

COMMITTEE	NO. OF MEMBERS		COMMITTEE	FUNCTIONS	KEY	POWER
					interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements.	

2) Committee Members

(a) Executive Committee

	NAME	DATE OF APPOINTMENT	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	%	LENGTH OF SERVICE IN THE COMMITTEE
Chairman(ED)	John Y. Tiu, Jr.	<u>June 25, 2015</u>	<u>7</u>	<u>7</u>	<u>100</u>	2 yrs. 6 mos.
Member (NED)	Romualdo C. Macasaet	<u>June 25, 2015</u>	<u>7</u>	<u>7</u>	<u>100</u>	2 yrs. 6 mos.
Member (NED)	Ruben C. Tiu	<u>June 25, 2015</u>	<u>7</u>	<u>7</u>	<u>100</u>	2 yrs. 6 mos.
Member (non-voting)	Jose C. Parreño, Jr.	<u>June 25, 2015</u>	<u>7</u>	<u>7</u>	<u>100</u>	2 yrs. 6 mos.

(b) Audit Committee

OFFICE	NAME	DATE OF APPOINTMENT	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	%	LENGTH OF SERVICE IN THE COMMITTEE
Chairman (ID)	Chun Bing G. Uy	<u>June 25, 2015</u>	1	1	100	2 yr. 6 mos.
Member (ED)	John Y. Tiu, Jr.	<u>June 25, 2015</u>	1	1	100	2 yr. 6 mos
Member (NED)	Romualdo C. Macasaet	<u>June 25, 2015</u>	1	1	100	2 yr. 6 mos

(c) Nomination Committee

OFFICE	NAME	DATE OF APPOINTMENT	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	%	LENGTH OF SERVICE IN THE COMMITTEE
Chairman	Ruben C. Tiu	<u>June 25, 2015</u>	1	1	100	2 yrs. 6 mos
Member (NED)	A. Bayani K. Tan	<u>June 25, 2015</u>	1	1	100	2 yrs. 6 mos
Member (ID)	Chun Bing G. Uy	<u>June 25, 2015</u>	1	1	100	2 yrs. 6 mos

(d) Remuneration Committee

OFFICE	NAME	DATE OF APPOINTMENT	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	%	LENGTH OF SERVICE IN THE COMMITTEE
Chairman	Ruben C. Tiu	June 25, 2015	-	-	-	2 yrs. 6 mos
Member (ED)	John Y. Tiu, Jr.	June 25, 2015	-	-	-	2 yrs. 6 mos
Member (ID)	Elizabeth Ann C. Parpan	June 25, 2015	-	-	-	2 yrs. 6 mos

(e) Risk Committee

OFFICE	NAME	DATE OF APPOINTMENT	NO. OF MEETINGS HELD	NO. OF MEETINGS ATTENDED	%	LENGTH OF SERVICE IN THE COMMITTEE
Chairman (ID)	Chun Bing G. Uy	June 25, 2015	-	-	-	1 yr. 6 mos.
Member (ED)	John Y. Tiu, Jr.	June 25, 2015	-	-	-	1 yr. 6 mos
Member (NED)	Romualdo C. Macasaet	June 25, 2015	-	-	-	1 yr. 6 mos

3) Changes in Committee Members

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

NAME OF COMMITTEE	NAME	REASON
Executive	None	N/A
Audit		
Nomination		
Remuneration		
Risk		

4) Work Done and Issues Addressed

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

NAME OF COMMITTEE	WORK DONE	ISSUES ADDRESSED
Executive	None	None
Audit	The Committee passed upon and approved the Company's audited financial statements before endorsing for the approval of the Board.	No significant issues addressed.
Nomination	The Committee passed upon the list of nominees for election as members of the Board and prepared the final short list of nominees.	No significant issues addressed.
Remuneration	None	None
Risk	None	None

5) Committee Program

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

NAME OF COMMITTEE	PLANNED PROGRAMS	ISSUES TO BE ADDRESSED
Executive	None	None
Audit	None	No significant issues addressed.
Nomination	None	No significant issues addressed.
Remuneration	None	No significant issues addressed.
Risk	None	None

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

The Company's risk management program focuses on safeguarding shareholder value to manage unpredictability of risks and minimize potential adverse impact on its operating performance and financial condition. The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

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

The Company's Board of Directors is directly responsible for risk management and the Management carries out risk management policies approved by the Board. After the Management identifies, evaluates reports and monitors significant risks, and submits appropriate recommendations, the Board approves formal policies for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk and liquidity risk.

