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**A. BOARD MATTERS**

1) *Board of Directors*

<i>Number of Directors per Articles of Incorporation:</i>	seven (7)
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<i>Actual Number of Directors for the Year</i>	seven (7)
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(a) *Composition of the Board*

<b>Director's Name</b>	<b>Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]</b>	<b>If nominee, identify the principal</b>	<b>Nominator in the last election (If ID, state the relationship with the nominator.)</b>	<b>Date first elected</b>	<b>Date last elected (If ID, state the number of years served as ID)</b>	<b>Elected when (Annual/Special Meeting)</b>	<b>No. of Years served as director</b>
Felipe U. Yap	NED	N/A	Mina Infante	23 Nov. 1993	2-Dec-2014	Annual Meeting	21
David C. Go	NED	N/A	Mina Infante	30 Aug. 1989	- do -	- do -	25
Yuen Po Seng	ED	N/A	Mina Infante	23 Nov. 1995	- do -	- do -	19
Daisy L. Parker	ED	N/A	Mina Infante	20 Feb. 2001	- do -	- do -	13
Ronald P. Sugapong	ED	N/A	Mina Infante	20 Dec. 2007	- do -	- do -	7
Victor C. Say	ID	N/A	Mina Infante (no relation to Mr. Say)	30 Aug. 1989	- do - (5 years served as ID- first elected as ID in Oct. 2009 )	- do -	25
Ricardo J. Romulo	ID	N/A	Mina Infante (no relation to Atty. Romulo)	6 Nov. 1997	-do- (12 years served- first elected as ID in March 2002)	-do-	17

(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.*

Section 3 of the Company's Revised Manual on Corporate Governance (revised as of July 2014) (the "Manual") provides:

*"The Board of Directors and Management, employees and shareholders, believe that corporate governance is a necessary component of what constitutes sound strategic business management and will therefore*

*undertake every effort necessary to create awareness within the organization as soon as possible.*

*All doubts or questions that may arise in the interpretation or application of this Manual shall be resolved in favor of promoting transparency, accountability and fairness to the stockholders and investors of the Corporation.”*

Pursuant to the foregoing, Section 4.2.1.7 of the Manual mandates the Board of Directors to, among others “formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the Corporation, subsidiaries, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships by members of the Board” and “establish and maintain an investor relations program that will keep the stockholders informed of important developments in the Corporation.”

In line with the policy on transparency, Section 7.2 of the Manual states:

*“The essence of corporate governance is transparency. The more transparent the internal workings of the Corporation are, the more difficult it will be for Management and dominant stockholders to mismanage the Corporation or misappropriate its assets.”*

*All material information, i.e., anything that could potentially adversely affect the viability of the Corporation or interests of the stockholders shall be publicly disclosed. Such information shall include earnings results, acquisition or disposal of assets, board changes, related party transactions, shareholdings of directors and changes to ownership.”*

Further, Section 4.2.1.8 of the Manual mandates directors to immediately disclose an actual or potential conflict of interest and to refrain from the decision-making process thereon.

The Manual likewise reflects the Corporation's policy of recognizing and respecting the rights of its minority shareholders, as it provides for cumulative voting, power of inspection of corporate books and records, the right to periodic reports, dividends, and the right of appraisal. In addition, Section 8.1.8 of the Manual states:

*“Although all stockholders should be treated equally or without discrimination, the Board should, as far as practicable, give 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 Corporation. The Board shall determine which matters are proper for inclusion in the agenda for stockholders' meetings.”*

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

The Board reviews and approves the Corporation's vision and mission as may be necessary in response to the changing business environment. The Corporation's vision and mission was last reviewed in 2010.

(d) *Directorships in Other Companies*

(i) *Directorship in the Company's Group*

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	Company Name of the Group Company	Type of Directorship (Executive (E), Non-Executive (NE), Independent (ID))
Felipe U. Yap	FLT Prime Insurance Corporation	NE
	Orion Land Inc.	NE
	Tutuban Properties, Inc.	NE
	Orion I Holdings Philippines, Inc.	NE
	Orion Property Development, Inc.	NE
David C. Go	OE Holdings, Inc.	NE
	Orion Maxis Inc.	NE
	Orion Property Development, Inc.	E
	Orion Beverage, Inc.	E
	Orion Land Inc.	E
	Tutuban Properties, Inc.	E
	TPI Holdings Corporation	E
	ZHI Holdings, Inc.	NE
	Orion I Holdings Philippines, Inc.	NE
	Orion Solutions, Inc.	NE
Yuen Po Seng	Orion I Holdings Philippines, Inc.	E
	FLT Prime Insurance Corporation	E
	ZHI Holdings, Inc.	E
	Orion Solutions, Inc.	E
	Orion Land Inc.	NE
	Tutuban Properties, Inc.	NE
	Orion Property Development, Inc.	NE
	TPI Holdings Corporation	NE
	BIB Aurora Insurance Brokers, Inc.	E
	OE Holdings, Inc	NE
	Orion Maxis Inc	NE
	Orion Beverage, Inc.	NE
Ronald P. Sugapong	Orion Land Inc.	E
	Tutuban Properties, Inc.	E
	Orion Property Development, Inc.	E
	Orion I Holdings Philippines, Inc	E
	TPI Holdings Corporation	E
	ZHI Holdings, Inc.	E
	Orion Beverage, Inc.	E
	Orion Solutions, Inc.	E
	22Ban Marketing, Inc.	E
	OE Holdings, Inc.	E
	Orion Maxis Inc.	E
Daisy L. Parker	Orion Land Inc.	E
	Tutuban Properties Inc.	E
	Orion Property Development, Inc.	E
	TPI Holdings Corporation	E
	Orion I Holdings Philippines, Inc.	E
	Orion Beverage, Inc.	E
	FLT Prime Insurance Corporation	E
	BIB Aurora Insurance Brokers, Inc.	E
	Orion Solutions, Inc.	E
	ZHI Holdings, Inc.,	E
	22Ban Marketing, Inc.	E

	OE Holdings, Inc.	E
Ricardo J. Romulo	FLT Prime Insurance Corporation	ID

(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 (ED), Non-Executive (NED), Independent (ID)). Indicate if director is also Chairman
1. Felipe U. Yap	a. Lepanto Consolidated Mining Company	ED – Chairman
	b. Manila Mining Corporation	ED – Chairman
	c. Zeus Holdings, Inc.	NED – Chairman
2. Yuen Po Seng	a. Zeus Holdings, Inc.	ED
	b. Cyber Bay Corporation	NED
3. Ronald P. Sugapong	Zeus Holdings, Inc.	NED
4. Daisy L. Parker	Zeus Holdings, Inc.	NED
5. Ricardo J. Romulo	a. Cebu Air, Inc.	NED – Chairman
	b. JG Summit Holdings, Inc.	NED

(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
Felipe U. Yap	Lepanto Consolidated Mining Company (LCMI)	Chairman of LCMI
David C. Go	David Go Securities Corporation (DGSC)	Shareholder/Corporate Nominee of DGSC
Yuen Po Seng	Genez Investments Corporation (GIC)	Shareholder/Director of GIC
Daisy L. Parker	GIC	Corporate Secretary of GIC

(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.*

Section 4.2.1.3 of the Manual provides:

“The Board may consider the adoption of guidelines on the number of directorships that its members can hold. The optimum number of

directorships should take into consideration the capacity of a director to diligently and efficiently perform his duties and responsibilities.”

Further, Section 4.2.2.1.3 of the Manual provides:

“The CEO and other executive directors may submit themselves to a low indicative limit on membership in other corporate boards. The same low limit may apply to independent, non-executive directors who serve as full time executives in other corporations. In any case, the capacity of directors to serve with diligence shall not be compromised.”

The members of the Board have not exceeded the limit of five board seats in other publicly-listed companies.

(c) *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
Felipe U. Yap	3,010,000	0	0.127%
David C. Go	16,000,000	6,200,000 (David Go Securities Corp.)	0.938%
Yuen Po Seng	1	0	0%
Ronald P. Sugapong	50,000	35,429 (UCPB Securities Inc.)	0.004%
Daisy L. Parker	283,400	0	0.012%
Victor C. Say	21,500,000	2,000,000 (Cualoping Securities, Inc.)	0.993%
Ricardo J. Romulo	1	0	0%

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

Identify the Chair and the CEO:

Chairman of the Board	Felipe U. Yap
CEO/President	Yuen Po Seng

(b) *Roles, Accountabilities and Deliverables*

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

	Chairman	Chief Executive Officer
<b>Role</b>	1) Preside at all meetings of the stockholders and directors and exercise such other powers and	1) In the absence or incapacity of both the Chairman and Vice Chairman, preside at meetings of



	<p>perform such other duties as are incident to his office or assigned to him by the Board of Directors from time to time</p> <p>2) Submit an annual report of the operation of the Corporation to the stockholders at the annual meeting, and to the Board of Directors, such statements, reports, memorandum and accounts as the latter may request from time to time, unless the President delivers such annual report himself.</p> <p>3) Sign stock certificates</p> <p>4) Perform such other duties as may be incident to his office or assigned to him by the Board from time to time.</p>	<p>the stockholders or the Board of Directors.</p> <p>2) Exercise general management and supervision of the affairs of the Corporation, except as otherwise prescribed by the Board.</p> <p>3) In the absence of the Chairman, submit an annual report of the operation of the Corporation to the stockholders at their annual meeting, and to the Board of Directors, such statements, reports, memoranda and accounts as the latter may request from time to time.</p> <p>4) Sign stock certificates, as he may be authorized by the Board.</p>
<b>Accountabilities</b>	<p>1) Meetings of the Stockholders and Board of Directors</p> <p>2) Dissemination of material information to the Stockholders and the Board of Directors</p> <p>3) Responsible for matters as may be assigned to him by the Board</p>	<p>1) Meetings of the Stockholders and Board of Directors in the absence of the Chairman and Vice-Chairman</p> <p>2) Dissemination to the Stockholders and the Board of Directors of information on the status of the affairs/operations of the Company.</p>
<b>Deliverables</b>	<p>Proper conduct of meetings of the Stockholders and Board of Directors.</p>	<p>1) Proper conduct of meetings of the Stockholders and Board of Directors in the absence of the Chairman and Vice-Chairman.</p> <p>2) Ensure that the Corporation is geared towards the attainment of its vision and mission</p> <p>3) Profitable business operations in accordance with policies laid down by the Board of Directors.</p> <p>4) Report to the Board the results of the Corporation's operations</p>

3) *Explain how the Board of Directors plans for the succession of CEO/Managing Director/President and the top key management positions.*

The key officers are chosen based on their qualifications and competencies after due evaluation by the Board. The Human Resources Department (HRD) of the Corporation is tasked to develop a plan for succession of top key management positions.

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.*

The Corporation's Board of Directors is composed of a diverse mix of individuals – with accounting, legal or business background, consistent with its policy to ensure diversity of experience and background of directors.

*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. Section 4.2.1.5 of the Manual requires the Company's directors to have a practical understanding of the Corporation or relevant business experience. In addition Section 4.2.1.8 (v) of the Manual requires directors to have a working knowledge of the statutory and regulatory requirements affecting the Corporation, including its Articles of Incorporation and By-laws, the requirements of the Commission and other regulatory agencies, to be able to meaningfully contribute to the work of the Board.

The independent director, Mr. Victor C. Say is the Chairman of Onetree Holdings, Inc., a holding company with purpose similar to that of the Company. Mr. Say was formerly connected with a securities broker company and is familiar with requirements of listed companies.

