Regulation Code and other relevant laws:</p> <ol style="list-style-type: none"> (i) Holder of at least one (1) share of stock of the Company; (ii) College education or equivalent academic degree; (iii) He shall be at least twenty one (21) years old; (iv) Practical understanding of the business of the Company; (v) Membership in good standing in relevant industry, business or professional organizations; (vi) Previous business experience; (vii) He shall have proven to possess

		<p>integrity and probity; and,</p> <p>(viii) He shall be assiduous.</p>
(ii) Non-Executive Directors	Same as above	Same as above
(iii) Independent Directors	Same as above	<p>The Company shall have two (2) independent directors or at least 20% of its board size, at any time, whichever is lesser with the following qualifications and disqualifications:</p> <p>(i) Apart from his fees and shareholdings, he is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director of the Company;</p> <p>(ii) He shall own in his name at least one (1) share of stock of the Company;</p> <p>(iii) He shall be at least twenty one (21) years old;</p> <p>(iv) He shall be at least a college graduate or he shall have been engaged or exposed to the business of the Company for at least five (5) years;</p> <p>(v) He shall possess integrity and probity;</p> <p>(vi) He shall be assiduous;</p> <p>(vii) He is not a director or officer of the Company or of its related companies or any of its substantial shareholders (other than as an independent director of any foregoing);</p> <p>(viii) He does not own more than two percent (2%) of the shares of the Company / its related companies / its substantial shareholders;</p> <p>(ix) He is not related to any director, officer or substantial shareholder of the Company, any of its substantial shareholders;</p> <p>(x) He is not related to any director, officer or substantial shareholder of the Company or any of its related companies or its substantial shareholders;</p> <p>(xi) He is not acting as a nominee or representative of a director or substantial shareholder of the Company / its related companies/ its substantial shareholders;</p> <p>(xii) He is not employed in any executive capacity by the Company/its related companies/its substantial shareholders within the last two (2) years;</p>

		<p>(xiii) He is not retained as professional adviser by the Company/its related companies/its substantial shareholders within the last two (2) years;</p> <p>(xiv) He has not engaged and does not engage in any transaction with the Company/its related companies/its substantial shareholders, whether by himself and/or with other persons and/or through a firm of which he is a partner and/or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms length and are immaterial;</p> <p>(xv) He has not been convicted by final judgment by a competent judicial or administrative body of (a) a crime involving the purchase or sale of securities, (b) crime arising out of the person's conduct as an underwriter, broker, dealer, investment company, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, floor broker; and (c) crime arising out of his relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;</p> <p>(xvi) He has not been enjoined by the SEC or any court or other administrative body of competent jurisdiction from (a) acting as an underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or a floor broker; (b) acting as a director or officer of a bank, quasi-bank, trust company, investment house, investment company or an affiliated person of any of them; (c) engaging in or continuing any conduct or practice in connection with any such activity or willfully violating laws governing securities and banking activities;</p> <p>(xvii) He has not been finally convicted judicially or administratively of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false oath, perjury or other fraudulent acts or transgressions;</p> <p>(xviii) He has not been found by the SEC or a court or other administrative body to have willfully violated, aided, abetted, counseled, induced or procured the violation of any provision of the SRC, Corporation code, or any other law administered by the SEC or BSP, or any rule, regulation or order of the SEC or BSP, or who has filed a materially false or misleading application, report or registration statement required by the SEC, or any rule, regulation or order of the SEC;</p> <p>(xix) He has not been judicially declared to be insolvent;</p> <p>(xx) He has not been finally found guilty by a foreign court or equivalent financial regulatory authority of acts, violations or misconduct;</p> <p>(xxi) He is not an affiliated person who is ineligible to serve or act in the capacities listed in paragraphs xv to xix to serve or act in the capacities listed in those paragraphs;</p>
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		(xxii) He has not been convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the SRC, committed within five (5) years prior to the date of his election or appointment.
b. Re-appointment		
(i) Executive Directors	Same as A(5)(b)(a)(i) above	Same as A(5)(b)(a)(i) above
(ii) Non-Executive Directors	Same as A(5)(b)(a)(ii) above	Same as A(5)(b)(a)(ii) above
(iii) Independent Directors	Same as A(5)(b)(a)(iii) above	Same as A(5)(b)(a)(iii) above
c. Permanent Disqualification		
(i) Executive Directors	<p>Upon confirmation of a ground for permanent disqualification, the Board convenes and, if still constituting a quorum, elects a replacement director to serve the unexpired portion of the term of the disqualified director.</p> <p>In the event that the remaining members of the Board no longer constitute a quorum, the permanent disqualification of directors shall follow the Corporation Code such that any director may be removed from office by a vote of the stockholders holding or representing at least two-thirds (2/3) of the outstanding capital stock either at a regular Stockholders' Meeting or at a special meeting called for the purpose.</p>	<p>Grounds for permanent disqualification of a director:</p> <p>(i) Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that: (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or, (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;</p> <p>(ii) Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the SEC or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as a director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above; or, (d) willfully violating the laws that govern securities and banking activities.</p> <p>The disqualification shall also apply if such person: (a) is currently the subject of an order of the SEC or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code, or any other law administered by the SEC or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the SEC or BSP; (b) has otherwise been restrained to engage in any activity involving securities and banking; or, (c) is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or</p>

		<p>association with a member or participant of the organization.</p> <p>(iii) Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;</p> <p>(iv) Any person who has been adjudged by final judgment or order of the SEC, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code, or any other law administered by the SEC or BSP, or any of their rules, regulations or orders;</p> <p>(v) Any person judicially declared as insolvent;</p> <p>(vi) Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violation or misconduct enumerated in sub-paragraphs (i) to (iv) above; and,</p> <p>(vii) Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment as director.</p>
(ii) Non-Executive Directors	Same as above	Same as above
(iii) Independent Directors	Same as above	<p>In addition to the criteria for Permanent Disqualifications for Executive and Non-Executive Directors:</p> <ul style="list-style-type: none"> Any person earlier elected as independent director who becomes an officer, employee or consultant of the Company.
d. Temporary Disqualification		
(i) Executive Directors	<p>Upon confirmation of a ground for temporary disqualification, the Board shall, if still constituting a quorum, declare vacant the seat of the director concerned for a period not exceeding sixty (60) days, during which time the director concerned shall take appropriate actions to remedy, correct or resolve the disqualification.</p> <p>Upon confirmation that the ground for temporary disqualification has been removed, the Board shall reinstate the director concerned to his former seat upon a majority vote.</p>	<p>Grounds for Temporary Disqualification of a Director:</p> <p>(i) Refusal to comply with the disclosure requirements of the Securities Regulation Code and its implementing rules and regulations. The disqualification shall be in effect as long as the refusal persists.</p> <p>(ii) Absence in more than fifty percent (50%) of all regular and special meetings of the Board during his incumbency, unless the absence is due to illness, death in the immediate family, or serious accident. The disqualification shall apply for purposes of the succeeding election.</p>

	<p>Upon the lapse of sixty (60) days and confirmation that the ground for temporary disqualification remains, the Board shall declare the disqualification permanent and the procedure for permanent disqualification of directors shall follow.</p> <p>In the event that the remaining members of the Board no longer constitute a quorum, the temporary disqualification of directors shall follow the same procedures for permanent disqualification of directors where the remaining members of the Board no longer constitute a quorum.</p>	<p>(iii) Dismissal or termination for cause as director of any corporation covered by the Code. The disqualification shall be in effect until he has cleared himself of any involvement in the cause that gave rise to his dismissal or terminations.</p> <p>(iv) Being under preventive suspension by the Company.</p> <p>(v) If any of the judgment or orders cited in the grounds for permanent disqualification has not yet become final.</p>
(ii) Non-Executive Directors	Same as above	Same as above
(iii) Independent Directors	Same as above	<p>In addition to the Temporary Disqualifications for Executive and Non-Executive Directors:</p> <ul style="list-style-type: none"> If the beneficial equity ownership of an independent director in the Company or its subsidiaries and affiliates exceeds two percent (2%) of subscribed capital stock. The disqualification shall be lifted if the limit is later complied with.
e. Removal		
(i) Executive Directors	<p>If still constituting a quorum, the Board follows the procedures for permanent or temporary disqualification depending on the ground for disqualification.</p> <p>In the event that the remaining members of the Board no longer constitute a quorum, the removal of directors shall follow the Corporation Code such that any director may be removed from office by a vote of the stockholders holding or representing at least two-thirds (2/3) of the outstanding capital stock either at a regular Stockholders' Meeting or at a special meeting called for the purpose.</p>	Same as the grounds for temporary and permanent disqualification
(ii) Non-Executive Directors	Same as above	Same as above
(iii) Independent Directors	Same as above	Same as above
f. Re-instatement		
(i) Executive Directors	If the director is able to remedy the ground for temporary disqualification, he will be reinstated upon majority vote of the Board, if still constituting a quorum; otherwise, the procedures for re-appointment of directors shall be followed.	If the director is able to remedy the ground for temporary disqualification, he will be reinstated, subject to approval by the Board, if still constituting a quorum; otherwise, the procedures for re-appointment of directors shall be followed.
(ii) Non-Executive Directors	Same as above	Same as above
(iii) Independent Directors	Same as above	Same as above
g. Suspension		
(i) Executive Directors	Same as A(5)(b)(d)(i) above	Same as A(5)(b)(d)(i) above
(ii) Non-Executive Directors	Same as A(5)(b)(d)(ii) above	Same as A(5)(b)(d)(ii) above
(iii) Independent Directors	Same as A(5)(b)(d)(iii) above	Same as A(5)(b)(d)(iii) above

Voting Result of the last Annual General Meeting

Name of Director	Votes Received
Alfredo C. Ramos	2,563,919,560
Christopher M. Gotanco	2,563,919,560
Francisco A. Navarro	2,563,919,560
Augusto B. Sunico†	2,563,919,560
Roberto V. San Jose	2,563,919,560
Presentacion S. Ramos	2,563,919,560
Maureen Alexandra S. Ramos-Padilla	2,563,919,560
Anton S. Ramos	2,563,919,560
Adrian S. Ramos	2,563,919,560
Renato C. Valencia	2,563,919,560
Ramoncito Z. Abad	2,563,919,560

6) Orientation and Education Program

(a) Disclose details of the company's orientation program for new directors, if any.