(c) Period covered by the review;

The period covered by the review is from 1 January 2015– 31 December 2015.

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

The Risk Committee annually reviews the Company's approaches to risk management and recommends to the Board the changes or improvements to key elements of its processes and procedures. No significant issues were addressed by the Committee in 2015.

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

No significant issues were addressed by the Committee in 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:

RISK EXPOSURE	RISK MANAGEMENT POLICY	OBJECTIVE
<i>Please see comment below</i>		

The Company has risk management policies in place, which it has yet to formalize. Risk management functions are delegated to the Chief Finance Officer.

(b) Group

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

RISK EXPOSURE	RISK MANAGEMENT POLICY	OBJECTIVE
<i>Please see comment below</i>		

The Company has risk management policies in place, which it has yet to formalize. Risk management functions are delegated to the Chief Finance Officer.

(c) Minority Shareholders

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

RISK TO MINORITY SHAREHOLDERS
<i>Please see comment below</i>

The Company has risk management policies in place, which it has yet to formalize. Risk management functions are delegated to the Chief Finance Officer.

3) Control System Set Up

(a) Company

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

RISK EXPOSURE	RISK ASSESSMENT (MONITORING AND MEASUREMENT PROCESS)	RISK MANAGEMENT AND CONTROL (STRUCTURES, PROCEDURES, ACTIONS TAKEN)
Market Risk	The Company regularly monitors foreign exchange rates, and any trends and changes.	The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing.
Credit Risk	The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls.	The Company policy is to deal only with creditworthy counterparties.

Liquidity Risk	The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long term financial liabilities as well as cash outflows due in a day-to-day business.	The Company maintains cash to meet its liquidity requirement for up to 60-day periods. Excess cash are invested in time deposits or short-term placements.
----------------	--	--

(b) Group

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

RISK EXPOSURE	RISK ASSESSMENT (MONITORING AND MEASUREMENT PROCESS)	RISK MANAGEMENT AND CONTROL (STRUCTURES, PROCEDURES, ACTIONS TAKEN)
Market Risk	Same as Company	Same as Company
Interest Rate Risk	Same as Company	Same as Company
Liquidity Risk	Same as Company	Same as Company

(c) Committee

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

COMMITTEE/ UNIT	CONTROL MECHANISM	DETAILS OF ITS FUNCTIONS
Board of Directors (BDO)	The BOD is responsible for fostering the long-term success of the Corporation and secures its sustained competitiveness and profitability in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Corporation, its shareholders and other stakeholders.	<ul style="list-style-type: none"> ▪ The Board shall hold regular meetings to review the operations and financial performance of the Corporation and to consider matters brought before it for approval. ▪ During the meetings, the Board shall assess the Corporation's performance, position and prospects based on Management's account thereof, which shall be presented in a balanced and understandable manner. Special meetings may also be called in accordance with the provisions of the By-Laws. Independent views during Board meetings shall be given due consideration. Minutes of such meetings shall be properly taken and filed.
Executive Committee (EXCOM)	The EXCOM have all such powers as may be delegated to it by the Board.	<ul style="list-style-type: none"> ▪ The EXCOM shall keep regular minutes of its proceedings and report the same to the Board whenever required.