The independent director, Atty. Ricardo J. Romulo, has extensive experience as director of holding companies as he is currently a director of a listed holding company, JG Summit Holdings, Inc.; he used to be a director of another listed company, SM Development Corporation, for many years.

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

	<b>Executive</b>	<b>Non-Executive</b>	<b>Independent Director</b>
<b>Role</b>	Manage the operations of the Company in accordance with policies and principles laid down by the Board and ensure that the Board lays down policies and makes business decisions that are sound, sustainable, and compliant with the principles of good corporate governance and applicable laws.	Ensure that the Board lays down policies and makes business decisions that are sound, sustainable, and compliant with the principles of good corporate governance and applicable laws and regulations.	Provide an independent and objective voice in the deliberations of the Board, guided by principles of good corporate governance and applicable laws and regulations.
<b>Accountabilities</b>	Compliance with principles of good governance and formulation of sound business strategies and policies. Wise and profitable use of Company resources,	Compliance with principles of good governance and formulation of sound business strategies and policies.	Compliance with principles of good governance and formulation of sound business strategies and policies.

	bearing in mind the interest of the Company's stockholders.		
<b>Deliverables</b>	Religious attendance in Board meetings and effective participation therein leading to sound, responsive and appropriate business strategies and policies. Profitable operations, and sustained competitiveness.	Religious attendance in Board meetings and effective participation in the deliberations therein, leading to sound, responsive and appropriate business strategies and policies.	Religious attendance in Board meetings and effective, objective, and independent participation in the deliberations therein, leading to sound, responsive and appropriate business strategies and policies.

*Provide the Company's definition of "independence" and describe the Company's compliance to the definition.*

Under Article III, Section 2 of the Corporation's By-laws:

"An independent director shall hold no interests or relationships with the company that may hinder his independence from the company or Management which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director."

The current independent directors of the Corporation have no interests or relationships with the Corporation which may hinder their independence or interfere with their exercise of independent judgment. The different views and opinions expressed by the directors during the meetings are considered.

*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 additional four years? Please explain.*

The Corporation follows the Securities and Exchange Commission (SEC) Memorandum Circular No. 9, Series of 2011 (which took effect on 2 January 2012) which set a term limit for independent directors – five years starting 2 January 2012, two years 'cooling off' period and re-election for another five years.

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:*

There were no changes in the composition of the Board of Directors in the fiscal year 2013-2014. All the directors were re-elected for FY 2014-2015.

(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.

<b>Procedure</b>	<b>Process Adopted</b>	<b>Criteria</b>
<b>a. Selection/Appointment</b>		
(i) Executive Directors (ii) Non-Executive Directors	Candidates for directorships are pre-screened by the Nomination Committee. The directors are elected during the Annual Stockholders Meeting, and appointed to executive positions, if any, during the Organizational Meeting that immediately follows.	The Nomination Committee is guided by the Manual and Sec. 27 of the Corporation Code in determining the qualifications and disqualifications (permanent or temporary) of nominees to the Board of Directors.
(iii) Independent Directors	The Nomination Committee receives the nomination letters for the independent directors from stockholders and pre-screens them. Pursuant to the By-laws, 5 regular directors and 2 independent directors who receive the highest number of votes from the stockholders present (in person or by proxy) during the annual stockholders' meeting are elected for a period of one (1) year and shall serve until the election and acceptance of their duly qualified successors,.	The independent directors may hold office provided he possesses all of the qualifications and none of the disqualifications provided in the Corporation's By-laws and Manual for a period of five (5) consecutive years. Thereafter, he may be re-elected as independent director for another five (5) years after a two-year cooling-off period.
<b>b. Re-appointment</b>		
(i) Executive Directors	Same as (a) above	Same as above
(ii) Non-executive Directors	The non-executive directors are elected by the stockholders	
(iii) Independent Directors	The independent directors are elected by the stockholders	
<b>c. Permanent Disqualification</b>		
(i) Executive Directors (ii) Non-executive Directors (iii) Independent Directors	The Nomination Committee passes upon the qualifications of the directors as provided in the Manual.	The grounds for disqualification are set forth in the Manual and other applicable issuances of the SEC and provisions of the Corporation Code
<b>d. Temporary Disqualification</b>		
(i) Executive Directors (ii) Non-executive Directors (iii) Independent Directors	Same as (a) above	Same as above
<b>e. Removal</b>		
(i) Executive Directors (ii) Non-Executive	As provided in the Manual and in accordance with Section 28	The stockholders may remove directors with or

Directors	of the Corporation Code, any director may be removed from office by the vote of stockholders holding or representing two thirds (2/3) of the members entitled to vote at a regular or special meeting duly called for the purpose, after due notice to the stockholders of the intention to propose such removal at the meeting.	without cause; Provided that removal without cause may not be used to deprive the minority stockholders of the right of representation to which they may be entitled (Section 8.1.2.3 of the Manual and Section 24 of the Corporation Code)
(iii) Independent Directors	In addition to the above, an independent director may be removed if he possesses any of the grounds for disqualification.	The grounds for disqualification are provided in the Manual and the issuances of the SEC and provisions of the Corporation Code.
<b>f. Re-instatement</b>		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	Same as (a) above.	
<b>g. Suspension</b>		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	No definite process for suspension of directors has been set.	No criteria set for suspension of directors.

*Voting Result of the last Annual Stockholders' Meeting (ASM)*

Name of Director	Votes Received
Felipe U. Yap	1,601,618,444
David C. Go	1,601,618,444
Yuen Po Seng	1,601,618,444
Ronald P. Sugapong	1,601,618,444
Daisy L. Parker	1,601,618,444
Victor C. Say	1,601,618,444
Ricardo J. Romulo	1,601,618,444

6) *Orientation and Education Program*

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

As provided in Section 6.2 of the Manual, a director shall, before assuming such position, be 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 Management\* for the past three (3) years.*

Director	Date	Forum/Seminar/Course
Felipe U. Yap	10-12 Feb. 2015	Citi Asia Pacific Investor Conference
David C. Go	26 Sept. 2013	Customer Experience Management

Yuen Po Seng	28 January 2015	PCCI Securities 2015 Outlook
	5 Nov. 2014	Customer Experience Management
	25 Sept. 2014	Customer Experience Management
	26 Sept. 2013	Customer Experience Management
	9 May 2013	Unleash the Highest Potential of Your Work
Daisy L. Parker	21 Jan. 2015	Key Performance Indicators Coaching
	5 Nov. 2014	Customer Experience Management
	25 Sept. 2014	Customer Experience Management
	26 Sept. 2013	Customer Experience Management
	9 May 2013	Unleash the Highest Potential of Your Work
Ricardo J. Romulo	20 May 2015	Earthquake Resilience: Collaboration and Coordination in Preparedness and Response
	26 Mar. 2015	Investing in Judicial Reform
	4 Feb. 2015	Rising Sun: Specific Policy Options for the Philippines and United States
	30 Jan. 2015	Global Challenges and US-Philippines Relations: Views from Washington
	22 Jan. 2015	The Harvard Asia Center and the Harvard University's Growing Engagement in Southeast Asia
Ronald P. Sugapong	26 May 2015	Towards One Vision
	21 Jan. 2015	Key Performance Indicators Coaching
	5 Nov. 2014	Customer Experience Management
	25 Sept. 2014	Customer Experience Management
	26 Sept. 2013	Customer Experience Management
	9 May 2013	Unleash the Highest Potential of Your Work

\*Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of 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
Felipe U. Yap	27 October 2015	Corporate Governance	Sycip Gorres Velayo & Co.
David C. Go	28 August 2015	Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc. (ROAM)
Yuen Po Seng	28 August 2015	Corporate Governance	ROAM
Daisy L. Parker	24 July 2015	Corporate Governance	ROAM
	25 June 2015	ASEAN Corporate Governance Scorecard (Orientation for Directors of Insurance Companies)	Institute of Corporate Directors (ICD)
	23 April 2015	SEC Corporate Governance Workshop on the ASEAN Corporate Governance Scorecard for Publicly-Listed Companies	Securities and Exchange Commission

	27 March 2015	ASEAN Corporate Governance Scorecard	ICD
Victor C. Say	28 August 2014	Corporate Governance	ROAM
Ronald P. Sugapong	24 July 2015	Corporate Governance	ROAM
Ricardo J. Romulo	25 November 2015	Corporate Governance	
	8,9,15,16,22 May 2015	Mandatory Continuing Legal Education	UP Law Center Institute for Judicial Administration of Justice

## 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	<p>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 consider resigning from his position. A conflict of interest is considered material if the director's personal or business interest is antagonistic to that of the Company, or stands to acquire or gain financial advantage at the expense of the Company. (Sec. 4.2.1.8 (i) of the Manual; Sec. 2.1, Conflict of Interest Policy)</p> <p>The Company has adopted a Full Business Interest Disclosure Form which the directors have to accomplish</p>	<p>The Corporation's Employees' Policy Manual prohibits an officer or employee from engaging in any activity or entering into any transaction where a potential conflict of interest may arise.</p> <p>The Company has adopted a Full Business Interest Disclosure Form to be accomplished by incoming officers as part of pre-employment requirements which includes, among others, a declaration under the penalty of perjury of all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired. (Sec. 4.2.2.2.2 of the Manual)</p> <p>An officer should not use his position to profit or gain some</p>	<p>The Corporation's Employees' Policy Manual prohibits an officer or employee from engaging in any activity or entering into any transaction where a potential conflict of interest may arise.</p> <p>An employee is expected to exercise corporate citizenship and protect corporate interest by conducting business affairs in fairness, honesty or in compliance with the law. He shall not use his position to profit or gain some benefit or advantage for himself or his related interests. (Sec. 2.2, Conflict of Interest Policy; Sec. 2.3 Related Party Transactions Policy)</p> <p>An employee should not engage, participate or involve oneself directly or indirectly in any transaction, undertaking or business enterprise</p>

	<p>upon election.</p> <p>The Company follows the provisions of Sections 32 and 33 of the Corporation Code on dealings of directors and officers. (Secs. 2.1 and 2.2, <i>Related Party Transactions Policy</i>)</p>	<p>benefit or advantage for himself or his related interests. He should avoid situations which may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of an officer, he should immediately disclose it and should not participate in the decision-making process. An officer who has a continuing material conflict of interest should consider resigning from his position. (Sec. 2.1, <i>Conflict of Interest Policy</i>)</p> <p>An employee is expected to exercise corporate citizenship and protect corporate interest by conducting business affairs in fairness, honesty and in compliance with the law. He shall not use his position to profit or gain some benefit or advantage for himself or his related interests. (Sec. 2.2 <i>Conflict of Interest Policy</i>; Sec. 2.3, <i>Related Party Transactions Policy</i>)</p>	<p>where such engagement, participation or involvement is in conflict with, or is improper or undesirable to the interest of the Company. (Sec. 2.3, <i>Related Party Transactions Policy</i>)</p>
(b) Conduct of Business and Fair Dealings	<p>A director should not use his position to profit or gain some benefit or advantage for himself or his related interests. He should avoid situations that may compromise his impartiality. (Sec. 4.2.1.8 (i) of the <i>Manual</i>)</p>	<p>The Corporation's Employees' Policy Manual prohibits an officer or employee from using his position to profit or gain benefit or advantage for himself or related interests.</p>	<p>The Corporation's Employees' Policy Manual prohibits an officer or employee from using his position to profit or gain benefit or advantage for himself or related interests.</p>
(c) Receipt of gifts from third parties		<p>The Corporation's Employees' Policy Manual regulates the receipt of officers and</p>	<p>The Corporation's Employees' Policy Manual regulates the receipt of officers and</p>