Depending on qualifications and experience, a director, before assuming his position as such, is required to attend a seminar on corporate governance which shall be conducted by a duly recognized private or government institute.

(b) State any in-house training and external courses attended by Directors and Senior Management³ for the past three (3) years:

Name of Director and Senior Management	In-house Training and External Courses Attended
Alfredo C. Ramos	Corporate Governance Risk Opportunities, Assessment and Management (ROAM), Inc. February 18, 2014 & April 21, 2015
Christopher M. Gotanco	Corporate Governance Risk Opportunities, Assessment and Management (ROAM), Inc. February 18, 2014 & April 21, 2015
Roberto V. San Jose	Corporate Governance Risk Opportunities, Assessment and Management (ROAM), Inc. February 18, 2014 & April 21, 2015
Augusto B. Sunico+	Corporate Governance Philippine Securities Consultancy Corp. August 26, 2014
Francisco A. Navarro	Corporate Governance Risk Opportunities, Assessment and Management (ROAM), Inc. February 18, 2014 & April 21, 2015 Offshore Technology Conference (OTC) – March 25-28, 2014 Kuala Lumpur Malaysia 2014 Palawan Oil and Gas Conference –October 1-2, 2014 Association of Filipinos for the Advancement of Geoscience, Inc. AFAG, Inc) Southeast Asia Petroleum Exploration Society (SEAPEX) Annual Meeting – October 9-11, 2014, Singapore OSEA 2014, International Oil and Gas Industry Exhibitors & Conference, December 2-4, 2014 SEAPEX Conference December 3, 2015
Presentacion S. Ramos	Corporate Governance Risk Opportunities, Assessment and Management (ROAM), Inc. February 18, 2014 & April 21, 2015
Anton S. Ramos	Corporate Governance

³ Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

	Risk Opportunities, Assessment and Management (ROAM), Inc. February 18, 2014 & April 21, 2015
Adrian S. Ramos	Corporate Governance Risk Opportunities, Assessment and Management (ROAM), Inc. February 18, 2014 & April 21, 2015
Maureen Alexandra S. Ramos-Padilla	Corporate Governance Risk Opportunities, Assessment and Management (ROAM), Inc. April 21, 2015
Renato C. Valencia	First Metro Investment Corp – 2013 Risk Mgmt Brief Seminar Cybercrime Prevention & Data Privacy Act: Impact to Corporations, (March 15, 2013) Finex – Managing Risks in Changing Times (April 23, 2013) MBTC – Anti Money Laundering Seminar (May 23, 2013) First Metro Investment Corp. “Risk Management Brief” (Jan. 29, 2014) ICD “Corporate Governance”, Mandarin Oriental Hotel, Makati City, sponsored by Metrobank (Feb. 05, 2014) U.S. Eco Engagement – MAP (June 04, 2014) Financial Security Effect on National Security by Gov. Nesting Espenilla (Oct. 28, 2014, Barossa & Tuscany Rm, Tower Club Posner Leadership Challenge – AIM/MAP (Nov. 20, 2014) Annual Training Program for Corporate Governance, GT Tower Makati City, The Institute of Corporate Directors (April 22, 2015)
Ramoncito Z. Abad	Corporate Governance Risk Opportunities, Assessment and Management (ROAM), Inc. April 21, 2015
Adrian S. Arias	Corporate Governance Risk Opportunities, Assessment and Management (ROAM), Inc. February 18, 2014 & April 21, 2015 Industrial Estate and Business Parks – February 26-27, 2014, Kuala Lumpur Malaysia

The directors have attended seminars on Corporate Governance and risk management. A director may also undertake additional development program upon submission of written request with the Company.

- (c) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Alfredo C. Ramos	April 21, 2015	Corporate Governance	Risk Opportunities Assessment and Management (ROAM), Inc.
Christopher M. Gotanco	April 21, 2015	Corporate Governance	Risk Opportunities Assessment and Management (ROAM), Inc.
Roberto V. San Jose	April 21, 2015	Corporate Governance	Risk Opportunities Assessment and Management (ROAM), Inc.
Augusto B. Sunico+	-	-	-
Francisco A. Navarro	April 21, 2015 January 29-30, 2015 April 29, 2015 December 3, 2015	Corporate Governance Joint Operating Agreement Seminar on Corrosion Southeast Asia Petroleum Exploration Society (SEAPEX) Annual Meeting	Risk Opportunities Assessment and Management (ROAM), Inc. Conference Connection Cape Specialist Division Southeast Asia Petroleum Exploration Society

Presentacion S. Ramos	April 21, 2015	Corporate Governance	Risk Opportunities Assessment and Management (ROAM), Inc.
Anton S. Ramos	April 21, 2015	Corporate Governance	Risk Opportunities Assessment and Management (ROAM), Inc.
Adrian S. Ramos	April 21, 2015	Corporate Governance	Risk Opportunities Assessment and Management (ROAM), Inc.
Maureen Alexandra S. Ramos-Padilla	April 21, 2015	Corporate Governance	Risk Opportunities Assessment and Management (ROAM), Inc.
Renato C. Valencia	April 22, 2015	Annual Corporate Training Program for Corporate Governance	ICD
Ramoncito Z. Abad	April 21, 2015	Corporate Governance	Risk Opportunities Assessment and Management (ROAM), Inc.
Adrian S. Arias	April 21, 2015	Corporate Governance	Risk Opportunities Assessment and Management (ROAM), Inc.

B. CODE OF BUSINESS CONDUCT & ETHICS

- 1) Discuss briefly the company's policies on the following business conduct or ethics affecting directors, senior management and employees:

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	A director should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process. A director who has a continuing material conflict of interest should seriously consider resigning from his position.	<p>The Company must avoid conflicts between the interests of the organization and personal financial interest. Any potential conflict of interest should be disclosed, considered and handled appropriately.</p> <p>1. Employees should refrain or withdraw from participation in any transaction or relationship which is determined to constitute a material conflict of interest.</p> <p>2. Employees should put the interest of the Company ahead of his own direct or indirect financial interest.</p>	Same as Senior Management
(b) Conduct of Business and Fair Dealings	A director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests.	All Company employees must follow a written set of guidelines embodied in the Company's Procedures Manual regarding the procedures for procurement of supplies and Company equipments.	Same as Senior Management
(c) Receipt of gifts from third parties	The Company requires that all its directors, officers and employees shall not make, offer, or authorize any payment,	Same as Directors	Same as Senior Management

	<p>gift, promise or other advantage, whether directly or through any other person or entity, to or for the use or benefit of any public official or any political party or political party official or candidate for office, where such payment, gift, promise or advantage would violate applicable laws of the Philippines.</p>		
(d) Compliance with Laws & Regulations	<p>Directors, officers and employees are expected to behave according to proper and accepted norms in our society while in Company premises. Directors, officers and employees shall also follow the established rules and regulations of the Company that are meant to ensure good interpersonal relationships among other directors, officers and employees.</p>	Same as Directors	Same as Senior Management
(e) Respect for Trade Secrets/Use of Non-public Information	<p>All information/data, technical or otherwise, proprietary to the Company, obtained by the director, senior management, or employee while under its employ, are proprietary and confidential in nature and shall not be used, divulged, printed or reproduced without the Company's prior written consent. During the regular course of employment, such information/data and/or such material containing the same may be used only in relation to official company business and operations.</p>	Same as Directors	Same as Senior Management
(f) Use of Company Funds, Assets and Information	<p>The Company considers the following (among others) as offenses which shall subject the personnel concerned to the appropriate penalties and sanctions:</p> <ul style="list-style-type: none"> Unauthorized use of Company time, equipment and 	Same as Directors	Same as Senior Management

	<p>materials for personal business or works;</p> <ul style="list-style-type: none"> • Unauthorized disclosure, release, sale, etc. of Company documents, information, or trade secrets or similar acts of espionage or sabotage of the Company's business activities, including violation of the confidentiality of salaries, wages and similar information; • Malversation of Company's funds, defalcation or misappropriation or delayed remittance of collections, unusual delay in the liquidation of advances, padding or misrepresentation of expenses. 		
(g) Employment & Labor Laws & Policies	The Company shall strictly observe and comply with established rules, laws and policies regarding employment and labor and shall ensure that its internal policies and procedures remain consistent with these.	Same as Directors	Same as Senior Management
(h) Disciplinary action	Any behavior or conduct of any Company personnel which is inimical to the interest of the Company shall be considered an offense against the Company and shall subject the personnel concerned to certain penalties and sanctions.	Same as Directors	Same as Senior Management
(i) Whistle Blower	<p>This is intended to encourage directors, officers employees and outsiders to report suspected or actual occurrence(s) of illegal unethical or inappropriate events (behaviors or practices).</p> <p>A Whistleblower director, officer or employee who makes a report in bad faith may be subject to</p>	Same as Directors	Same as Senior Management

	<p>discipline, including termination from employment, removal from the Board, or other legal means to protect the reputation of the Company, its directors, officers and employees.</p> <p>Supervisors, officers or Board members who receive the reports must promptly act to investigate and resolve the issue.</p> <p>The identity of the Whistleblower, if known, shall remain confidential to those persons directly involved in applying this Policy, unless the issue requires investigation by law enforcement, in which case directors, officers and/or employees of the Company may be subject to subpoena.</p>		
(j) Conflict Resolution	All Company employees must strictly adhere with the written set of guidelines embodied in the Company's Procedures Manual regarding conflict resolution.	Same as Directors	Same as Senior Management

2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees?