<p>Risk Management Committee (RMC)</p>	<p>The RMC performs oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Company.</p> <p>Policies with respect to risk assessment and risk management including the Company's major financial and business risk exposures are laid out.</p> <p>The culture of risk management, which includes determining the appropriate risk appetite (risk-taker or risk-averse) or level of exposure as a whole or on any relevant individual issue, and determining what types of risk are acceptable and which are not, are set up.</p>	<ul style="list-style-type: none"> ▪ Develops a formal risk management policy that guides the company's risk management and compliance processes and procedures; ▪ Design and undertake its enterprise-wide risk management activities in accordance with internationally recognized frameworks; ▪ Monitor management of significant risk to reduce the likelihood of unwelcome surprises; ▪ Annually review the company's approaches to risk management and recommends to the Board changes or improvements to key elements of its processes and procedures;
--	--	---

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 pertains to the Company's corporate governance processes with regard to integrity of financial statements and disclosures; effectiveness of internal control systems; independence and performance of internal and external auditors; compliance with accounting standards, legal and regulatory requirements; and evaluation of management's process to assess and manage the risk issues. Various Committees (i.e. Audit Committee, Risk Management Committee) are tasked to uphold strong Board oversight. Maker-Checker is present in Company processes and Officers are delegated approving authorities over transactions.

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

One of the responsibilities of the Board as stated in the Manual of Corporate Governance is to adopt a system of check and balance within the Board, conduct a regular review of the effectiveness of such system to ensure the integrity of the decision-making and reporting processes at all times and perform a continuing review of the Company's internal control system in order to maintain its adequacy and effectiveness.

The Audit Committee is delegated by the Board of Directors with the responsibility to ensure that senior management establishes and maintains an adequate and effective internal control system and processes. The system and processes should be designed to provide assurance in areas including reporting (financial, operational, risk), monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of operations and safeguarding assets.

(c) Period covered by the review;

The period covered by the review is from 1 January 2015 up to 31 December 2015.

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

The Audit Committee regularly updates the Board on its activities and makes recommendations whenever necessary. The Audit Committee likewise ensures that the Board is aware of matters that may significantly impact the financial condition or the Company's operations.

The Management formulated, under the supervision of the Audit Committee, the rules and procedures on internal control in accordance with the following guidelines:

1. An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the Company should be maintained; and
2. On the basis of the approved audit plans, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the Company's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules and regulations.

(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, scope of internal audit work and other details of the internal audit function.

ROLE	SCOPE	INDICATE WHETHER IN-HOUSE OR OUTSOURCE INTERNAL AUDIT FUNCTION	NAME OF CHIEF INTERNAL AUDITOR/ AUDITING FIRM	REPORTING PROCESS
Evaluates and provides reasonable assurance that risk management, control, and governance systems are functioning as intended and will enable the Company's objectives and goals to be met.	The scope of the Internal Audit shall encompass the examination and evaluation of the adequacy and effectiveness of the Company's system of internal control and the quality of performance in carrying out assigned responsibilities.	In-House Internal Audit Function	Maria Catherine Michelle V. Veranga/ Internal Audit Department	The Internal Audit Manager functionally reports to the Audit Committee and administratively reports to the Chief Financial Officer/ Chief Risk Officer.
Reports risk management issues and internal controls deficiencies				Internal audit reports provide a formal means of communicating to management the

ROLE	SCOPE	INDICATE WHETHER IN-HOUSE OR OUTSOURCE INTERNAL AUDIT FUNCTION	NAME OF CHIEF INTERNAL AUDITOR/ AUDITING FIRM	REPORTING PROCESS
identified directly to the Audit Committee and provides recommendations for improving the Company's operations, in terms of both efficient and effective performance.				<p>results arising from audits undertaken. Such reports include audit findings, recommendations and conclusions relating to the adequacy of and compliance with the system of internal control and the efficiency effectiveness and economy of operations in the area covered by the audit.</p> <p>Audit reports are distributed to those who are able to ensure that audit results are given due consideration.</p>

- (b) Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?