		<p>employees of exorbitant gifts.</p> <p>He should exercise utmost discretion in accepting personal favor or gifts from individuals or entities seeking to do business with the Corporation and refuse gifts that may be considered as a form of bribery of any form. (Sec. 2.2, <i>Conflict of Interest Policy</i>)</p>	<p>employees of exorbitant gifts.</p> <p>He should exercise utmost discretion in accepting personal favor or gifts from individuals or entities seeking to do business with the Corporation and refuse gifts that may be considered as a form of bribery of any form. (Sec. 2.2, <i>Conflict of Interest Policy</i>)</p>
(d) Compliance with Laws and Regulations	<p>The Board shall ensure that the Company complies with all relevant laws, regulations and codes of business practices. (Sec. 4.2.1.7 (c) of the <i>Manual</i>)</p>	<p>The Corporation's Employees' Policy Manual provides that the officers and employees of the Corporation shall comply with the laws and regulations and codes of business practices.</p>	<p>The Corporation's Employees' Policy Manual provides that the officers and employees of the Corporation shall comply with the laws and regulations and codes of business practices.</p>
(e) Respect for Trade Secrets/Use of Non-Public Information	<p>A director should keep secure and confidential all non-public information he may acquire or learn by reason of his position. He should not reveal confidential information to unauthorized persons without the authority of the Board. (Sec. 4.2.1.8 (vi) of the <i>Manual</i>)</p> <p>Directors, officers and employees of the Company who in the course of their work or relationship with the Company which have not been disclosed to the public, including information likely to affect the market price of the Company's securities, are prohibited from buying or selling the Company's securities. Material Information refer to: (1) such</p>	<p>The Corporation's Employees' Policy Manual requires officers and employees to respect trade secrets/use of non-public information.</p> <p>Directors, officers and employees of the Company who in the course of their work or relationship with the Company which have not been disclosed to the public, including information likely to affect the market price of the Company's securities, are prohibited from buying or selling the Company's securities. Material Information refer to: (1) such information necessary to enable the Company and</p>	<p>The Corporation's Employees' Policy Manual requires officers and employees to respect trade secrets/use of non-public information.</p> <p>Directors, officers and employees of the Company who in the course of their work or relationship with the Company which have not been disclosed to the public, including information likely to affect the market price of the Company's securities, are prohibited from buying or selling the Company's securities. Material Information refer to: (1) such information necessary to enable the Company and general public to appraise their position and standing;</p>

	information necessary to enable the Company and general public to appraise their position and standing; (2) such information necessary to avoid a false market; and (3) such information which may reasonably be expected to affect market activity and price of the Company's securities. (Secs. 1 and 2.1 (b), Insider Trading Policy of POPI)	general public to appraise their position and standing; (2) such information necessary to avoid a false market; and (3) such information which may reasonably be expected to affect market activity and price of the Company's securities. (Secs. 1 and 2.1 (b), Insider Trading Policy of POPI)	(2) such information necessary to avoid a false market; and (3) such information which may reasonably be expected to affect market activity and price of the Company's securities. (Secs. 1 and 2.1 (b), Insider Trading Policy of POPI)
(f) Use of Company Funds, Assets, and Information	A director should act in the best interest of the Corporation in a manner characterized by transparency, accountability and fairness (Sec. 4.2.1.8 of the Manual.)	The Management is tasked to formulate, under the supervision of the Audit Committee, a system of internal control that will ensure the integrity of the financial reports and protection of the assets of the Company.	The Corporation's Employees' Policy Manual provides guidelines for the handling of company property. The Employees Handbook prescribes penalties for use of company tools, materials and equipment without authorization, as well as for theft or robbery of company property and funds.
(g) Employment & Labor Laws & Policies	The Board shall ensure that the Company complies with all relevant laws, regulations and codes of business practices, including labor laws.	Management ensures that Company benefits and employee policies are compliant with the Labor Code and other relevant laws.	Employee benefits are compliant with the Labor Code
(h) Disciplinary Action	Section 4.2.1.6(2) of the Manual provides for grounds for temporary disqualification of directors.	The Corporation's Employees' Policy Manual and Code of Ethics enumerate the grounds for, and nature of, disciplinary action covering officers and employees.	The Corporation's Employees' Policy Manual and Code of Ethics enumerate the grounds for, and nature of, disciplinary action covering officers and employees.
(i) Whistle Blower	The Corporation's Policy on Whistle Blowing provides for the grounds and procedure for reporting suspected	The Corporation's Policy on Whistle Blowing provides for the grounds and procedure for reporting suspected	The Corporation's Policy on Whistle Blowing provides for the grounds and procedure for reporting suspected

	<p>misconduct or irregularities in the Corporation. The policy aims to encourage directors, officers, employees, suppliers, business partners, contractors and subcontractors to come forward and report serious concerns about any suspected misconduct, malpractice, irregularity or a risk involving the Company.</p> <p>The Whistle-blower will be protected from reprisals, harassment, victimization, or unwarranted disciplinary action, unfair dismissal even if the concerns raised turned out to be unsubstantiated, as long as the report is made in good faith believing the disclosure to be true and is not made maliciously or for personal gain.</p> <p>The Corporation reserves the right to take appropriate actions against anyone who initiates or threatens to retaliate against those who have raised concerns under this Policy.</p>	<p>misconduct or irregularities in the Corporation. The policy aims to encourage directors, officers, employees, suppliers, business partners, contractors and subcontractors to come forward and report serious concerns about any suspected misconduct, malpractice, irregularity or a risk involving the Company.</p> <p>The Whistle-blower will be protected from reprisals, harassment, victimization, or unwarranted disciplinary action, unfair dismissal even if the concerns raised turned out to be unsubstantiated, as long as the report is made in good faith believing the disclosure to be true and is not made maliciously or for personal gain.</p> <p>The Corporation reserves the right to take appropriate actions against anyone who initiates or threatens to retaliate against those who have raised concerns under this Policy.</p>	<p>misconduct or irregularities in the Corporation. The policy aims to encourage directors, officers, employees, suppliers, business partners, contractors and subcontractors to come forward and report serious concerns about any suspected misconduct, malpractice, irregularity or a risk involving the Company.</p> <p>The Whistle-blower will be protected from reprisals, harassment, victimization, or unwarranted disciplinary action, unfair dismissal even if the concerns raised turned out to be unsubstantiated, as long as the report is made in good faith believing the disclosure to be true and is not made maliciously or for personal gain.</p> <p>The Corporation reserves the right to take appropriate actions against anyone who initiates or threatens to retaliate against those who have raised concerns under this Policy.</p>
(j) Conflict Resolution	<p>Conflicts are resolved by the Board as a body in accordance with the voting requirements provided in the Corporation Code and applicable laws</p>	<p>Conflicts are resolved through meetings/discussions of concerned parties.</p>	<p>Conflicts are resolved through meetings/discussions of concerned parties. Conflicts are brought to the immediate manager of the parties or to the HRD for resolution.</p>

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

The Corporation's Code of Ethics and Employees' Policy Manual have been disseminated to the senior management and employees to formally adopt a code of ethics. The Corporation's Corporate Governance Manual (revised as of July 2014) has been disseminated to the Board of Directors and at least one (1) hard copy of the Manual has been distributed to each department.

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

The Corporation's HRD implements and monitors compliance by the senior management and employees with the Code of Ethics. The Corporation's Compliance Officer implements and monitors compliance by the Board of Directors with the Manual. The HRD is presently reviewing the Code of Ethics.

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.*

Section 4.2.1.7 of the Manual mandates the Board of Directors to formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the Corporation, subsidiaries, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships by members of the Board. In addition, Section 7.2 of the Manual mandates the public disclosure of all material information, including related party transactions. On 2 December 2014, the Board of Directors approved the Related Party Transactions Policy of the Company.

<b>Related Party Transactions</b>	<b>Policies and Procedures</b>
(1) Parent Company	The Corporation has no parent company.
(2) Joint Ventures	The Corporation has no joint venture transactions at present.
(3) Subsidiaries	Transactions with subsidiaries are on arm's length basis similar to those with non-related parties. Transactions are reviewed and approved by the CEO.
(4) Entities Under Common Control	Transactions with entities under common control are on arm's length basis. Transactions are reviewed and approved by the CEO.
(5) Substantial Stockholders	Transactions with substantial stockholders are on an arm's length basis similar to those with non-related parties. Transactions are reviewed and approved by the CEO
(6) Officers including spouse/ children/siblings/parents	Transactions with officers are on arm's length basis similar to those with non-related parties. Officers disclose their business interests.
(7) Directors including spouse/ children/siblings/parents	Transactions with directors are on arm's length basis. Notice of related party transactions are to

	<p>be given to the Board, which would review the same and decide whether to approve ratify or disapprove the same.</p>
<p>(8) Interlocking director relationship of Board of Directors</p>	<p>Transactions with interlocking directors are to be disclosed and are on an arm's length basis. Notice of related party transactions are to be given to the Board, which would review the same and decide whether to approve, ratify or disapprove the same.</p> <p>Pursuant to Section 33 of the Corporation Code of the Philippines, except in cases of fraud, and provided the contract is fair and reasonable under the circumstances, a contract between the Company and another corporation having interlocking directors shall not be invalidated on that ground alone, provided, that if the interest of the interlocking director in one corporation is substantial and his interest in the other corporation is merely minimal, he shall be subject to the provisions of Section 32 of the Corporation Code insofar as the latter corporation is concerned. (Stockholdings exceeding 20% of the outstanding capital stock shall be considered substantial for purposes of interlocking directors.)</p> <p>Section 32 of the Corporation Code provides that a contract of the Company with one or more of its directors is voidable, at the option of the Company unless all of the following conditions are present:</p> <ol style="list-style-type: none"> <li>a. The presence of such director in the Board meeting in which the contract was approved was not necessary to constitute a quorum for said meeting;</li> <li>b. The vote of such director was not necessary for the approval of the contract;</li> <li>c. The contract is fair and reasonable under the circumstances;</li> <li>d. In the case of an officer, the contract with the officer has been previously authorized by the Board.</li> </ol> <p>When any of the first 2 conditions is absent, in the case of a contract with a director, such contract may be ratified by the vote of the stockholders representing 2/3 of the outstanding capital stock in a meeting called for the purpose; provided that full disclosure of the adverse interest of the directors involved is made at such meeting; provided further, that the contract is fair and reasonable. (Secs. 2.1 and 2.2, Related Party Transactions Policy of the Company)</p>

(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.*

There is no known actual or probable conflict of interest in which directors/officers and 5% or more shareholders may be involved.

*(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.*

	<b>Directors/Officers/Significant Shareholders</b>
Company	Full Business Interest Disclosure Form
Group	Full Business Interest Disclosure Form

5) *Family, Commercial and Contractual Relations*

*(a) Indicate, if applicable, any relation of a family, 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.*

There is no known relation of a family, commercial or business nature that exists between the holders of significant equity.

*(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.*

There is no known relation of a commercial, contractual or business nature that exists between the holders of significant equity and the Company.

*(c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the Company.*

There is no shareholder agreement at this time involving the Company's shares of stock.

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.*

	<b>Alternative Dispute Resolution (ADR) System</b>
Corporation & Stockholders	There were no conflicts with stockholders which the Corporation had to settle within the last three (3) years.
Corporation & Third Parties	There were no conflicts or differences with third parties which had to be settled by the Corporation within the last three (3) years.
Corporation & Regulatory Authorities	There were no conflicts with regulatory agencies which the Corporation had to settle within the last three (3) years.