The Company has prepared a draft Code of Conduct for the Board, CEO and staff, which is still undergoing changes and discussions among the parties concerned. In the meantime, however, the Company has existing policies and procedures that can identify and resolve potential conflicts of interest.

3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.

The Company undertakes a self-evaluation process every year to implement and monitor compliance with the code of ethics and conduct.

4) Related Party Transactions

(a) Policies and Procedures

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

Related Party Transactions	Policies and Procedures
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(1) Parent Company	<p>All related party transactions are based on prevailing market/commercial rates at the time of the transaction.</p> <p>Where it is required under the Corporation Code to submit corporate matters to stockholders for approval and such matters are Related Party Transactions, the related parties involved inhibit themselves from voting on the matter.</p> <p>All related party transactions are fully disclosed and subjected to regular audit by the external and internal auditors.</p>
(2) Joint Ventures	N.A. (The Company has no joint ventures)
(3) Subsidiaries	Same as No. 1 above
(4) Entities Under Common Control	Same as No. 1 above
(5) Substantial Stockholders	Same as No. 1 above
(6) Officers including spouse/children/siblings/parents	Same as No. 1 above
(7) Directors including spouse/children/siblings/parents	Same as No. 1 above
(8) Interlocking director relationship of Board of Directors	Same as No. 1 above

(b) Conflict of Interest

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	None
Name of Officer/s	None
Name of Significant Shareholders	None

(ii) Mechanism

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

	Directors/Officers/Significant Shareholders
Company	Directors and officers are required to fully disclose their interests and that of the other corporations they serve on prior to their election/appointment and before determination of any matter under consideration.
Group	Same as above

5) Family, Commercial and Contractual Relations

(a) Indicate, if applicable, any relation of a family,⁴ commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
National Book Store Inc. Corporation	Related Party	National Book Store Inc. is a related party by significant

⁴ Family relationship up to the fourth civil degree either by consanguinity or affinity.

		ownership.
Alakor Corporation	Related Party	Alakor Corporation is a parent company.

- (b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description
National Book Store Inc.	1. Corporate: National Book Store Inc. owns 5% or more of the Company's stock.	In the ordinary course of business, the Company had transactions with related party/ies consisting principally of advances to related party/ies in order to address immediate working capital requirements. The identities of these parties, including the amounts and details of the transactions are disclosed in Note 17 to the Company's Audited Consolidated Financial Statements. All transactions with related party/ies are based on prevailing market / commercial rates at the time of the transaction.
	2. Contractual: Advances to related party	
Alakor Corporation	1. Corporate: Alakor Corporation owns 5% or more of the Company's stock.	
	2. Contractual: Advances to related party	

- (c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the company:

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
N.A.	N.A.	N.A.

So far as is known to the Company, there are no shareholder agreements that may impact on the control, ownership and strategic direction of the Company.

6) Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

	Alternative Dispute Resolution System
Corporation & Stockholders	<p>1. A stockholder has the right to present any grievances/inquiries regarding (i) ownership and (ii) rights of stockholders to the Company's Corporate Secretary and stocks department.</p> <p>2. The Stocks Department, in coordination, with the Company's transfer agent, investigates and recommends relevant measures.</p> <p>3. Depending on the issue involved, the Corporate Secretary may (i) approve, (ii) submit to Management Committee for resolution, or (iii) submit to the Board for resolution.</p>

Corporation & Third Parties	The Company endeavors to act in good faith to settle amicably any dispute arising out of or in connection with conflicts or differences with third parties. Disputes that are not amicably settled are first referred to arbitration proceedings.
Corporation & Regulatory Authorities	Disputes, if any, arising between the regulatory authorities (such as the SEC, Department of Energy) and the Company which cannot be settled amicably may be referred to arbitration with the consent of the agency involved; otherwise, the same shall be referred to quasi-judicial or judicial litigation, as may be appropriate.

C. BOARD MEETINGS & ATTENDANCE

1) Are Board of Directors' meetings scheduled before or at the beginning of the year?

The Corporate Secretary sets a tentative schedule of the Board of Directors' meetings for the current year and puts the Board on notice thereof. At least two (2) weeks prior to a scheduled meeting, the Corporate Secretary re-confirms the schedule with the directors. Changes, if any, for any reason, are agreed by consensus among directors and the new schedule is circulated to the Board for notation.

2) Attendance of Directors

Board	Name	Date of Election*	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Alfredo C. Ramos	07/31/2015	6	6	100%
Member	Christopher M. Gotanco	07/31/2015	6	6	100%
Member	Francisco A. Navarro	07/31/2015	6	6	100%
Member	Augusto B. Sunico+	07/31/2015	4	0	0%
Member	Roberto V. San Jose	07/31/2015	6	6	100%
Member	Presentacion S. Ramos	07/31/2015	6	6	100%
Member	Maureen Alexandra S. Ramos-Padilla	07/31/2015	6	5	83%
Member	Gerard Anton S. Ramos	07/31/2015	6	5	83%
Member	Adrian Paulino S. Ramos	07/31/2015	6	6	100%
Member	Adrian S. Arias**	11/04/2015**	2	2	100%
Independent	Renato C. Valencia	07/31/2015	6	6	100%
Independent	Ramoncito Z. Abad	07/31/2015	6	6	100%

*During the 2015 Annual Stockholders Meeting

**During the November 4, 2015 Special BDO Meeting

3) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times?

So far as is known to the Company, non-executive directors do not hold meetings amongst themselves exclusively.

4) Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain.

No. A majority of the directors of the Company, at a meeting duly assembled, shall be necessary to constitute a quorum for the transaction of business, and the act of a majority of a quorum so present shall be valid as a corporate act, except as

otherwise provided by law.

5) Access to Information

- (a) How many days in advance are board papers⁵ for board of directors meetings provided to the board?

Board papers for board of directors' meetings are provided at least one (1) day before the date of the meeting.

- (b) Do board members have independent access to Management and the Corporate Secretary?

Yes. Members of the Board have independent access to Management and the Corporate Secretary.

- (c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc?

The Company secretary's duties and responsibilities are as follows:

- (i) Be responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its committees, as well as the other official records of the Company;
 - (ii) Informs the members of the Board, in accordance with the By-Laws, of the agenda of their meetings and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
 - (iii) Attend all Board meetings, except when justifiable causes, such as, illness, death in the immediate family and serious accidents prevent him from doing so;
 - (iv) Ensure that all Board procedures, rules and regulations are strictly followed by the members;
 - (v) If he is also the Compliance Officer, perform all the duties and responsibilities of the said officer as provided for in the Code.
 - (vi) Gather and analyze all documents, records and other information essential to the conduct of his duties and responsibilities to the Company;
 - (vii) As to meetings, get a complete schedule thereof at least for the current year and put the Board on notice before every meeting;
 - (viii) Assist the Board in making business judgment in good faith and in the performance of their responsibilities and obligations; and,
 - (ix) Submit to the SEC, at the end of every fiscal year, an annual certification as to the attendance of the directors during Board meetings.
- (d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative. Yes

Yes. The Corporate Secretary is trained in legal, accountancy and company secretarial practices.

- (e) Committee Procedures

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes ☒

No ☐

⁵ Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

Committee	Details of the procedures
Executive	N.A. (The Company has no Executive Committee)
Audit	All directors may request for any Company information at any time from the relevant officers concerned.
Nomination	Same as above
Remuneration	Same as above
Others (Management Committee)	Same as above

6) External Advice

Indicate whether or not a procedure exists whereby directors can receive external advice and, if so, provide details:

Procedures	Details
The Company and its directors may seek external advisory services as the need for it arises. The engagement of any such external advisory services is based on submission of quotation, evaluation, recommendation, and approval by the Board.	The Company did not engage any advisory services during the period.

7) Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

Existing Policies	Changes	Reason
<p>The Company generates revenues and income, principally: (a) from its investments by way of dividends received from, and/or equitizable share in the earnings of, investee companies; and, (b) sale of investments or of the securities to which the investment may have been converted, including interest income earned by such securities.</p> <p>The Company's internal source of liquidity comes, primarily, from revenues generated from operations and dividends received from investee companies. The Company's external source of liquidity comes, primarily, from loans/financing obtained from financial institutions and, alternatively, may also come from the collection of its accounts receivables and issuance of additional capital stock.</p>	None	N.A.
The Company has no material commitments for capital expenditures, but is expected to contribute its equity share in the capital expenditures of its investee companies. However, the bulk of the funding for such expenditures will be sourced from project financing	None	N.A.
Corporate Governance (CG) Policies	The company adopted CG Policies in compliance with SEC Memo Circular No.11 Series of 2014.	To update existing CG policies

D. REMUNERATION MATTERS

1) Remuneration Process

Disclose the **process** used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

Process	CEO	Top 4 Highest Paid Management Officers*
(1) Fixed remuneration	General compensation brackets are set by the Board.	Same as CEO
(2) Variable remuneration	None	None
(3) Per diem allowance	<p>A fixed per diem rate is granted to all traveling directors, officers and employees to take care of their hotel accommodations (hotel room, laundry service charges, taxes), meals and taxes therein, transportation cost within the area of local business.</p> <p>The per diem entitlement shall commence on the date the officer/employee departs from Head Office and ends on the date the officer/employee returns to Head Office using the fastest and most direct route available.</p>	Same as CEO
(4) Bonus	<p>The Company provides its employees all the financial benefits provided by law, such as the 13th month pay.</p> <p>The Company also provides bonuses to its CEO as determined and approved by the Board.</p>	<p>The Company provides its employees all the financial benefits provided by law, such as the 13th month pay.</p> <p>The Company also provides bonuses to its four (4) highest paid management officers upon resolution by the CEO and with approval by the Board.</p>
(5) Stock Options and other financial instruments	None	None
(6) Others (specify)	None	None

The Company has CEO and 4 highest paid salaried executive.