### C. BOARD MEETINGS AND ATTENDANCE

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

The Board of Directors' meetings are scheduled at the beginning of the year and the schedule is sent by email to the directors. For CY 2014, the schedule of the Board meetings was as follows: 18 February 2014, 13 May 2014, 2 October 2014, 13 November 2014 and 2 December 2014.

For CY 2015, the schedule of Board meetings was as follows:

13 February 2015  
6 May 2015  
6 October 2015  
28 October 2015  
2 December 2015

2) *Attendance of Directors*

Board	Name	Date of Election	No. of Meetings Held During the FY	No. of Meetings Attended	%
Chairman	Felipe U. Yap	2 December 2014	12	11	92
Member	David C. Go	2 December 2014	12	12	100
Member	Yuen Po Seng	2 December 2014	12	12	100
Member	Ronald P. Sugapong	2 December 2014	12	12	100
Member	Daisy L. Parker	2 December 2014	12	12	100
Independent	Victor C. Say	2 December 2014	12	12	100
Independent	Ricardo P. Romulo	2 December 2014	12	9	75

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

The non-executive directors do not hold separate meetings at this time.

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

The Company follows Section 25 of the Corporation Code, which sets the minimum quorum requirement at majority of the Board of Directors. The same requirement is provided in the Company's By-Laws.

5) *Access to Information*

(a) *How many days in advance are board papers for Board of Directors meetings provided to the Board?*

As much as practicable, documents and resources needed for Board meetings are given to the directors at least five (5) days prior to the date of the meeting.

(b) *Do Board members have independent access to Management and the Corporate Secretary?*

Yes. Section 4.2.6 of the Manual states in part:

*“To enable the members of the Board to properly fulfill their duties and responsibilities, management should provide them with complete, adequate and timely information about the matters to be taken in their meetings.*

*Reliance on information volunteered by Management would not be sufficient in all circumstances and further inquiries may have to be made by a member of the Board to enable him to properly perform his duties and responsibilities. **Hence, the members of the Board shall be given independent access to Management and the Corporate Secretary.**”  
(Emphasis supplied)*

- (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?*

Under Section 4.2.3.4 of the Company’s Manual, the Company Secretary has the following duties and responsibilities:

- 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 official records of the Corporation;
- Be loyal to the mission, vision, and objectives of the Corporation;
- Work fairly and objectively with the Board, Management and stockholders;
- Have a working knowledge of the operations of the Corporation;
- As to agenda, get a complete schedule thereof at least for the current year and put the Board on notice before every meeting. Inform the members of the Board, in accordance with the by-laws, of the agenda of their meetings and ensure that members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
- Attend all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him from doing so, and maintain records of the meetings;
- Ensure that all Board procedures, rules and regulations are strictly followed by the members;
- If he is also the Compliance Officer, perform all the duties and responsibilities of the said officer as provided for in the Code, which include the filing with the Commission on the advisement letter on Directors’ attendance within five (5) days from the end of the Company’s fiscal year and updating of the pertinent portion of the ACGR, and reporting on the attendance of directors and key officers in corporate governance seminar each year; and
- Report/give an update on the attendance of the directors in Board meetings each year.

- (d) *Is the Company Secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.*



Section 4.2.3.3 of the Manual requires the Company Secretary to possess administrative and interpersonal skills, some legal skills (if not the general counsel), and some financial and accounting skills. The Company Secretary, Atty. Daisy L. Parker, is a lawyer by profession and has extensive administrative and legal experience in her more than twenty years as a corporate lawyer.

(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

<b>Committee</b>	<b>Details of Procedure</b>
Executive	The Corporation has no Executive Committee at this time.
Audit (renamed as Audit and Risk Management Committee)	Materials and agenda are given prior to the meeting
Nomination	Materials and agenda are given prior to the meeting
Compensation and Remuneration	Materials and agenda are given prior to the meeting
Other (specify)	Not Applicable

The Company follows the policy on Directors' access to information found in Section 4.2.6 of the Manual, which states:

*"To enable the members of the Board to properly fulfill their duties and responsibilities, management should provide them with complete, adequate and timely information about the matters to be taken in their meetings.*

*Reliance on information volunteered by Management would not be sufficient in all circumstances and further inquiries may have to be made by a member of the Board to enable him to properly perform his duties and responsibilities. Hence, the members of the Board shall be given independent access to Management and the Corporate Secretary. The information may include the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.*

*The members, either individually or as a Board, and in furtherance of their duties and responsibilities, shall have access to independent professional advice at the Corporation's expense.*

The Corporate Secretary attends meetings of the Board Committees and likewise provides the members thereof with all information and resources needed in preparation for the meetings.

6) *External Advice*

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

There is no procedure at present whereby directors can receive external advice. However, directors are free to secure external advice, if they deem such as necessary.

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.*

The Board of Directors has not recently introduced any policy change.

**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.*

<b>Process</b>	<b>CEO</b>	<b>Top 4 Highest Paid Management Officers</b>
(1) Fixed remuneration	Based on qualifications, tenure, performance and industry practice Yearly merit increase is provided based on the performance of the Group, subject to Board approval	Based on qualifications, tenure, performance and industry practice Yearly merit increase is provided based on the performance of the Group and in accordance with the established annual merit increase, subject to Board approval
(2) Variable remuneration	N/A	N/A
(3) Per diem allowance	Based on company's performance, industry practice and as approved by the Board	Based on industry practice
(4) Bonus	Determined yearly based on the company's performance and individual performance for the year, subject to Board approval	Determined yearly based on the company's performance and individual performance for the year, subject to Board approval
(5) Stock options and other financial instrument	N/A	N/A
(6) Others (specify)	Director's Fee	Director's Fees for executive directors

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.*

The Human Resources Department of the Corporation implements the Corporation's policy on remuneration and structure of compensation package.

	<b>Remuneration Policy</b>	<b>Structure of Compensation Package</b>	<b>How compensation is Calculated</b>
Executive Directors	Based on qualification, tenure, performance and industry practice	Fixed compensation and bonus and Director's Fees	Yearly merit increase is provided based on the performance of the Group and in accordance with the

			established annual merit increase, subject to Board approval.  Director's fees are as may approved by the Board, subject to the By-laws and industry practice.
Non-executive Directors	Based on By-laws	Director's Fees and bonus as may be approved by the Board	As may be approved by the Board

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.

The stockholders ratify at the annual stockholders' meeting, all the acts and resolutions of the Management and the Board of Directors, which includes the approval of director's fees.

Remuneration Scheme	Date of Stockholders' Approval
<p>The stockholders granted authority to the Board of Directors to set per diems each year in accordance with the Corporations' By-laws.</p> <p>Subject to the approval of the stockholders, the Board of Directors is authorized to fix the per diems of the directors attending board meetings, executive committee meetings and other committee meetings. The amounts of the per diem shall be guided by reasonableness and industry practice. (Section 10, Article III of the By-laws)</p> <p>An amount equivalent to five percent (5%) of net income before tax in each year shall be paid and distributed at the Board's discretion, to the members of the Board, the Executive Committee and officers of the Corporation (Section 12, Article III of the By-laws).</p>	14 November 2005

3) *Aggregate Remuneration (Amounts in millions)*

Complete the table on the aggregate remuneration accrued during the most recent year (in millions).

Remuneration Item	Executive Directors	Non-Executive Directors (other than Independent Directors)	Independent Directors
(a) Fixed remuneration	P27.03	N/A	N/A
(b) Variable remuneration	N/A	N/A	N/A
(c) Per diem allowance	P2.2	P0.6	P1.3

(d) Bonuses	P7.6	P0.5	P1.0
(e) Stock options and other financial instrument	N/A	N/A	N/A
(f) Others (specify)	N/A	N/A	N/A
<b>Total</b>	P36.8	P1.1	P2.3

Other Benefits	Executive Directors	Non-Executive Directors (other than Independent Directors)	Independent Directors
(1) Advances	N/A	N/A	N/A
(2) Credit granted	N/A	N/A	N/A
(3) Pension Plan/s Contributions	N/A	N/A	N/A
(4) Pension Plans., Obligations incurred	N/A	N/A	N/A
(5) Life Insurance Premium	P0.36	N/A	N/A
(6) Hospitalization Plan	P2.4	N/A	N/A
(7) Car Plan	N/A*	N/A	N/A
(8) Others (specify)	N/A	N/A	N/A
<b>Total</b>	P2.76		

\*The Company provides a company car to the Executive Directors

#### 4) Stock Rights, Options and Warrants

##### (a) Board of Directors

Complete the 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.

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock
Felipe U. Yap	3,584,000	-	3,584,000	0.15 %
David C. Go	2,560,000	-	2,560,000	0.11
Yuen Po Seng	2,560,000	-	2,560,000	0.11
Ronald P. Sugapong	2,560,000	-	2,560,000	0.11
Daisy L. Parker	2,560,000	-	2,560,000	0.11
Victor C. Say	3,072,000	-	3,072,000	0.13
Ricardo J. Romulo	3,072,000	-	3,072,000	0.13

##### (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
Except for the Employees' Stock Option Plan which was approved by the stockholders on 14 December 2009, there were no incentive programs introduced,	N/A	N/A

<p>amended or discontinued. The terms and conditions of the 2009 stock option plan have yet to be determined.</p> <p>On 13 August 2015, the Board of Directors approved the Terms and Conditions of the Company's Stock Ownership Plan. A request for exemption from registration of the Plan was filed by the Company on 27 August 2015 with the SEC.</p> <p>The SEC, in its Resolution dated 6 November 2015, granted the request for exemption from registration of the 32 million common shares under the Employees' Stock Ownership Plan.</p>		
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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
Ma. Rhodora dela Cuesta/VP-Legal, Asst. Corp. Sec.	P7.06 M
Edwin M. Silang/AVP-Group Human Resources	
Victor V. Rafael/Manager-Corporate and Financial Planning Manager	

**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
	Exec. Dir.	Non-Exec. Dir.	Indep. Dir.				
<b>Audit and Risk Management Committee ("Audit and Risk Committee")</b>	1	1	1	Audit Committee Charter	Assist the Board in the performance of its oversight responsibility over the Company's financial	1. Financial statements and disclosures 2. Evaluation of internal controls and risk including information	Access to records, properties and personnel to enable them to perform audit functions

					<p>reporting system, internal control system, audit processes and compliance with applicable laws, rules and regulations</p>	<p>technology security  3. Review of internal and external audit  4. Coordinate and monitor compliance with legal and regulatory requirements</p>	
				<p>Risk Committee Charter</p>	<p>The Board Risk Committee is primarily responsible in providing advice to and assisting the Board in reviewing and recommending the Company's Risk Appetite, the Risk Management Statement and the Risk Management Framework to align with the Company's Risk Appetite and to support business objectives.</p>	<p>1. Ensure that the overall risk management policies and procedures exist for the Company.  2. Review the adequacy of the Company's risk management framework/process.  3. Review the results of the annual risk assessment done by the Chief Risk Officer (CRO)/ Risk Management Officers (RMO), including the risks identified and the risk treatments, their impact on the Company's business.  4. Evaluate the risk assessment and treatment report submitted by the CRO on a periodic basis, which may include existing and identified possible risks faced by the Company and/or its subsidia-</p>	<p>Access to records, properties and personnel to enable them to review the risk-related issues and to recommend the Risk Appetite and Risk Management Framework of the Company.</p>