2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	The levels of remuneration of the Company should be sufficient to be able to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors may	None	The directors are entitled to receive compensation as may be authorized by the vote of the stockholders representing at least a majority of the outstanding capital stock at a regular or special stockholders

	be structured or be based on corporate and individual performance.		meeting.
Non-Executive Directors	The levels of remuneration of the Company should be sufficient to be able to attract and retain the services of qualified and competent directors and officers.	None	Same as above

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years.

Remuneration Scheme	Date of Stockholders' Approval
None	N.A.

3) Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued during the most recent year:

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	6,864,000	n/a	n/a
(b) Variable Remuneration	n/a	n/a	n/a
(c) Per diem Allowance	48,000	45,000	15,000
(d) Bonuses	3,419,494	627,430	313,715
(e) Stock Options and/or other financial instruments	n/a	n/a	n/a
(f) Others (Specify) Transportation allowance	275,000	295,000	130,000
Total	10,606,494	967,430	458,715

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	0	0	0
2) Credit granted	n/a	n/a	n/a
3) Pension Plan/s Contributions	0	0	0
(d) Pension Plans, Obligations incurred	0	0	0
(e) Life Insurance Premium	0	0	0

(f) Hospitalization Plan	208,744		
(g) Car Plan	2,053,214	0	0
(h) Others (Specify)	0	0	0
Total	2,261,958	-	-

4) Stock Rights, Options and Warrants

(a) Board of Directors

Complete the following table, on the members of the company's Board of Directors who own or are entitled to stock rights, options or warrants over the company's shares:

There are no stock rights, options or warrants over the Company's shares granted to the Board of Directors.

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock
N.A.	N.A.	N.A.	N.A.	N.A.

(b) Amendments of Incentive Programs

Indicate any amendments and discontinuation of any incentive programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:

Incentive Program	Amendments	Date of Stockholders' Approval
None	N.A.	N.A.

The Company has no incentive programs.

5) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Name of Officer/Position	Total Remuneration
Iris Marie U. Carpio-Duque– Assistant Corporate Secretary	P1,779,000
Deborah S. Acosta-Cajustin-Assistant Corporate Secretary	
Gilbert V. Rabago– Manager, Finance and Accounting	

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the

power/authority delegated to it by the Board:

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive (The Company has NO Executive Committee)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Audit	1	1	2	Yes	<p>(i) Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;</p> <p>(ii) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the corporation. This function shall include regular receipt from Management of information on risk exposures and risk management activities.</p> <p>(iii) Perform oversight functions over the Company's internal and external auditors to ensure that they act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;</p> <p>(iv) Review the annual internal audit plan to ensure its conformity with the objectives of the Company. The plan shall include the audit scope, resources and budget necessary to implement it.</p> <p>(v) Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;</p> <p>(vi) Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions</p>	<p>The Audit Committee shall carry out responsibilities for the following:</p> <ol style="list-style-type: none"> 1. Financial statements 2. Internal control/risk management 3. Internal audit 4. External audit 5. Compliance with laws and regulations 6. Reporting responsibilities to the Board of Directors, shareholders, SEC and PSE, internal and external auditors 	<ul style="list-style-type: none"> • Recommend to the Board the appointment and compensation of any registered public accounting firm employed by the Company (i.e., external auditors), and to oversee its work; • Resolve any disagreements between management and the auditor regarding financial reporting; • Pre-approve all audit and non-audit services; • Retain independent counsel, accountants, or others to advise the committee or assist in the conduct of an investigation; • Seek any information it requires from employees (all of whom are directed to cooperate with the committee's requests) or external

					<p>of its engagement and removal;</p> <p>(vii) Monitor and evaluate the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology security;</p> <p>(viii) Perform direct interface functions with the internal and external auditor;</p> <p>(ix) Elevate to international standards the accounting and auditing processes, practices and methodologies, and develop the following in relation to this reform:</p> <p>(a) a definitive timetable within which the accounting system of the Company will be 100% International Accounting Standard (IAS) compliant; and,</p> <p>(b) an accountability statement that will specifically identify officers and/or personnel directly responsible for the accomplishment of such task.</p> <p>(x) Develop a transparent financial management system that will ensure the integrity of internal control activities throughout the Company through a step-by-step procedures and policies handbook that will be used by the entire organization.</p> <p>(xi) Review the reports submitted by the internal and external auditors;</p> <p>(xii) Review the quarterly, half year and annual financial statements before their submission to the Board, with particular focus on the following matters;</p> <ul style="list-style-type: none"> - Any change/s in accounting policies and practices - Major judgmental areas - Significant adjustments resulting from the audit - Going concern assumptions - Compliance with accounting standards - Compliance with tax, legal and regulatory requirements. <p>(xiii) Coordinate, monitor and facilitate compliance with laws, rules and regulations;</p> <p>(xiv) Evaluate and determine the non-audit work, if any, of</p>	<p>parties.</p> <ul style="list-style-type: none"> • Meet with the Company's officers, external auditors, or outside counsel as necessary.
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					<p>the external auditor, and review periodically the non audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Company's overall consultancy expenses. The Committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence.</p> <p>(xv) Establish and identify the reporting line of the internal auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee. The Audit Committee shall ensure that, in the performance of the work of the internal auditor, he shall be free from interference by outside parties.</p>		
Nomination	2	0	2	None	<ul style="list-style-type: none"> Review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval; Assess the effectiveness of the Board's processes and procedures in the election or replacement of directors. 	<ul style="list-style-type: none"> Accepts nominations for membership in the Board; Screens the nominees submitted to it; Submits the list of nominees to the Board. 	<ul style="list-style-type: none"> Accepts or rejects nominations based on qualifications set in the Company's Corporate Governance Manual.
Remuneration	2	0	2	None	<ul style="list-style-type: none"> Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel; Designate amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the Company successfully; Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of individual directors, if any, 	<ul style="list-style-type: none"> Review the salary brackets and packages for the Company's directors, officers and employees. 	<ul style="list-style-type: none"> Submit the salary brackets and packages to the Board for resolution.

					and officers; <ul style="list-style-type: none"> • Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers; • Disallow and director to decide his/her own remuneration; • Provide in the Company's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of executive officers for the previous fiscal year and the ensuing year; • Develop/review the existing Company's Human Resources Development or Personnel Handbook. 		
Others (specify)	None	None	None	None	N.A.	N.A.	N.A.

2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Member (ED)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Member (NED)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Member (ID)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Member	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

The Company has no Executive Committee.

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Renato C. Valencia	July 31, 2015	2	2	100	2006-present
Member (ED)	Adrian S. Ramos	July 31, 2015	2	2	100	2006-present
Member (NED)	Francisco A. Navarro	July 31, 2015	2	2	100	2011-present
Member (ID)	Ramoncito Z. Abad	July 31, 2015	2	2	100	2007-present

Disclose the profile or qualifications of the Audit Committee members.

The Audit Committee shall consist of at least three (3) directors, who shall preferably have accounting and

finance backgrounds, one of whom shall be an independent director and another with audit experience. The chairman of the Audit Committee should be an independent director. Each member shall have adequate understanding and knowledge of the Company's financial management systems and environment.

Describe the Audit Committee's responsibility relative to the external auditor.

The Audit Committee is tasked with the duty to:

- Review and confirm the independence of the external auditor by obtaining statements from the auditor on relationships between the auditors and the Company, including non-audit services, and discussing the relationships with the auditor;
- Review and consider rotation of partners of the external auditor;
- Review the external auditor's proposed audit scope, related audit fees and approach, including coordination of auditor efforts with internal audit;
- Review the external auditor's observations on internal controls, audit adjustments and compliance with auditing standards;
- On an annual basis, review the report from the external auditor describing any material issues raised by the most recent quality control of the audit firm and any steps taken to deal with any such issues;
- Review the performance of external auditor and recommend to the Board the appointment, re-appointment or removal of the auditors.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Renato C. Valencia	July 31, 2015	1	1	100	2006-present
Member (ED)	Christopher M. Gotanco – President	July 31, 2015	1	1	100	2004-present
	Gerard Anton S. Ramos - EVP Investments	July 31, 2015	1	1		2004-present
Member (ID)	Ramoncito Z. Abad	July 31, 2015	1	1	100	2007-present
Member-Non Voting (ED)	Adrian S. Arias - EVP Legal and Administration	November 4, 2015	1	1	100	2004-present

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Ramoncito Z. Abad	July 31, 2015	1	1	100	2006-present
Member (ED)	Christopher M. Gotanco	July 31, 2015	1	1	100	2004-present
Member (NED)	Adrian S. Ramos	July 31, 2015	1	1	100	2004-present
Member (ID)	Renato C. Valencia	July 31, 2015	1	1	100	2006-present

(e) Others (Specify)

Provide the same information on all other committees constituted by the Board of Directors:

The Company has no other committees.

3) Changes in Committee Members

Indicate any changes in committee membership that occurred during the year and the reason for the changes:

Name of Committee	Name	Reason
Executive	None	N.A.
Audit	None	N.A.
Nomination	None	N.A.
Remuneration	None	N.A.
Others	-	-

There were no changes in committee membership that occurred during the year.

4) Work Done and Issues Addressed

Describe the work done by each committee and the significant issues addressed during the year.

Name of Committee	Work Done	Issues Addressed
Executive	N.A. (The Company has no Executive Committee)	N.A.
Audit	<p>The Audit Committee assisted the Board of Directors in overseeing:</p> <p>(i) The integrity of the Company's financial statements and its systems of internal accounting and financial controls;</p> <p>(ii) The independence, qualifications and performance of the Company's independent auditor;</p> <p>(iii) The performance of the Company's internal auditors; and</p> <p>(iv) The Company's compliance with legal and regulatory requirements.</p>	The Audit Committee determined ways to timely complete the audited financial statements by requesting the Company's associates to submit their audited financial report on schedule.
Nomination	The Nomination Committee received the nominations and reviewed the qualifications of each nominee for the eleven (11) available seats in the Board of Directors for years 2014-2015, including the candidates for election as Independent Directors.	None
Remuneration	None	None
Others	-	-

5) Committee Program

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

Name of Committee	Planned Programs	Issues to be Addressed
Executive	N.A. (The Company has no Executive Committee)	N.A.
Audit	To continue the performance of the Committee functions as stipulated in the Corporate Governance Manual.	No issue has arisen yet since the end of the reporting period (2015)
Nomination	To continue the performance of the Committee functions as stipulated in the Corporate Governance Manual.	No issue has arisen yet since the end of the reporting period (2015)
Remuneration	To continue the performance of the Committee functions as stipulated in the Corporate Governance Manual.	No issue has arisen yet since the end of the reporting period (2015)
Others	-	-

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

The Company shall fund its operational and capital-intensive projects from internally generated funds.

(b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof;

The Board regularly meets to discuss and update themselves regarding the ongoing plans and programs of the Company and how these may affect the Company's liquidity and other relevant risks.

Risk management policies and structure are reviewed regularly to reflect changes in market conditions and the Group's activities.

(c) Period covered by the review;

The review conducted by the Board regarding the effectiveness of the Company's risk management system covers projects and activities during the month prior to the current Board meeting. The Board also conducts annual reviews during its December Board meetings.

(d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness;

The risk management system is reviewed annually by the Board of Directors during the December board meeting. The only criterion used by the Board of Directors in assessing the effectiveness of the risk management system is if the same had been able to prevent, mitigate or avoid the risks contemplated under the program.

(e) Where no review was conducted during the year, an explanation why not.

N.A. (see above)

2) Risk Policy

(a) Company

Give a general description of the company's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
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Credit Risk	<p>Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Group's cash with banks, short term deposits and receivables.</p> <p>The Group ensures that its financial assets are considered high grade by transacting only with top banks in the Philippines and maintaining good relationships with related parties, key employees and debtors who are highly reputable and with good credit standing.</p>	The Company maintains a capital base to cover risks inherent in the business, with the primary objective of optimizing the use and earnings potential of its resources to ensure that it is able to comply with externally imposed (legal or contractual) capital requirements, if any, and considering changes in economic conditions and the risk characteristics of its activities.
Liquidity Risk	<p>Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's objectives to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.</p> <p>The Group manages liquidity risk by maintaining a balance between continuity of funding and flexibility in operations. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Group's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal policies.</p> <p>The Group's financial assets used for liquidity management are its cash and cash equivalents, financial assets at FVPL, receivables and AFS investments.</p>	Same as above
Market Risk	<p>Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and other market variables which will adversely affect the Group's total comprehensive income or value of its financial instruments. The objective of the Group's market risk management is to manage and control market risk exposures within acceptable parameters.</p>	Same as above
a. Foreign currency risk	<p><i>Foreign Exchange Risk</i> The Group uses the Philippine peso as its functional currency and is therefore exposed to foreign exchange movements, primarily in U.S. dollar currency. The Group follows a policy to manage its foreign</p>	Same as above

	exchange risk by closely monitoring its cash flow position and by providing forecast on all other exposures in non-peso currencies.	
b. Equity price risk	<p>Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of equity indices and the value of the listed shares. The equity price risk exposure arises from the Group's investment in financial assets at FVPL and quoted AFS investments.</p> <p>The effects on equity and income before income tax, (as a result of a change in the fair value of AFS equity investments and financial assets at FVPL, respectively, at December 31, 2014, 2013 and 2012 due to a reasonably possible change in bid market prices, with all other variables held constant).</p>	Same as above

(b) Group

Give a general description of the Group's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Credit Risk	<p>Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Group's cash with banks, short term deposits and receivables.</p> <p>The Group ensures that its financial assets are considered high grade by transacting only with top banks in the Philippines and maintaining good relationships with related parties, key employees and debtors who are highly reputable and with good credit standing.</p>	The Company maintains a capital base to cover risks inherent in the business, with the primary objective of optimizing the use and earnings potential of its resources to ensure that it is able to comply with externally imposed (legal or contractual) capital requirements, if any, and considering changes in economic conditions and the risk characteristics of its activities.
Liquidity Risk	<p>Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's objectives to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.</p> <p>The Group manages liquidity risk by maintaining a balance between continuity of funding and flexibility in operations. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely</p>	Same as above

	<p>monitors the Group's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal policies.</p> <p>The Group's financial assets used for liquidity management are its cash and cash equivalents, financial assets at FVPL, receivables and AFS investments.</p>	
Market Risk	<p>Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and other market variables which will adversely affect the Group's total comprehensive income or value of its financial instruments. The objective of the Group's market risk management is to manage and control market risk exposures within acceptable parameters.</p>	Same as above
a. Foreign currency risk	<p><i>Foreign Exchange Risk</i></p> <p>The Group uses the Philippine peso as its functional currency and is therefore exposed to foreign exchange movements, primarily in U.S. dollar currency. The Group follows a policy to manage its foreign exchange risk by closely monitoring its cash flow position and by providing forecast on all other exposures in non-peso currencies.</p>	Same as above
b. Equity price risk	<p>Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of equity indices and the value of the listed shares. The equity price risk exposure arises from the Group's investment in financial assets at FVPL and quoted AFS investments.</p> <p>The effects on equity and income before income tax, (as a result of a change in the fair value of AFS equity investments and financial assets at FVPL, respectively, at December 31, 2014, 2013 and 2012 due to a reasonably possible change in bid market prices, with all other variables held constant).</p>	Same as above

(c) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power.

Risk to Minority Shareholders
Exercising control over the stockholders' voting power bears the risk of creating an imbalance between the controlling and the minority shareholders, for which reason, the holders of the Company's shares are all

equally entitled to one vote per share with the objective of protecting minority interests. At the same time, the identity of the controlling shareholders and the degree of ownership concentration are also fully disclosed in the Company's annual report.

3) Control System Set Up

(a) Company

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Credit Risk	The Company, through its external and internal auditors, regularly monitors and measures the risk exposure of the Company.	The Group ensures that its financial assets are considered high grade by transacting only with top banks in the Philippines and maintaining good relationships with related parties, key employees and debtors who are highly reputable and with good credit standing.
Liquidity Risk	Same as above	<p>The Group manages liquidity risk by maintaining a balance between continuity of funding and flexibility in operations. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Group's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal policies.</p> <p>Should the Company's cash position be insufficient to meet current requirements, the Company may consider:</p> <ol style="list-style-type: none"> 1. Collecting a portion of Accounts Receivables as of December 31, 2014; 2. Selling a portion of its existing investments and/or assets; and/ or 3. Generating cash from loans and advances.
Market Risk	Same as above	The objective of the Group's market risk management is to manage and control market risk exposures within acceptable parameters.
a. Foreign currency risk	Same as above	The Company regularly restates its U.S. denominated loans and cash equivalents.
b. Equity price risk	Same as above	The Company regularly monitors price fluctuations to determine the appropriate time to dispose or acquire equity securities.

(b) Group

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Please refer to discussions on the Company's risk management policy as they similarly apply for the Group.

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Credit Risk	Same as the process for monitoring and measuring risk for the Company as described above.	Same as risk management and control measures for the Company as described above.
Liquidity Risk		
Market Risk		
a. Foreign currency risk		
b. Equity price risk		

(c) Committee

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Committee/Unit	Control Mechanism	Details of its Functions
Audit Committee	<p>The Company may establish an internal audit system that can reasonably assure the Board, Management and stockholders that the key organizational and operational controls are faithfully complied with.</p> <p>The Board may appoint an internal auditor to perform the audit function (guided by the International Standards on Professional Practice of Internal Auditing) and require him to report to the level in the organization that allows the internal audit activity to fulfill its mandate.</p>	<p>The Audit Committee is tasked with the duty:</p> <p>(i) To consider the effectiveness of the organization's internal control system, including fraud prevention and detection, information technology, security and control;</p> <p>(ii) To understand the scope of internal and external auditors' assessment of internal control and review the status of all internal and external audit recommendations and their implementation;</p> <p>(iii) To organize an internal audit department and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;</p> <p>(iv) To review the annual internal audit plan to ensure conformity with the objectives of the Company.</p>

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

Disclose the following information pertaining to the internal control system of the company:

- (a) Explain how the internal control system is defined for the company;

Internal control system is the Company's set of procedures and mechanisms for monitoring and evaluating the Company's ability to effectively prevent and detect fraud, including the establishment of sufficient levels of information technology security and financial reporting control.

The control environment of the Company consists of: (a) the Board, which ensures that the Company is properly and effectively managed and supervised; (b) a Management, that actively manages and operates the Company in a sound and prudent manner; (c) the organizational and procedural controls supported by effective management information and risk management reporting systems; and (d) an independent audit mechanism to monitor the adequacy and effectiveness of the Company's governance, operations, and information's systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts.

- (b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;

The Board, with the assistance of the Audit Committee, regularly meets to discuss and oversee whether the Company is able to comply with the required financial reporting and audit processes, including compliance with applicable laws, rules and regulations.

- (c) Period covered by the review;

The review conducted by the Board regarding the effectiveness of the Company's internal control system covers projects and activities during the month prior to the current Board meeting. The Board also Conducts annual reviews during its December Board Meeting.

- (d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and

The Board utilizes its regular Board meetings to review and assess the effectiveness of the Company's internal control system. The Board also conducts annual reviews during its December Board meetings.

- (e) Where no review was conducted during the year, an explanation why not.

N.A. Regular reviews, coinciding with Board meetings, were held during the year.

2) Internal Audit

- (a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
The independent Internal Auditor functions to provide the Board, senior Management and stockholders with reasonable assurance that the Company's key organizational and procedural controls are effective, appropriate and complied with.	<p>The scope and particulars of a the organizational and procedural controls which the Internal Auditor oversees shall be based on the following factors:</p> <ul style="list-style-type: none"> The nature and complexity of business and the business culture The volume, size 	In-house	Isabelita L. Matela	The Internal Auditor reports directly to the Audit Committee.

	and complexity of transactions <ul style="list-style-type: none"> • The degree of risk • The degree of centralization and delegation of authority • The extent and effectiveness of information technology • The extent of regulatory compliance. 			
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- (b) Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?