						<p>ries as well as the risk treatment or action plans adopted by Management.</p> <p>5. Monitor the Company's implementation of the various risk management activities and evaluate the effectiveness of the risk treatments and action plans, with the assistance of the internal auditors.</p> <p>6. Meet with Management to discuss the Committee's observations and evaluation on its risk management activities.</p>	
<b>Nomination</b>	1	1	1	Nomination Committee Charter	Shortlisting and Evaluation of qualifications of candidates nominated for election to the Board	Evaluation of candidates to the Board	Pre-screens and shortlists candidates for directorships based on the qualifications and disqualification for directors
<b>Remuneration</b>	1	1	1	Compensation and Remuneration Committee Charter	Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing remuneration packages of corporate officers, directors and employees	Develop compensation related policies	Develops and recommends remuneration policies for officers and employees

2) *Committee Members*

(a) *Audit and Risk Committee*

Office	Name	Date of Appointment	No. of Meetings Held during FY	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Ricardo J. Romulo	2-Dec-2014	5	4	80	13 years
Member	Victor C. Say	2-Dec-2014	5	5	100	5 years
Member	Ronald P. Sugapong	2-Dec-2014	5	5	100	13 years

*Disclose the profile or qualifications of the Audit and Risk Committee members.*

**Atty. Ricardo J. Romulo** is 82 years old and has been an Independent Director of the Company since 2002. A graduate of Harvard Law School, he is the Senior Partner of Romulo Mabanta Buenaventura Sayoc & de Los Angeles Law Offices. Positions in other companies that he currently holds are as follows:

- o Chairman of Cebu Air, Inc. (*listed company*), Federal Phoenix Assurance Co. Inc., Sime Darby Pilipinas, Inc., Towers Watson Philippines, Inc. and Interphil Laboratories, Inc.
- o Director of BASF Philippines, Inc., FLT Prime Insurance Corporation, Honda Philippines, Inc., Johnson & Johnson (Phils.), Inc., Maersk-Filipinas Inc., Zuellig Pharma Corporation, JG Summit Holdings, Inc. (*listed company*), Beneficial Life Insurance Company and MCC Transport Philippines, Inc.

**Mr. Victor C. Say** is 70 years old and has been an Independent Director of the Company since 2009. A holder of a degree in Business Administration, major in Management, he is the Chairman of Onetree Holdings, Inc, and Director of SEATO Trading Co., Inc., San Juan Enterprises, Inc., Kolin Philippines, Inc., Seven of Us Foods, Inc. and Laview Security Phils., Inc.

**Mr. Ronald P. Sugapong**, 48 years old, is a Certified Public Accountant, and has been Director and Treasurer of the Company since 2001. Positions in other companies that he currently holds are as follows:

- o Director/Treasurer of Orion Land Inc., Tutuban Properties, Inc., Orion Property Development, Inc., Orion I Holdings Philippines, Inc., TPI Holdings Corporation, ZHI Holdings, Inc., Orion Beverage, Inc., Orion Maxis Inc., Orion Solutions, Inc., 22Ban Marketing, Inc., OE Holdings, Inc., Zeus Holdings, Inc., ZHI Holdings, Inc., Guoman Philippines Incorporated, Guoco Assets (Philippines), Inc., and Hong Way Holdings, Inc.
- o Treasurer of FLT Prime Insurance Corporation and BIB Aurora Insurance Brokers, Inc.

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

Under Section 4.2.2.3.2 of the Manual, the Audit and Risk Committee is tasked to perform oversight functions over the Company's external auditor. Pursuant thereto, prior to the commencement of audit, the Audit and Risk Committee discusses with the external audit the nature, scope and expenses of the audit. The Audit Committee reviews the reports submitted by the external auditor.

(b) *Nomination Committee*



Office	Name	Date of Appointment	No. of Meetings Held During the FY	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Felipe U. Yap	2-Dec-14	1	1	100	13 years
Member	Yuen Po Seng	2-Dec-14	1	1	100	13 years
Member	Victor C. Say	2-Dec-14	1	1	100	6 years

(c) *Compensation and Remuneration Committee*

Office	Name	Date of Appointment	No. of Meetings Held During the FY	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Felipe U. Yap	2-Dec-14	2	2	100	13 years
Member	Yuen Po Seng	2-Dec-14	2	2	100	13 years
Member	Ricardo J. Romulo	2-Dec-14	2	2	100	13 years

3) *Changes in Committee Members*

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

There was no change in the membership of the Board Committees of the Company 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
Audit and Risk Management Committee	Prepared and/or presented to the Board of Directors for approval the audited financial statements for Fiscal Year (FY 2014-2015) and the quarterly reports for FY 2014-2015; Conducted self-assessment of the performance of the Audit Committee Recommended the appointment of SGV as external auditors of the Company	There were no issues to be addressed
Nomination Committee	Confirmed the Final List of Nominees for Directors for FY 2014-2015	No issues to be addressed
Compensation and Remuneration Committee	Made recommendations for adjustment of salaries of executives and employees Recommended the director's fee and Board Committee member's fee (for FY 2014-2015)	No issues to be addressed

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.*

The Board Committees have no list of programs to undertake at this time as there are no new relevant governance issues to be addressed this year.

**F. RISK MANAGEMENT PROGRAM**

1) *Disclose the following:*

- (a) *Overall risk management philosophy of the Company.*
- (b) *A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof.*
- (c) *Period covered by the review.*
- (d) *How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness.*
- (e) *Where no review was conducted during the year, an explanation why not.*

The risk management policy of the Company is already developed while the implementation of the risk management system which includes identification of the risk exposure, possible risk treatment and control system are still ongoing. The risk management system which is currently being implemented by the different responsible departments within the Company is expected to be completed before the end of fiscal year 2015.

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.*

<b>Risk Exposure</b>	<b>Risk Management Policy</b>	<b>Objective</b>
N/A	The Company is in the process of identifying possible treatments for risk exposures.	

(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.*

<b>Risk Exposure</b>	<b>Risk Management Policy</b>	<b>Objective</b>
N/A	The Group's risk management system is being developed. The responsible departments are now identifying possible treatments for risk exposure.	

(c) *Minority Shareholders*

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

The Company implements cumulative voting of directors, prohibits the removal of a director if it would deny the minority shareholders representation in the Board (Section 8.1.2.3 of the Manual), and recognizes the appraisal right of shareholders (Section 8.1.7 of the Manual).

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.*

<b>Risk Exposure</b>	<b>Risk Assessment (Monitoring and Measurement Process)</b>	<b>Risk Management and Control (Structures, Procedures, Actions Taken)</b>
N/A		

(b) *Group*

*Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the Company.*

<b>Risk Exposure</b>	<b>Risk Assessment (Monitoring and Measurement Process)</b>	<b>Risk Management and Control (Structures, Procedures, Actions Taken)</b>
N/A		

(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.*

<b>Committee/Unit</b>	<b>Control Mechanism</b>	<b>Details of its Functions</b>
N/A		

**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 designed to provide reasonable assurance to the achievement of the objectives on the effectiveness and efficiency of operation, reliability of financial reporting, compliance with applicable laws and regulations, and safeguarding of the assets of the Company. These internal control systems are monitored and evaluated on a regular basis to ensure that they are functioning properly and effectively through a regular review of control environment, risk assessment, control activities, information and communication and monitoring.

Financial and Operational Control

The Company's disclosure controls and procedures include without limitation controls and procedures that are designed to ensure that information required to be disclosed in

reports filed or submitted is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our Company's management, including the President and CFO, as appropriate, to allow timely decisions regarding required disclosure.

#### Compliance

The Company's corporate compliance is managed by the Corporate Secretary and Internal Audit/Compliance Department. This unit endeavors to ensure that our policies, corporate decisions and business activities are done in compliance with prevailing law and regulations, both internal and external. The Company proactively implements compliance policies at the business unit level and the transactional level. Its compliance activities in 2015 included:

- a. Supporting business activities with legal advice by delivering legal opinions on planned actions and issues in relation to their compliance with the applicable laws or regulations (legal advisory);
- b. Conducting a risk and legal review of planned business initiatives, policies and planned cooperation (legal review of business & policy initiatives); and
- c. Settlement of litigation and non-litigation cases (litigation).

#### Evaluation on the Effectiveness of Internal Audit Management's Report on Internal Control over Financial Reporting

The Company's Management is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process designed by, or under the supervision of, our CFO, and executed by its Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS as issued by the IASB and includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of our Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with IFRS, and that receipts and expenditures of our Company are being made only in accordance with authorizations of management and Directors of our Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our Company's assets that could have a material effect on the Consolidated Financial Statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Under the supervision and with the participation of the Company's President, Chief Finance Officer and the Group Compliance, management conducted an evaluation of the effectiveness of the Company's disclosure controls and procedures as of 30 June 2015. Based on this evaluation, Management has concluded that, as of 30 June 2015, the Company's disclosure controls and procedures were effective.

- (c) *Period covered by the review.*

The review covers the period of 1 July 2014 to 30 June 2015.

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

The internal controls are reviewed annually and based on the reports of the Audit Committee on the audit areas covered during the year.

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

2) *Internal Audit*

(a) *Role, Scope and Internal Audit Function*

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

The Internal Audit Function sees to it that the Company's key organizational and procedural controls are effective, appropriate, and complied with, and shall be guided by the International Standards on Professional Practice of Internal Auditing.

<b>Role</b>	<b>Scope</b>	<b>Indicate whether In-house or Outsource Internal Audit Function</b>	<b>Name of Chief Internal Auditor/Auditing Firm</b>	<b>Reporting Process</b>
Active	Review and Evaluation of Control Functions- all Subsidiaries	In-house		Reports to President and Audit Committee
Active	Providing Assurance and Internal Consulting Service-All Subsidiaries	In-house		President and CFO
Active	Monitoring and Reporting Application of Control Functions- All Subsidiaries	In-house		President; CFO and Audit Committee

(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 and Risk Committee?*

Yes. Section 4.2.2.3.2 of the Manual tasks the Audit and Risk Committee to organize an internal audit department, and consider the appointment of an independent internal auditor and terms and conditions of its engagement and removal.

The Internal Audit Head is appointed and discharged by President and require the approval of the Audit and Risk Committee.

(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?*

Sections 4.2.5.2 and 4.2.2.3.2 of the Manual provide that the internal auditor shall functionally report directly to the Audit and Risk Committee. In addition, Section 4.2.5.1 of the Manual provides that the Internal Auditor shall submit to the Audit and Risk Committee and Management an annual report on the internal audit department's activities, responsibilities and performance relative to the audit plans and strategies as approved by the Audit and Risk Committee. The internal auditor shall have unrestricted access to all the Corporation's records, properties and personnel to enable them to perform their audit functions.

Internal Audit is an independent unit to other units within the Company and reports directly to the President and Audit and Risk Committee.

(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.*

<b>Name of Audit Staff</b>	<b>Reason</b>
No Audit Staff resigned in FY 2014-2015	N/A

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

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

<b>Progress Against Plans</b>	Internal Audit completed the various audit activities and other consultancy services in accordance with the approved Audit Master Plan
<b>Issues</b>	Summarized issues and findings gathered during the audit process and discussed with auditees for resolution
<b>Findings</b>	
<b>Examination Trends</b>	Identified recurring issues and findings and initiated immediate corrective actions.

(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."*

<b>Policies &amp; Procedures</b>	<b>Implementation</b>
Investments and Capital Expenditures	Implemented
Revenue Cycle- Various Procedures	Implemented
Disbursements and Payment to Government Agencies	Implemented
Operation Policies and Procedures-complete	Implemented

(g) *Mechanism 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).