Yes. The Audit Committee performs oversight functions over the Company's Internal and External Auditors, which includes approval of the appointment and/or removal of the Internal and External Auditors.

- (c) Discuss the internal auditor's reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel?

The Internal Auditor reports directly to the Audit Committee and provides the Board, senior management, and stockholders with reasonable assurance that its key organizational and procedural controls are effective, appropriate and complied with. In doing so, the Internal Auditor is given all the necessary access to management and the right to seek information and explanations.

- (d) Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them.

Name of Audit Staff	Reason
N.A.	N.A.

There were no resignations or re-assignments of internal audit staff during the year.

- (e) Progress against Plans, Issues, Findings and Examination Trends

State the internal audit's progress against plans, significant issues, significant findings and examination trends.

Progress Against Plans	The Company comprehensively reviews and implements the established audit plan based on a scheduled timeline.
Issues⁶	No significant issues have arisen involving different interpretations because the Company implements and adheres to a fixed set of accounting policies and internal control mechanisms.
Findings⁷	There are no significant findings.
Examination Trends	The Company continues to conduct examination of possible issues on a regular basis but no pervasive issues and findings have been determined.

⁶ "Issues" are compliance matters that arise from adopting different interpretations.

⁷ "Findings" are those with concrete basis under the company's policies and rules.

The relationship among progress, plans, issues and findings should be viewed as an internal control review cycle which involves the following step-by-step activities:

- 1) Preparation of an audit plan inclusive of a timeline and milestones;
- 2) Conduct of examination based on the plan;
- 3) Evaluation of the progress in the implementation of the plan;
- 4) Documentation of issues and findings as a result of the examination;
- 5) Determination of the pervasive issues and findings ("examination trends") based on single year result and/or year-to-year results;
- 6) Conduct of the foregoing procedures on a regular basis.

(f) Audit Control Policies and Procedures

Disclose all internal audit controls, policies and procedures that have been established by the company and the result of an assessment as to whether the established controls, policies and procedures have been implemented under the column "Implementation."

Policies & Procedures	Implementation
A written set of accounting policies and procedures are included in the Company's Procedures Manual which took effect on January 1, 2008.	The Company fully adheres to the accounting policies and procedures embodied in its Procedures Manual and consistently ensures that the system quickly identifies errors and fraud, if and when they occur.

(g) Mechanisms and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the company's shares and imposition of internal approval procedures for these transactions, limitation on the non-audit services that an external auditor may provide to the company):

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
<p>The Audit Committee has an existing policy prohibiting the Company from engaging the independent accountant to provide services that may adversely impact their independence, including those expressly prohibited by SEC regulations.</p> <p>The stockholders, during the Annual Stockholders' Meetings, approve the appointment of the Company's external auditors for the ensuing year.</p>	The Company merely furnishes the financial analysts with the actual financial data on hand including updates on its production operations.	Same as with the Financial Analysts	The Company fully and timely discloses to the relevant rating agencies all the required reports (i.e., to the SEC, PSE, and DOE).

(h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company's full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

The Company's Compliance Officer and Chairman of the Board annually issue a Certification regarding the Company's compliance with SEC Memorandum Circular No. 2 of 2002 on the Code of Corporate Governance and the Company's Compliance Officer and the President annually issue a Certification regarding the Company's compliance with the Manual on Corporate Governance, which includes a statement that all the members of the Board of

Directors, officers and employees have complied with all the leading practices and principles on good corporate governance.

H. ROLE OF STAKEHOLDERS

1) Disclose the company's policy and activities relative to the following:

	Policy	Activities
Customers' welfare	N.A. (Owing to the nature of the Company's business as a holding firm, the Company has no customers)	N.A.
Supplier/contractor selection practice	N.A. (Owing to the nature of the Company's business as a holding firm, the Company has no supplier/contractor selection practice)	N.A.
Environmentally friendly value-chain	Compliance with environmental laws have not, and are not anticipated to, adversely affect the businesses and financial conditions of the Company. Costs of compliance with environmental laws are either charged as ordinary operating expenses or credited as part of project investment by the Company and its subsidiary.	
Community interaction	The Company is fully cognizant of its socio-civic responsibility of contributing towards the improvement of other peoples' lives.	The Company continues to allocate a portion of its resources to support the various projects of local communities where its operations are located. Donations are also made to educational and civic organizations, as well as health, relief and rescue undertakings.
Anti-corruption programmes and procedures?	The Company requires that all its directors, officers, and employees will not make, offer, or authorize any payment, gift, promise, or other advantage, whether directly or through any other person or entity, to or for the use or benefit of any public official or any political party or political party official or candidate for office, where such payment, gift, promise or advantage would violate applicable laws of the Philippines.	The Company's Vice-President for Administration, with the assistance of its Personnel Supervisor constantly seeks ways to ensure that all of its employees do not seek nor accept solicitations from public offices and their officers in exchange for favors and undue advantages from the Company.
Safeguarding creditors' rights	All dealings with creditors are presented to and approved by the Board of Directors.	Loan agreements are signed and promissory notes are issued to creditors in compliance with bank requirements.

2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?
None.

3) Performance-enhancing mechanisms for employee participation.

(a) What are the company's policy for its employees' safety, health, and welfare?

The Company shall provide and maintain a safe and healthful work environment that complies with the generally accepted business practices and regulatory requirements. Towards this end, management shall strive to eliminate any foreseeable hazards that may result to personal injuries / illnesses, damage to property and security losses by making loss prevention a direct responsibility of all employees. At the same time, all of the employees are mandated to perform their jobs in accordance with the established procedures of the Company.

The Company shall likewise ensure that the health of its employees is adequately protected and that they are provided with financial assistance when they get sick or injured.

(b) Show data relating to health, safety and welfare of its employees.

The Company maintains a Group Hospitalization Program wherein all regular employees are insured with a credible insurance company. All of its regular employees are also entitled to Medical / Dental / Optical care allowance per year.

(c) State the company's training and development programmes for its employees. Show the data.

The Company undertakes to finance the attendance of its officers and regular employees to in-house or public seminars / trainings. Employees are encouraged to undergo further training and development and they may either avail of training programs initiated by the Company (for programs related to the Company's core business) or by the employees themselves (for all other programs).

For the period covered (2015), no employee attended any training and development program.

(d) State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures

The Company's directors and regular employees shall be entitled to a profit-share based on the Company's profits. Directors and employees who have not completed one year of service shall also receive profit-share computed on a pro-rata basis.

4) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behaviour? Explain how employees are protected from retaliation.

Complainant accomplishes a complaint form detailing therein a narration of the circumstances upon which the complaint is based and submits it to his immediate supervisor who shall then issue to the respondent a notice to explain. If the Committee determines that respondent's written explanation is sufficient justification, it shall issue the appropriate notice to all parties concerned. Otherwise, the committee shall set the date, time and place for hearing the parties and their witnesses. After the conference, the committee shall convene to assess whether or not the respondent's explanations are justified and shall then issue a written notice to respondent regarding the decision made based on the degree of infraction committed and always in accordance with company rules and regulations promulgated pursuant to existing labor laws of the Philippines.

The identity of the complainant shall be kept by the Company and its management in confidence and there will be no disclosure without the complainant's consent. The Company shall write down all the information given by the complainant so that he can agree that the Company understood his concerns correctly. All legitimate concerns will be respected and investigated. Complainant will receive feedback on the progress of investigations."

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
Alakor Corporation	1,524,661,961	50.77%	Alakor Corporation
PCD Nominee Corporation	480,584,783	16.01%	Various clients
BDO Securities Corporation	464,143,757	15.45%	National Book Store, Inc.
National Book Store Inc.	313,640,759	10.44%	National Book Store Inc.
Alakor Securities Corporation	105,375,425	3.51%	Alakor Corporation
Alakor Securities Corporation	73,454,649	2.45%	National Book store Inc.

**Of the total 1,123,558,614 shares under the name of PCD Nominee Corp., 464,143,757 shares (15.45%) are under the name of BDO Securities Corp. (BDOSC), and 261,173,032 shares (8.70%) are under the name of Alakor Securities Corporation (ASC).*

**Of the 464,143,757 shares under the name of BDOSC, National Book Store Inc.(NBSI) owns 464,143,757 shares (15.45%) and of the 261,173,032 shares under the name of ASC, Alakor Corporation (AC) owns 105,375,425 shares (3.51%), while NBSI owns 73,454,649 shares (2.45%).*

Name of Senior Management	Number of Direct shares (as of December 31, 2014)	Number of Indirect shares / Through (name of record owner) (as of December 31, 2014)	% of Capital Stock
Adrian S. Arias	1,000	19,000	0.00
Iris Marie U. Carpio-Duque	0	0	0.00
Deborah S. Acosta-Cajustin	0	0	0.00
Gilbert V. Rabago	0	0	0.00

2) Does the Annual Report disclose the following:

Key risks	√
Corporate objectives	√
Financial performance indicators	√
Non-financial performance indicators	√
Dividend policy	√
Details of whistle-blowing policy	√
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	√
Training and/or continuing education programme attended by each director/commissioner	√
Number of board of directors/commissioners meetings held during the year	√
Attendance details of each director/commissioner in respect of meetings held	√
Details of remuneration of the CEO and each member of the board of directors/commissioners	√

Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure.

3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
Sycip Gorres Velayo & Company (SGV)	P597,676	-0-

4) Medium of Communication

List down the mode/s of communication that the company is using for disseminating information.

- Corporate website
- PSE/SEC disclosures
- Notices to stockholders
- Newspaper publications

5) Date of release of audited financial report:

15 April 2015.

6) Company Website

Does the company have a website disclosing up-to-date information about the following?