<b>Auditors (Internal and External)</b>	<b>Financial Analysts</b>	<b>Investment Banks</b>	<b>Rating Agencies</b>
<p>The Internal and External Auditors report directly to the Audit and Risk Committee. Their reports are approved by the Audit Committee and the Board of Directors.</p> <p>In addition, the Manual provides that:</p> <p>(i)The external auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Corporation, should be changed with the same frequency. (Section 4.2.7 (A) (v) of the Manual)</p> <p>(ii) The external auditor shall not, at the same time, provide internal audit services to the Corporation. Non-audit work may be given to the external auditor, provided it does not conflict with his duties as an independent auditor, or does not pose a threat to his independence. (Section 4.2.7 (B) of the Manual)</p> <p>(iii) If the external auditor believes that any statement made in an annual report, information statement or any report filed with the Commission or any regulatory body during the period of his engagement is incorrect or incomplete, he shall give his comments or views on the matter in the said reports. (Section 4.2.7 (B) of the Manual)</p>	<p>The Company does not perceive any need at this time to establish a mechanism to safeguard the independence of these entities.</p>	<p>The Company does not perceive any need at this time to establish a mechanism to safeguard the independence of these entities.</p>	<p>The Company does not perceive any need at this time to establish a mechanism to safeguard the independence of these entities.</p>

- (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.

Section 7.1 of the Manual provides that the reports or disclosures required therein shall be prepared and submitted to the Commission by the responsible committee or officer through the Corporation's Compliance Officer. Hence, the Certification of the Company's compliance with the Manual is signed by the Corporate Secretary in her capacity as Compliance Officer, and by the President. However, pursuant to SEC Memorandum Circular No. 5, Series of 2013, the submission of the Certification of Compliance with the Manual was discontinued in 2013. In lieu thereof, the ACGR signed by the Chairman, President/CEO, Independent Directors and Compliance Officer shall be submitted by the Corporation starting June 2013 and every five (5) years thereafter. The ACGR shall be updated yearly.

## H. ROLE OF STAKEHOLDERS

- 1) Disclose the Company's policy and activities relative to (a) customers' welfare, (b) supplier/contractor selection practice, (c) environmentally friendly value chain, (d) community interaction, (e) anti-corruption programs and procedures, and (f) safeguarding of creditors' rights.

	<b>Policy</b>	<b>Activities</b>
Customer's welfare	Safety and Security	Compliance with government regulations
Supplier/contractor selection practice	Consider price bid and reliability of supplier	The Company gets the price bid of at least three (3) suppliers before an award is made.
Environmentally friendly value-chain	N/A	N/A
Community interaction	Corporate Social Responsibility (CSR) Policy	The Company, through its subsidiary, undertakes CSR initiatives in the communities within the area
Anti-corruption programmes and procedures	Company's Policies and Procedures on Employee Conduct	Enforcement in accordance with the Company's Policy Manual
Safeguarding creditors' rights	Refer to relevant agreements or contracts	Monitor contracts

- 2) Does the Company have a separate corporate responsibility (CR) report/section or sustainability report/section?

The Company includes a CSR report in its Annual Report.

- 3) Performance-enhancing mechanisms for employee participation.

- (a) What is the Company's policy for its employees' safety, health, and welfare?

The Company seeks to provide services and programs designed to promote the well-being of employees such as health and safety, rest and recreation, economic security and family welfare.



The Company provides services and programs designed to care for the well-being of its employees. Programs for health, safety, and employee welfare are implemented to communicate and demonstrate a caring atmosphere in the work place.

The Company maintains a medical and wellness program which provides for in-patient and out-patient benefits for the employees. Employees undergo annual medical examinations for health maintenance. Medical consultations are also made available to the employees through the regular visits of a medical doctor in the office.

Furthermore, policies to promote a safe and healthy work environment have been established in accordance with the requirements of the Department of Labor and Employment.

#### *Drug-Free Workplace Policy*

The Company is committed to safeguard the well-being of its employees from the harmful effects of dangerous drugs on their physical and mental well-being by increasing employee awareness on the adverse effects of dangerous drugs and by monitoring employees who are susceptible to drug abuse.

#### *Workplace Policy and Program on Hepatitis B*

The aim of this Policy is to ensure that the employees' right against discrimination and confidentiality is maintained. This Policy also enlightens the employees of their role as well as the Company's role in dealing with Hepatitis B.

#### *Workplace Policy and Program on Tuberculosis (TB) Prevention and Control*

The purpose of this Policy is to address the stigma attached to employees with TB and to ensure that the employee's right against discrimination, brought by the disease, is protected. This Policy also intends to facilitate free access to anti-TB medicines of affected employees through referrals.

#### *HIV and AIDS Policy*

The purpose of this Policy is to provide information and guidance in the diagnosis, treatment and prevention of HIV/AIDS in the workplace to the employees. This Policy also intends to address the stigma attached to employees with HIV/AIDS and make sure that the workers' right against discrimination and confidentiality is maintained.

#### *Anti-Sexual Harassment Policy*

The Company values the dignity of its human resources and guarantees full respect for its employees, trainees or applicants for employment. The Company likewise commits to maintain a work environment free from sexual harassment and all forms of sexual intimidation and exploitation, and it will not tolerate harassment of its employees (either male or female) by anyone, including any of its officers, managers, supervisors, vendors, clients or customers.

#### *Breastfeeding Policy*

The Corporation recognizes the importance of breastfeeding for both mother and baby and hereby supports and promotes breastfeeding for its mother-employees. POPI

provides facilities and the support necessary to enable mothers in their employment to balance breastfeeding / breast milk expression with their work.

Other initiatives to promote wellness include learning sessions, sports programs, recreational activities such as outings, and other company events that also foster camaraderie and cooperation among the employees.

The Company also participates in fire and earthquake drills, in coordination with the office building administrator and the Company's Safety Committee headed by a Certified First Aider.

**Training**

Training efforts focus on the three (3) core areas: 1) Personal Effectiveness; 2) Functional / Professional Skills; and 3) Leadership Skills.

The Company stages in-house programs through the Group Training Curriculum and the Management Coffee Sessions.

The Group Training Curriculum is envisioned to be a venue where all employees can be equipped with core, common and critical skills within the Prime Orion Group.

As part of the Company's culture-building initiatives, the HRD conducts or holds Management Coffee Sessions with the objective of facilitating informative and interactive discussions among the leaders of the Group on various topics of leadership, management and the business landscape.

The Company also sends its employees to public seminars to continuously equip them with the necessary technical or functional knowledge and expertise necessary for meeting the present and future demands for achieving the business objectives of the Company.

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

The Company conducts an annual medical examination for primary and secondary prevention of diseases and to promote healthy behavior among the employees. The top 1 illness based on the recent annual medical examination (19 March 2014) is Obesity/Overweight. Results of the annual medical examination show:

Levels of Fitness	Percentage of Employees
Class A (Physically Fit)	3.71%
Class B (Physically Fit but with minor ailment conditions)	62.96%
Class C (with non-disabling conditions that must be controlled and maintained by medication)	33.33%
Class D (Unfit to Work)	0%
Pending (To undergo medical examination)	0%

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

The Company promotes employee learning, education and growth through training and development programs to equip them with a whole range of knowledge, skills and experiences in the areas of personal effectiveness, functional/job-related competencies

and leadership development for effective performance in their current and future jobs. Training programs include:

- (i) Management Coffee Sessions – around 70 supervisors and managers attend regular learning sessions in the area of leadership development
- (ii) Group Training Program – around 20 employees attend regular courses that focus on competencies that are core, critical and common to all employees in the Group
- (iii) Functional Training – based on identified training needs, employees attend public seminars that focus on enhancing their specific job-related competencies.

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

It is the policy of the Company to manage work performance through a year-round process of helping and guiding people to achieve desired results. Our performance Management System (PMS) aims to systematically and periodically monitor results against established individual or organizational goals and thus improve the overall performance and potentials of the Company and its employees. The system allows the Company to be linked to employee rewards and compensation. Performance of the individual, department and the company as a whole bears the greatest weight in determining annual merit increases.

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

In accordance with the Company's Policies and Procedures on Employee Conduct, the Company adheres to the policies of fair and consistent implementation of its regulations and the procedural due process in handling complaints by employees concerning illegal and ethical behavior and in ensuring their protection from retaliation.

## I. DISCLOSURE AND TRANSPARENCY

1) *Ownership Structure*

(a) *Holding 5% shareholding or more\* (as of 4 September 2015)*

Shareholder	No. of Shares	Percent	Beneficial Owner
PCD Nominee Corp. (Filipino)	1,323,385,699	55.91%	Various Clients
Genez Investments Corp.	250,000,000	10.56%	NA
F.Yap Securities, Inc.	206,882,000	8.74%	Various Clients
Lepanto Consolidated Mining Co.	180,000,000	7.61%	NA

\*based on the report dated 4 September 2015 of Stock and Transfer Agent, BDO Unibank, Inc.-Trust and Investments Group

Name of Senior Management	No. of Direct Shares	No. of Indirect Shares	% of Capital Stock
Yuen Po Seng	1	0	-
Ronald P. Sugapong	50,000	35,429	0.004%
Daisy L. Parker	283,400	0	0.012%
Ma. Rhodora P. dela Cuesta	111,450	0	0.005

2) *Does the Annual Report disclose the following:*

Key Risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	Yes
Dividend policy	Yes
Details of whistle-blowing policy	The Company's policy on whistle blowing is posted in its website.
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors	Yes
Training and/or continuing education program attended by each director	No. With the ACGR, the Corporate Governance section in the Annual Report was discontinued as per SEC Memorandum Circular No. 5 Series of 2013. The subsequent trainings of directors were not included in the Annual Report but reported in the Consolidated Changes to ACGR.
Number of Board of Directors meetings held during the year	No. The number of Board meetings held in a year and the attendance details of the directors in such meetings are disclosed in the ACGR as the submission of Certification of Attendance of Directors was discontinued as per SEC Memorandum Circular No. 5 Series of 2013. The Compliance Officer submitted the report on the attendance of Directors in Board and Committee meetings for the fiscal year by way of advisement letter to the SEC last 4 July 2014 and disclosed as an update to the ACGR.
Attendance details of each director in respect of meetings held	No. See above.
Details of remuneration of the CEO and each member of the Board of Directors	No. The remuneration of the CEO and top 4 officers of the Company is reported as a lump sum amount. The total compensation paid to the members of the Board are reported in the General Information Sheet submitted by the Company each year.

3) *External Auditor's Fee*

Name of Auditor	Audit Fee (FY 2014-2015)	Non-Audit Fee
SGV and Co.	P2,787,160.32 (inclusive of VAT)	0

4) *Medium of Communication*

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

- a) Disclosures to the SEC and PSE
- b) Company Website

- c) E-mail
- d) Registered mail
- e) Publication in newspapers of general circulation

5) *Date of release of audited financial report:* 9 October 2015

6) *Company Website*

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

Business operations	Yes
Financial statements/reports (current and prior years)	Yes
Materials provided in briefings to analysts and media	NA
Shareholding structure	Yes
Group corporate structure	Yes
Downloadable annual report	Yes
Notice of AGM and/or EGM	Yes
Company's constitution (By-laws and Articles of Incorporation)	Yes

7) *Disclosure of Related Party Transactions (RPT)*

RPT	Relationship	Nature	Value (in Thousands) (FY 1 July 2014- 30 June 2015)
Lepanto Ceramics, Inc.	Subsidiary	Advances	P 5
Orion I Holdings Philippines, Inc.	Subsidiary	Advances	199,154
OE Holdings, Inc.	Subsidiary	Advances	34,089
FLT Prime Insurance Corp.	Subsidiary	Charges	72,968
Orion Property Development, Inc.	Subsidiary	Charges	79
Orion Maxis Inc.	Subsidiary	Charges	20,035
Tutuban Properties, Inc.	Subsidiary	Charges	58

*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?*

Section 7.2 of the Manual states:

“All material information, i.e., anything that could potentially adversely affect the viability of the Corporation or interests of the stockholders shall be publicly disclosed. Such information shall include earnings results, acquisition or disposal of assets, board changes, related party transactions, shareholdings of directors and changes to ownership.” (Emphasis supplied)

## 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.*

<b>Quorum Required</b>	Majority of the issued and outstanding stock of the Corporation having voting powers. (Art. III, Sec. 5 of the Company's By-Laws)
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(b) *System used to approve corporate acts*

*Explain the system used to approve corporate acts.*

<b>System Used</b>	Stockholders' affirmative vote during a regular or special Stockholders' Meeting
<b>Description</b>	Majority vote of the stockholders are required to approve corporate acts.

(c) *Stockholders' Rights*

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

<b>Stockholders' Rights under the Corporation Code</b>	<b>Stockholders' Rights <u>not</u> in the Corporation Code</b>
Notice period of 2 weeks for regular stockholders' meetings and 1 week for special stockholders' meetings. (Section 50)	In practice, the Company provides its stockholders with the notice and agenda of the Annual Stockholders' Meeting at least 15 business days from the date thereof.
No provision on the right of minority stockholders to propose holding of stockholders' meetings.	Minority stockholders may propose the items for discussion in the agenda that relate directly to the business of the Corporation.

*Dividends*

The Corporation has not declared any dividends in the last five (5) years.

(d) *Stockholders' Participation*

*1-7. 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.*

During Annual or Special Stockholders' Meetings, after the Chairman has completed his report, stockholders are encouraged to ask questions and to give comments on any matter involving the Company. The Company ensures the attendance of the external auditors and relevant personnel during such meetings so that any and all answers that may be asked by stockholders may be given the appropriate response. Before the end of the meeting, the Chairman asks if the stockholders have any questions.

*8. State the Company policy of asking shareholders to actively participate in corporate decisions regarding:*

- (a) Amendments to the Company's constitution;*
- (b) Authorization of additional shares; and*

(c) *Transfer of all or substantially all assets, which in effect results in the sale of the Company*

The Company complies with the procedures set forth in its By-laws and the provisions of the Corporation Code and other regulations implemented by the SEC and the PSE.

For the Special Stockholders' Meeting on 20 October 2015, notice/agenda of the meeting and the explanation of each item to be taken up during the meeting were sent out to all the stockholders together with the Definitive Information Statement (SEC Form 20-IS). For this meeting, the Definitive Information Statement explained the purpose of the proposed amendments to the Articles of Incorporation, specifically, (a) increase in the authorized capital stock from P2.4 billion to P7.5 billion, and (b) increase in the number of directors from 7 to 9.

9. *Does the Company observe a minimum of 21 business days for giving out of notices to the Annual/Special Stockholders' Meeting where items to be resolved by shareholders are taken up?*

(a) *Date of sending out notices:* 29 September 2015 (Notice sent out with the Definitive Information Statement)

(b) *Date of the Annual/Special Stockholders' Meeting:* 20 October 2015

10. *State, if any, questions and answers during the Annual/Special Stockholders' Meeting (SSM) (held on 20 October 2015).*

The following questions were raised by two (2) stockholders during the SSM:

Question 1: What is the percentage of ownership of the Corporation in Cyber Bay Corporation?

Answer : The Corporation used to have majority in CBC but a few years ago, a new investor came in and took over CBC- the investor bought the loans of CBC and converted the loans to equity. As result, the Corporation's ownership in CBC is down to 10%.

Question 2: How much is the price for which ALI will buy the Corporation's shares?

Answer : ALI's entry price is P2.25 per share or a total of P5.625 billion representing about 51% of the Corporation. In other words, ALI will infuse about P5.6 billion and did not buy out any stockholder and will have 51% control of the Corporation.

Question 3: What is the term of payment of ALI for the Corporation's shares?

Answer : The payment is by cash. As soon as the initial payment is made, the Corporation will apply for increase in capital.

11-23. Results of Annual/Special Stockholders' Meeting's Resolutions

Resolution	Approving	Dissenting	Abstaining
"RESOLVED, That considering that copies of the minutes of the previous meeting of the stockholders have been earlier	100% of capital stock present in person or by	0	0

<p>distributed to the stockholders, let the reading of the minutes of the previous stockholders' meeting dated 2 December 2014, be dispensed with and that the same be approved without reading."</p>	<p>proxy</p>		
<p><b>"WHEREAS</b>, Ayala Land, Inc. ("ALI") entered into an agreement with Prime Orion Philippines, Inc. (the "Corporation"), whereby ALI agreed to subscribe to 2.5 billion shares of stock of the Corporation for a total consideration of P5.625 billion (the "ALI Subscription"), subject to certain terms and conditions;</p> <p><b>WHEREAS</b>, upon fulfillment of the terms and conditions, ALI shall proceed with the ALI Subscription;</p> <p><b>WHEREAS</b>, the Corporation has, at present, an authorized capital stock of P2.4 billion divided into 2.4 billion common shares of stock with par value of P1.00 per share; hence, the need to increase its authorized capital stock to cover the ALI Subscription;</p> <p><b>NOW THEREFORE, BE IT RESOLVED</b>, as it is hereby resolved, That the Corporation increase the Corporation's authorized capital stock from P2.4 billion (divided into 2.4 billion common shares with par value of P1.00 per share) to P7.5 billion (divided into 7.5 billion common shares with par value of P1.00 per share), and for this purpose, to amend Article VII of the Corporation's Articles of Incorporation;</p> <p><b>RESOLVED FURTHER</b>, That the Stockholders of the Corporation approve the subscription of Ayala Land, Inc. ("ALI") to Two Billion Five Hundred Million (2,500,000,000) common shares of stock of the Corporation (the "ALI Subscription"), out of the increase in authorized capital</p>	<p>100% of capital stock present in person or by proxy</p>	<p>0</p>	<p>0</p>



<p>stock from 2.4 billion shares to 7.5 billion shares, for a total consideration of P5.625 billion;</p> <p><b>RESOLVED FURTHER</b>, That the Corporation secure confirmation from the Securities and Exchange Commission of the exemption of the ALI Subscription from the mandatory tender offer rules of the Securities Regulation Code;</p> <p><b>RESOLVED FURTHER</b>, That the Corporation authorize and empower its President and/or Corporate Secretary to file the application for increase in authorized capital stock and request for exemption from the mandatory offer rules and such other documents as may be required to implement the foregoing resolutions.”</p>			
<p>“<b>RESOLVED</b>, That <b>Prime Orion Philippines, Inc.</b> (the “Corporation”) increase its authorized capital stock from P2.4 billion (divided into 2.4 billion common shares with par value of P1.00 per share) to P7.5 billion (divided into 7.5 billion common shares, with par value of P1.00 per share), and for this purpose, hereby amend Article Seventh of the Corporation’s Articles of Incorporation, to read as follows:</p> <p>‘SEVENTH: That the capital stock of said Corporation is SEVEN BILLION FIVE HUNDRED MILLION PESOS (P7,500,000,000.00) Philippine currency, divided into Seven Billion Five Hundred Million (7,500,000,000) Common Shares, with par value of One Peso (P1.00) per share.’</p> <p>The second paragraph of Article Seventh is hereby deleted while the third and last paragraphs of Article Seventh remain unchanged.</p>	<p>100% of capital stock present in person or by proxy</p>	<p>0</p>	<p>0</p>

<p><b>RESOLVED FURTHER</b>, That the Corporation increase the number of Directors of the Corporation from seven (7) to nine (9) directors, and pursuant thereto, amend Article Sixth of the Corporation's Articles of Incorporation, to read as follows:</p> <p style="padding-left: 40px;">‘SIXTH: That the number of directors of the said corporation shall be nine (9) xxx’</p> <p>and the remaining portion of Article Sixth remain unchanged;</p> <p><b>RESOLVED FURTHER</b>, That the Corporation authorize and empower its President and/or Corporate Secretary to file the application for amendment of the Articles of Incorporation and such other documents as may be required to implement the foregoing resolutions.”</p>			
<p><b>“RESOLVED</b>, That <b>Prime Orion Philippines, Inc.</b> (the “Corporation”) upon approval of the increase in its authorized capital stock to P7.5 billion and the issuance of the ALI Subscription, apply for listing the ALI Subscription with the Philippine Stock Exchange (“PSE”);</p> <p><b>RESOLVED FURTHER</b>, That the Corporation authorize and empower its President and/or Corporate Secretary to file the application for listing of the ALI Subscription with the PSE, and such other documents as may be required to implement the foregoing resolutions.”</p>	<p>100% of capital stock present in person or by proxy</p>	<p>0</p>	<p>0</p>

There were no dissenting votes.

24. *Date of publishing of the result of the votes taken during the most recent Annual/Special Stockholders’ Meeting for all resolutions:*

The results were disclosed to the SEC and PSE on 20 October 2015.

(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.

Except for the inclusion of an Explanation of the items in the agenda (as required by the corporate governance guidelines of the SEC and sent out with the Notice of Meeting), no modifications were made in the regulations of the Special Stockholders' Meeting on 20 October 2015.

(f) *Stockholders' Attendance*

(i) *Details of Attendance in the Annual/Special Stockholders' Meeting held on 20 October 2015:*

Type of Mtg.	Names of Board Members/ Officers Present	Date of Mtg.	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH present
Special	All of the seven Directors of the Board attended the meeting.	20 October 2015	Voting is by <i>poll of votes</i> .	1.74%	75.36%	77.10%

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

Yes. The validation of the votes is conducted by the Company's stock transfer agent, BDO Unibank, Inc..

(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 only has one class of shares -- common -- which carry one vote for one share.

(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	The Company has a prescribed proxy form but does not strictly enforce it as long as the proxy submitted is in writing, signed by the stockholder and timely submitted.
Notary	There is no need for the proxy to be notarized.
Submission of proxy	The proxy has to be submitted at the office of the Company, prior to the date of the validation of proxies indicated in the Notice/Agenda
Several proxies	Several proxies are acceptable, but only one can vote on behalf of the principal during the meeting.
Validity of proxy	A proxy is valid only for the meeting for which it was intended, unless otherwise stated therein. However, as provided in the Corporation Code, no proxy can be valid for a period longer than 5 years.

Proxies executed abroad	Proxies executed abroad are acceptable subject to the Company's validation process.
Invalidated proxy	The Company does not have any established policy on invalidated proxies, except that such proxies would not be recognized or entitled to vote.
Validation of proxy	Proxies are validated on the date, time, and at the place indicated in the Notice/Agenda by representatives of the Company's stock transfer agent and external auditor.
Violation of proxy	The Company does not have any established policy at this time concerning violation of proxy. However, in such case, the Company would take it on a case-to-case basis in determining whether to count the votes of the proxy.

(h) *Sending of Notices*

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

<b>Policies</b>	<b>Procedure</b>
The Company's By-Laws provide that Notices shall be sent by personal delivery, mail, telegraph, cable, or electronically to stockholders of record at his last known address at least 10 days prior to the date of meeting, if annual meeting, or at least 5 days prior to date of meeting, if special meeting. Pursuant to the Implementing Rules of the Securities Regulation Code, the notice/agenda together with the Explanation of the items to be taken up and the Information Statement are distributed at least 15 business days before the date of the meeting.	The Company transmits Notices to brokers in Pasig and Makati by hand or by fax. It transmits Notices to stockholders in Metro Manila by messengerial service or by ordinary mail. Notices to stockholders outside Metro Manila were sent via ordinary mail.