Business operations	√
Financial statements/reports (current and prior years)	√
Materials provided in briefings to analysts and media	√
Shareholding structure	√
Group corporate structure	√
Downloadable annual report	√
Notice of AGM and/or EGM	√
Company's constitution (company's by-laws, memorandum and articles of association)	√

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

7) Disclosure of RPT

RPT	Relationship	Nature	Value
The Company, in its normal course of business, has transactions with related parties which principally consist of cash advances. The information is contained on Note 23 to the Company's 2014 Audited Consolidated Financial Statements.	The information is contained on Note 23 to the Company's 2014 Audited Consolidated Financial Statements.	Due from related Party Due to a related Party	

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

All transactions with related parties are based on prevailing market/commercial rates at the time of the transaction.

J. RIGHTS OF STOCKHOLDERS

1) Right to participate effectively in and vote in Annual/Special Stockholders' Meetings

(a) Quorum

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

Quorum Required	Holders of the majority of the issued and outstanding shares as of Record Date, represented in person or by proxy, shall constitute a quorum for the Annual / Special Stockholders' Meeting of the Company.
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(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	Cumulative Voting
Description	<p>For election of directors:</p> <p>Stockholders entitled to vote at the Annual / Special Stockholders' meeting shall have the right to vote in person or by proxy the number of shares registered in his name in the stock transfer book of the Company for as many persons as there are directors to be elected. Each stockholder shall have the right to cumulate said shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same cumulative voting principle among as many nominees as he shall see fit; provided, that the number of votes cast by a stockholder shall not exceed the number of his shares multiplied by the number of directors to be elected.</p> <p>All other matters:</p> <p>Voting during the Annual / Special Stockholders' Meetings is usually done viva voce or by the raising of hands, unless voting by ballot is specifically requested. The Company has ballots and ballot boxes ready for use every Annual / Special Stockholders' Meeting.</p> <ol style="list-style-type: none"> 1. A majority vote is necessary to approve regular matters. 2. The vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Company is needed for approval of special matters required by law.

(c) Stockholders' Rights

List any Stockholders' Rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code.

Stockholders' Rights under The Corporation Code	Stockholders' Rights <u>not</u> in The Corporation Code
Right to vote on all matters that require the consent or approval of stockholders	The stockholders entitled to vote may appoint two (2) persons to act as inspectors of election at all meetings of the stockholders.
Right to dissent or right of appraisal and to demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code.	-
Right to receive notice of the time and place of holding of any annual or special meeting of stockholders	-

Dividend

Declaration Date	Record Date	Payment Date
01 June 2015	16 June 2015	10 July 2015

(d) Stockholders' Participation

1. State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include

in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.

Measures Adopted	Communication Procedure
An open forum is part of the Annual / Special Stockholders' Meeting's agenda and is conducted during the Meeting to allow stockholders to ask questions and raise issues and for the Company or its resource persons to answer them.	Ample time is provided during every stockholders' meeting, allowing them to directly address their questions and comments to the Board.
Stockholders may also submit any proposal for consideration at any stockholders' meeting.	Same as above

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
- Amendments to the company's constitution
 - Authorization of additional shares
 - Transfer of all or substantially all assets, which in effect results in the sale of the company

The Company complies with all the requirements of the Corporation Code entitling stockholders of the Company to vote and participate on extraordinary matters requiring corporate decisions such as (i) amendments of the Company's Articles of Incorporation and By-Laws, (ii) increase or decrease of capital stock, (iii) and sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the assets of the Company. Such extraordinary matters are included in the Agenda for the Annual / Special Stockholders' Meetings and first discussed by the Chairman of the Board or his resource person before asking if any of the stockholders have further questions or objections thereto. The vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Company is needed for approval of extraordinary matters required by law.

3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up?

Yes. The Company consistently observes the 30-day prior notice rule as provided in its By-Laws. The Notice includes the date, time, place and agenda for the meeting together with all the necessary materials on corporate matters that will be discussed during the AGM.

- a. Date of sending out notices:

Notices were sent by mail on 30 June 2015 and by personal delivery on July 4, 2015.

- b. Date of the Annual/Special Stockholders' Meeting:

31 July 2015

4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting.

Several stockholders presented inquiries regarding the Company's involvement in various ongoing development projects and future prospects.

5. Result of Annual/Special Stockholders' Meeting's Resolutions

Resolution	Approving	Dissenting	Abstaining
Appointment of External Auditor	2,563,919,560(85.37%)	-0-	-0-
Election of Directors	2,563,919,560(85.37%)	-0-	-0-

6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:

Results of the votes taken during the Company's AGM are immediately disclosed to the stockholders on the day of the meeting itself as the stockholders are asked whether they have objections to the proposed resolutions.

(e) Modifications

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification:

Modifications	Reason for Modification
None	N.A.

(f) Stockholders' Attendance

(i) Details of Attendance in the Annual/Special Stockholders' Meeting Held:

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	ALFREDO C. RAMOS CHRISTOPHER M. GOTANCO PRESENTACION S. RAMOS FRANCISCO A. NAVARRO ROBERTO V. SAN JOSE AUGUSTO B. SUNICO ADRIAN S. RAMOS ANTON S. RAMOS CECILIA R. LICAUCO RENATO C. VALENCIA RAMONCITO Z. ABAD ADRIAN S. ARIAS ILUMINADA P. RODRIGUEZ	07/31/2015	Viva Voce	699,006 (0.02%)	2,563,220,554 (85.35%)	2,563,919,560 (85.37%)
Special	(none)					

(ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs?

Pursuant to the corporate By-Laws, the stockholders entitled to vote may appoint two (2) persons (who need not be stockholders) to act as inspectors of election at all meetings of the stockholders until the close of the next Annual Stockholders' Meeting.

(iii) Do the company's common shares carry one vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.

The Company has only one class of shares – common shares – with each share entitled to one vote, and are treated equally with respect to voting rights.

(g) Proxy Voting Policies

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

	Company's Policies
Execution and acceptance of proxies	Stockholders who cannot attend the Annual Meeting but would like to be represented thereat may submit the Proxy form (duly signed and accomplished) enclosed with the Notice of the Meeting sent out by the Company.
Notary	Corporate stockholders should provide a notarized Secretary's Certificate attesting to the appointment of its proxy for the Meeting and the authority of the person signing the proxy.

Submission of Proxy	The Proxy form must be properly, signed, dated and returned by the stockholder on or before the business day preceding the scheduled validation of the proxies (24 July 2015 for the 2015 Annual Stockholders' Meeting).
Several Proxies	Stockholders of record who hold shares of the Company for a Beneficial Owner may (i) submit several Proxy Forms separately signed and accomplished by the Beneficial Owners of the shares, or (ii) submit a single duly signed and accomplished Proxy Form, indicating therein the total number of shares of the Beneficial Owners who have executed their individual Proxies in favor of the Stockholder of record.
Validity of Proxy	Proxies shall be valid only for use in voting at the Annual Stockholders' Meeting to be held on the date, time, and place stated in the Notice of the Meeting and at any postponements or adjournments thereof.
Proxies executed abroad	Proxies executed abroad shall be subject to the same requirements and rights as properly validated proxies executed locally.
Invalidated Proxy	Proxies which are not properly signed and dated, or which are received late, or which do not have an accompanying Secretary's Certificate (for corporate shareholders) shall not be voted at the Meeting.
Validation of Proxy	Validation of proxies is scheduled at least forty-eight (48) hours on a business day prior to the scheduled Annual Stockholders' Meeting (31 July 2015 for the 2015 Annual Stockholders' Meeting) at the Company's principal office. Validated proxies will be voted at the Meeting in accordance with the authority and / or instructions of the stockholder expressed therein.
Violation of Proxy	A stockholder giving a proxy has the power to revoke it at any time before the right granted under and by virtue of such proxy is exercised, either: (a) by submitting a sworn statement revoking such proxy on or before the deadline for submission of the Proxy form; or (b) by appearing at the Meeting in person and expressing his intention to vote in person.

(h) Sending of Notices

State the company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting.

Policies	Procedure
In accordance with the Company's By-Laws, Notices containing the date, time, place and agenda of the Meeting are sent at least one (1) month prior to the date of the Meeting.	Notices of Meeting are given either by mail or by personal delivery to each stockholder as of Record Date at the address of such stockholder appearing in the corporate registry. Although the By-Laws does not require publication of Notices of Meetings, they are, by practice, published twice in a newspaper of general circulation at least one (1) week before the scheduled Meeting.

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive	Information Statement were sent to more or less 1,400 stockholders composed of brokers,
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Definitive Information Statements and Management Report and Other Materials	corporations, banks, with active addresses regardless of number of shares held.
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	31 July 2015
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	30 June 2015
State whether CD format or hard copies were distributed	CD Format was distributed.
If yes, indicate whether requesting stockholders were provided hard copies	Yes. The Company undertakes to provide, without charge, upon the written request of a stockholder, a hard copy of the Company's Information Statement.

(j) Does the Notice of Annual/Special Stockholders' Meeting include the following:

Each resolution to be taken up deals with only one item.	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	Yes, the profiles are discussed in details in the Definitive Information Statement which are distributed to stockholders together with the Notice of the Annual Stockholders' Meeting.
The auditors to be appointed or re-appointed.	No, but the auditors to be appointed or re-appointed are presented to the stockholders during the Annual Stockholders' Meeting.
An explanation of the dividend policy, if any dividend is to be declared.	No, but the dividend policy that the amount of cash dividends the Company will declare would be determined by its profitability and the amount of retained earnings, while giving due consideration to the funding requirements of the various projects in which the Company is involved is explained to the stockholders during the Annual Stockholders' Meeting as well as in the Company's Annual Report.
The amount payable for final dividends.	No, but the amount and rate of cash dividends are discussed to the stockholders during the Annual Stockholders' Meeting.
Documents required for proxy vote.	Yes

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

2) Treatment of Minority Stockholders

(a) State the company's policies with respect to the treatment of minority stockholders.