(i) *Definitive Information Statement and Management Report*

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and other Materials	877 stockholders + 82 PCD/trading participants
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials Held by Market Participants/Certain Beneficial Owners	29 September 2015
Date of Actual Distribution of Definitive Information Statement and Management Report and other Materials held by Stockholders	29 September 2015
State whether CD format or hard copies were distributed	Hard copies of the Notice/Agenda and Explanation, Definitive Information Statement and Management Report were distributed.
If yes, indicate whether requesting stockholders were provided hard copies	Not Applicable. There were no requests for hard copies during the SSM.

(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.	No. This information is already indicated in the Definitive Information Statement which is likewise transmitted to the stockholders of record. The agenda of the SSM on 20 October 2015 does not include election of directors.
The auditors to be appointed or re-appointed.	No. This information is already indicated in the Definitive Information Statement which is likewise transmitted to the stockholders of record. The agenda of the SSM on 20 October 2015 does not include appointment of auditors.
An explanation of the dividend policy, if any dividend is to be declared.	No. This information is already indicated in the Management Report which is likewise transmitted to the stockholders of record. However, the Company has not declared any dividend in the last several years.
The amount payable for final dividends.	No dividends were declared.
Documents required for proxy vote.	Yes.

2) Treatment of Minority Stockholders

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

Policies	Implementation
A director shall not be removed without cause if it will deny minority shareholders representation in the Board. (Sec. 8.1.2.3 of the Manual)	N/A. No director was removed during the year.
Although all stockholders should be treated equally or without discrimination, the Board should, as far as practicable, give 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 Corporation. The Board shall determine which matters are proper for inclusion in the agenda for stockholders' meetings. (Sec. 8.1.8 of the Manual)	During the year, no minority shareholder has proposed the holding of a meeting or the inclusion of any item for discussion in the agenda.

(b) Do minority stockholders have a right to nominate candidates for Board of Directors?

Yes.

#### 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 Company's internal and external communications policies are reviewed by key officers as may be required and practicable. The Corporate Secretary reviews any external communication to be released. Internal communication is handled by Compliance Officer in coordination with the top management and/or the President.

- 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	Inform stockholders, stakeholders and the public in general of the results of operations of the Company
(2) Principles	Transparency Accountability Fiscal Management
(3) Modes of Communication	Annual Stockholders' Meeting Corporate website Disclosures to SEC and PSE Annual Report Press releases
(4) Investors Relations Officer	Victor V. Rafael was appointed on 2 December 2014 as Investor Relations Officer.

Telephone No. : 884-1106  
Fax No. : 884-1409  
Email : [popi-corporate@primeorion.com/](mailto:popi-corporate@primeorion.com)  
[vrafael@primeorion.com](mailto:vrafael@primeorion.com)

- 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? Name of the independent party the Board of Directors of the Company appointed to evaluate the fairness of the transaction price.

The Company follows the provisions of its By-laws and the Corporation Code with respect to the above transactions.

The Company engages consultants as may be necessary for the evaluation of the fairness of the transaction price.

#### L. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the Company.  
(For the period of February to July 2015)

Initiative	Beneficiary
Feeding Program	Day Care students of Brgys. 48, 49 and 51 (Tondo, Manila)
Free Haircut	Students residing in Brgys. 48, 49 and 51 of Tondo, Manila
Brigada Eskwela Program	Day Care Centers of Brgys. 48 and 49 of Tondo, Manila
School Kit Distribution	Students of Day Care Centers in Brgys. 48, 49 and 50 of Tondo, Manila
Computer Donation	Gregorio Perfecto High School in Tondo. Manila

**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.*

	<b>Process</b>	<b>Criteria</b>
Board of Directors	Members of the Board of Directors to accomplish a Self-Assessment Form	Performance rating of 1-5, with 1 as highest rating; Performance levels range from Needs Improvement, Good, Satisfactory and Excellent
Board Committees	Self-assessment to be done yearly by the Audit Committee members as prescribed in its Audit Committee Charter (using the Self-Assessment Worksheet and Self-Rating Form)	Performance rating of 1-5, with 5 as the highest
Individual Directors	Members of the Board of Directors to accomplish a Self-Assessment Form	Performance rating of 1-5, with 1 as the highest rating Performance levels range from Needs Improvement, Good, Satisfactory and Excellent
CEO/President	Process to be developed	N/A

**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.*

<b>Violations</b>	<b>Sanctions</b>
Section 11.1 of the Manual imposes the following penalties, after notice and hearing, on the Company's directors, officers, and staff in case of violation of any of the provision of this Manual:	<ul style="list-style-type: none"> <li>• First Violation - Violator shall be subject to written reprimand.</li> <li>• Second Violation - Suspension from office shall be imposed on such person violating the Manual. The duration of the suspension shall depend on the gravity of the violation.</li> <li>• Third Violation - The maximum penalty of removal from office shall be imposed.</li> </ul>

### SECRETARY'S CERTIFICATE

I, **DAISY L. PARKER**, of legal age, Filipino, hereby certify that:

1. I am the duly elected Corporate Secretary of **PRIME ORION PHILIPPINES, INC.** (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at 20/F LKG Tower, 6801 Ayala Avenue, Makati City, do hereby certify that:
2. At the special meeting of the Board of Directors of the Corporation held on 6 January 2016 at 20/F LKG Tower, 6801 Ayala Avenue, Makati City, wherein a quorum was present and acting throughout, the following resolutions were unanimously approved:

**"RESOLVED**, as it is hereby resolved, That the Board of Directors of **Prime Orion Philippines, Inc.** (the "Corporation") approve the updates and changes in the Corporation's Consolidated Changes in its Annual Corporate Governance Report (ACGR) for the calendar year 1 January 2015 to 31 December 2015, as follows:

1. In Section A (Board Matters)

- a) In (1) (d)(ii), the type of directorship of Mr. Ronald P. Sugapong and Daisy L. Parker in Zeus Holdings, Inc. was updated.
- b) In (6) (b) and (c), updates to the in-house training, and continuing education programs attended by directors, Messrs. Felipe U. Yap, David C. Go, Yuen Po Seng, Victor C. Say, Ronald P. Sugapong, Atty. Daisy L. Parker and Atty. Ricardo J. Romulo, were made. Continuing education programs attended by directors in the year 2014 were deleted;

2. In Section C (Board Meetings and Attendance)

- a) In Item 1, the schedules of Board meetings for calendar years 2014 and 2015 which were set at the beginning of each year were included;
- b) In Item 2, the date of election of the directors and number of meetings attended by the directors and percentage of each director's attendance in meetings were updated.

3. In Section D (Remuneration Matters)

- a) In Item (3), the information of aggregate remuneration and other benefits of the directors was updated;
- b) In Item 4 (a), information on the stock options of the Board of Directors was included. For Item 4 (b), information on the approval of the Terms and Conditions of the Stock Ownership Plan of the Corporation was updated;
- c) In Item (5), the Total Remuneration of Management was updated.

4. In Section E (Board Committees)

- a) In Item (2)(a), information on the date of appointment of the members of the Audit and Risk Management Committee, length of service of the members, their directorships in other companies was updated. The profile (age, educational attainment) and qualifications of the Audit and Risk Management Committee members were updated;
- b) In Item (2)(b), the date of appointment of the members of the Nomination Committee and length of service of members were updated;
- c) In Item (2)(c), the date of appointment of the members of the Compensation and Remuneration Committee and the length of service of members were updated;





- d) In Item (4), the information on work done by the different Board Committees for fiscal year 2014-2015 was updated;
5. In Section G (Internal Audit and Control)
    - a) In Items (1)(a),(b) and (c), the date of compliance activities and review period of the internal control systems were updated to until 30 June 2015 (which is the end of POPI's fiscal year);
    - b) In Item (2)(d), inclusion of statement that no audit staff resigned in FY 2014-2015;
  6. In Section I (Disclosure and Transparency)
    - a) In Item (1), the information on the shares and corresponding shareholding of shareholders with 5% shareholding was updated (as of 4 September 2015);
    - b) In Item (3), the amount of audit fees for FY 2014-2015 was updated;
    - c) In Item (5), the date of release of the audited financial report (for FY 2014-2015) was updated;
    - d) In Item (7), the disclosure on related party transactions with subsidiaries was updated;
  7. In Section J (Rights of Stockholders)
    - a) In Item (1)(d)(1-7), inclusion of measure adopted to promote stockholder participation in the annual or special stockholders' meetings, specifically, granting stockholders the opportunity to ask questions before the end of the meeting.
    - b) In Item (1)(d)(9), the dates of the sending out of notices and special stockholders' meeting (SSM) were updated;
    - c) In Item (1)(d)(10), the questions and answers during the SSM on 20 October 2015 were included;
    - d) In Item (1)(d)(11-23), the results of the SSM resolutions were updated;
    - e) In Item (1)(d)(24), the date that the results of the votes taken during the SSM were disclosed to the Philippine Stock Exchange and Securities and Exchange Commission was updated;
    - f) In Item (1)(e), a statement that an Explanation of the items in the agenda for the SSM (as required by the corporate governance guidelines of the SEC which were sent out with the notice of SSM) was included;
    - g) In Item (1)(f) (i) and (ii), the details of the stockholders' attendance in the SSM on 20 October 2015 and the validation of the votes during the SSM by the Corporation's stock and transfer agent, were updated;
    - h) In Item (1)(h), the provision on sending out of the Explanation of the items in the agenda from the SSM together with the Notice of Meeting, was included;
    - i) In Item (1)(i), information of the Definitive Information Statement and Management Report (for the 2015 SSM) was updated;
    - j) In Item (1)(j), the information on the notice of the SSM on 20 October 2015 was updated –statements that the SSM agenda does not include election of directors or appointment of auditors were included.
  8. In Section L (Corporate Social Responsibility (CSR) Initiatives)
    - a) The CSR initiatives of the Company (for February to July 2015) were included;

**RESOLVED FURTHER,** That the Board confirm the authority of the Corporate Secretary/Compliance Officer of the Corporation to post the Consolidated Changes to the ACGR (for the calendar year 2015) in the Corporation's website."



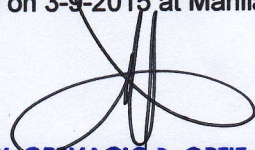
3. This certification is being issued to comply with the requirements of Securities and Exchange Commission Memorandum Circular No. 12, Series of 2014.

IN WITNESS WHEREOF, I have hereunto set my hand on JAN 08 2016 January 2016 at Makati City.

  
**DAISY L. PARKER**  
Corporate Secretary

JAN 08 2016  
**SUBSCRIBED AND SWORN** to before me this \_\_\_\_\_ day of January 2016 at Makati City, affiant exhibited to me her Passport Number EC3618789 issued on 3-9-2015 at Manila.

Doc. No. 200 ;  
Page No. 41 ;  
Book No. IV ;  
Series of 2016.

  
**ATTY. GERVACIO B. ORTIZ JR.**  
Notary Public City of Makati  
Until December 31, 2016  
IBP No. 656155-Lifetime Member  
MCLE Compliance No. V-0006934  
Appointment No. M-199 (2015-2016)  
PTR No. 5323504 Jan. 4, 2016  
Makati City Roll No. 40091  
101 Urban Ave. Campos Rueda Bldg.  
Brgy. Pio Del Pilar, Makati City