Policies	Implementation
<p>The Board shall respect the rights of the stockholders, namely:</p> <p>1. Right to vote on all matters that require their consent or approval</p>	<ul style="list-style-type: none"> • Stockholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code. • Cumulative voting shall be used in the election of directors. • A director shall not be removed without cause if it will deny minority stockholders representation in the Board.
<p>2. Pre-emptive right to all stock issuances of the Company, unless otherwise denied in the Company's Articles of Incorporation</p>	<ul style="list-style-type: none"> • The stockholders have previously voted for the denial of pre-emptive subscription rights in the Company's Articles of Incorporation. • Notwithstanding the denial of pre-emptive rights embodied in the Company's Articles of Incorporation, all stockholders were given the right to subscribe in the last stock rights offering of the Company in 2008. • The Articles of Incorporation shall lay down the specific rights and powers of stockholders with respect to the particular shares they hold, all of which shall be protected by law so long as they shall not be in conflict with the Corporation Code.
<p>3. Right to inspect corporate books and records</p>	<ul style="list-style-type: none"> • All stockholders shall be allowed, upon prior written notice and during regular business hours, to inspect corporate books and records including the minutes of Board meetings and stock registries in accordance with the Corporation Code and shall be furnished with annual reports, including financial statements, without cost or restrictions.
<p>4. Right to information</p>	<ul style="list-style-type: none"> • The stockholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Company's shares, dealings with the Company, relationships among directors and key officers, and the aggregate compensation of directors and officers. • The minority stockholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes. • The minority stockholders shall have access to any and all information relating to matters for which the Management is accountable for, and to those relating to matters for which the Management shall include such information and, if not included, then the minority stockholders shall be allowed to

	propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".
5. Right to dividends	<ul style="list-style-type: none"> • Stockholders shall have the right to receive dividends subject to the discretion of the Board. • The Company shall be compelled to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, subject to some lawful exceptions.
6. Appraisal right	<ul style="list-style-type: none"> • The stockholders shall have appraisal right or the right to dissend and demand payment of the fair value of their shares in the manner provided for under the Corporation Code.

(b) Do minority stockholders have a right to nominate candidates for board of directors?

Yes. The Company has a director nomination and election process that is implemented every Annual Stockholders' Meeting which ensures that all stockholders are given the opportunity to nominate and elect directors individually based on the number of shares voted.

K. INVESTORS RELATIONS PROGRAM

- 1) Discuss the company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.

The Board shall commit at all times to fully disclose material information dealings and shall cause the filing of all required information for the interest of the stakeholders. All regular reports and notices of the Company are immediately disclosed with the PSE/SEC and posted in the Company's website and Annual Report. Stakeholders can raise valid issues during Annual Meetings.

The Company also conducts regular staff meetings to enable employees to voice their issues and concerns to Management. The Company's CEO/ Executive Vice President/ chief financial officer/ and/or Compliance Officer reviews and approves major Company announcements.

The Company undertakes regular maintenance of its corporate website and sees to it that all regular disclosures of matters of material importance are immediately uploaded.

- 2) Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.

	Details
(1) Objectives	The Company shall establish and maintain an investor relations program that will keep the stockholders informed of important developments in the Company.
(2) Principles	The Company shall continue to create wealth for its stockholders by having its management take an active role in its operations.
(3) Modes of Communications	The Company regularly updates its stockholders of operational developments through its corporate website and disclosures with the PSE and SEC, including the Annual Report.
(4) Investors Relations Officer	The Company's COO and President (Mr. Christopher M. Gotanco) and its Executive Vice President – Legal and Administration/Chief Information Officer (Atty Adrian S. Arias) exercise oversight responsibility over the Company's investor relations program.

	Tel. No. (632) 631.5139 (632) 635.6120 Fax No. (632) 631.3113
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- 3) What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets?

The Company complies with all the requirements of the Corporation Code requiring the approval by a majority vote of the Board of Directors and the ratification at a meeting by the stockholders representing at least two-thirds (2/3) of the outstanding capital stock relative to the acquisition of corporate control in the capital markets and extraordinary transactions such as mergers, sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all of the assets of the Company.

Name of the independent party / the board of directors of the company appointed to evaluate the fairness of the transaction price.

As the Audit Committee is responsible for internal control/risk management of the Company, it is tasked with the evaluation of the fairness of the transaction prices. Note, however, that the bases of all transaction prices are the prevailing market/commercial rates at the time of the transaction.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the company.

Initiative	Beneficiary
Corporate donations were made to institutions and/or organizations through their various programs that seek to promote awareness in the field of education and geoscience and in natural disaster response.	<ul style="list-style-type: none"> Philippine Red Cross Geological Society of the Philippines

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

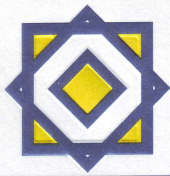
Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/President.

	Process	Criteria
Board of Directors	<p>The Company uses the evaluation system established by the SEC in its Memorandum Circular No. 5 series of 2003 (Self-Rating System on Corporate Governance).</p> <p>The Company undertakes a self-evaluation process every semester and any deviation from the Company's corporate Governance Manual is reported to the Management and the Board together with the proposed measures to achieve compliance.</p>	The Company uses the criteria set out in the SEC's Corporate Governance Self-Rating Form (CG-SRF) to measure or determine the level of compliance of the Board of Directors and top-level management with the Company's Corporate Governance Manual.
Board Committees	Same as above	Same as above
Individual Directors	Same as above	Same as above
CEO/President	Same as above	Same as above

N. INTERNAL BREACHES AND SANCTIONS

Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees

Violations	Sanctions
The Company's directors, officers, staff, subsidiaries and affiliates and their respective directors, officers and staff shall be meted out with the appropriate penalties in case of violation of ANY of the provisions of the Company's corporate governance manual.	<ul style="list-style-type: none">• In case of first violation, the subject person shall be reprimanded.
	<ul style="list-style-type: none">• Suspension from office shall be imposed in case of second violation. The duration of the suspension shall depend on the gravity of the violation.
	<ul style="list-style-type: none">• For third violation, the maximum penalty of removal from office shall be imposed.
	<ul style="list-style-type: none">• The commission of a third violation of the corporate governance manual by any member of the Board of the Company or its subsidiaries and affiliates shall be a sufficient cause for removal from directorship.
	<ul style="list-style-type: none">• The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend to the Chairman of the Board the imposable penalty for such violation, for further review and approval of the Board



ANGLO PHILIPPINE HOLDINGS CORPORATION

AN INFRASTRUCTURE AND PROPERTY DEVELOPMENT COMPANY

REPUBLIC OF THE PHILIPPINES)
Mandaluyong City) S.S.

SECRETARY'S CERTIFICATE

I, ADRIAN S. ARIAS, being the duly elected, qualified and incumbent Assistant Corporate Secretary of **ANGLO PHILIPPINE HOLDINGS CORP.**, a corporation duly organized and existing by virtue of Philippine laws with principal address at 6/F Quad Alpha Centrum, 125 Pioneer St., Mandaluyong City, do hereby and certify that:

The foregoing are updates and changes in the Corporation's Annual Corporate Governance Report for 2015 as of December 31, 2015:

- Item A(1)(a) Composition of the Board
- Item A(1)(d)(i) Directorship in the Company's Group
- Item A(1)(a)(ii) Directorship in other Listed Company
- Item A(1)(e) Shareholding in the Company
- Item A(5)(a) Changes in the BOD
- Voting result in the last AGM held on July 31, 2015
- Item A(6)(b) Directors and Senior Officers' Training
- Item A(6)(c) Continuing Education Program for Directors
- Item C(2) Attendance of the BOD
- Item D(3) Aggregate Remuneration
- Item D(5) Remuneration of Management
- Item A(2)(b) Audit Committee (date of appointment)
- Item E(2)(c) Nomination Committee (date of appointment)
- Item I(1)(a) 5% Shareholdings
- Item I(5) date of release of AFS
- Item J(1)(c) Dividends
- Item J(1)(d)(3) dates
- Item J(1)(5) Results of Annual Stockholders' Meeting Resolutions
- Item J(1)(f)(i) Stockholders' Attendance
- Item J(1)(g) Proxy Voting Policies
- Item J(1)(i) date of distribution DIS

This Certification is being issued in compliance with the requirements of the Securities and Exchange Commission Memo Circular No. 12, Series of 2014.

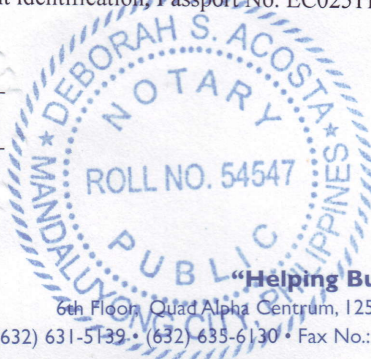
IN WITNESS WHEREOF, I have hereunto set my hand on this JAN 08 2016 day of January 2016 at Mandaluyong City.

ADRIAN S. ARIAS

Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this JAN 08 2016 day of JAN 08 2016, at MANDALUYONG CITY affiant exhibited to me his competent identification, Passport No. EC0251131 issued on February 8, 2014 at DFA NCR East

Doc. No. 451
Page No. 92
Book No. 1
Series of 2016.



ATTY. DEBORAH S. ACOSTA
NOTARY PUBLIC - CITY OF MANDALUYONG
APPT. NO. 0437-15 / UNTIL DECEMBER 31, 2016
QUAD ALPHA CENTRUM, 125 PIONEER STREET
MANDALUYONG CITY 1550
PTR NO. 2336115 / 01-09-15 / MANDALUYONG CITY
IBP NO. 0988199 / 01-09-15 / MAKATI CHAPTER
MCL COMPLIANCE NO. IV-0023829 / 07-28-14
ROLL NO. 54547