Yes. One of the duties of the Audit Committee as stated in the Manual of Corporate Governance is to organize an internal audit department and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal. Since the Audit Committee has oversight functions over the Internal Auditor, the removal of the latter is subject to the affirmation of the former.

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

The Internal Auditor meets with the Audit Committee as required and provides the Committee with an understanding of the current work status. Additionally, open communication between the Committee's members and the Internal Auditor may occur at any time to allow for discussion of any urgent issues or any areas of concern that involve the Company's operations. The Internal Auditor has unrestricted access to any reports, data, and/or information pertaining to the financial operations and to any locations that belong to the Company.

- (d) Resignation, Re-assignment and Reasons

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

NAME OF AUDIT STAFF	REASON
There is no resignation, re-assignment of Internal	Not applicable

Audit staff within the Internal Audit Department to date.	
---	--

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

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

Progress Against Plans	Internal Audit Department has been established and spot/ situational audits have been conducted starting calendar year 2015 for high risk areas identified by the Management
Issues⁸	None
Findings⁹	None
Examination Trends	There is a need for continuous creation of policies and procedures for existing practices and alignment of existing policies across the company and its subsidiaries and sister companies.

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

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

(f) Audit Control Policies and Procedures

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

POLICIES & PROCEDURES	IMPLEMENTATION
Audit Committee Charter	Approved by the Board
Internal Audit Manual	Approved by the Board
Internal audit Policy Statement	Approved by the Board
Audit Work Program Guides	Continuously updated

(g) Mechanisms and Safeguards

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

⁸ "Issues" are compliance matters that arise from adopting different interpretations.

⁹ "Findings" are those with concrete basis under the company's policies and rules.

AUDITORS (INTERNAL AND EXTERNAL)	FINANCIAL ANALYSTS	INVESTMENT BANKS	RATING AGENCIES
The Audit Committee disallows any non-audit work that will conflict with the duties of the External Auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Company's annual report. In compliance with the SRC, the engagement of the Company's external auditor does not exceed 5 consecutive years.	The Company engages the services of an external financial analyst so that individual independence is not put at risk. A general impartiality requirement is implemented to provide a distance between the analyst and the analyzed security.	The Company ensures that the investment bank is accredited by regulatory agencies and does not own shares of stocks of the Company. A rotations scheme is likewise implemented to avoid occurrence or appearance of bias.	The Company ensures that the rating agency it engages does not own shares of stocks of the Company. A rotation scheme is likewise implemented to avoid occurrence or appearance of biases.

- (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.

Ruben C. Tiu, Chairman of the Board, and Anna May B. Nieva, Compliance Officer, shall attest to the Company's full compliance with the Revised Code of Corporate Governance.

H. ROLE OF STAKEHOLDERS

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

	POLICY	ACTIVITIES
Customers' welfare	The Company is committed to deliver the best value to its customers through professional management, sound investment advisory, strong research team, real-market information and commitment to technology and training.	
Supplier/contractor selection practice	The Company ensures that any supplier/contractor engaged for services related to stock brokering and property development have sufficient professional experience and tools to carry out the required service.	
Environmentally friendly value-chain	Guests are encouraged to reuse towels and to limit use of shower to conserve water.	
Community interaction	Various <i>(Please see attached)</i>	
Anti-corruption programmes and procedures?		
Safeguarding creditor's rights	The Company ensures that operations and investments are managed well so as not to impair the Company's ability to repay its creditors.	

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

The Company has a discussion and analysis of Company operations that covers the key issues that may affect the long-term sustainability of the Company

- 3) Performance-enhancing mechanisms for employee participation.

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

The Company aims to provide quality and timely health and welfare services to its employees in order to avoid interruption on their jobs and to prevent conditions (physical, mental or social) that will preclude them from giving their full attention to their work.

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

The Company provides all regular employees with Health Insurance where they are eligible for in-patient, out-patient care, emergency care, dental care, surgical procedures and other sophisticated procedures and maternity benefits. Employees are covered with insurance which serves as protection.

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

The Company conducts training programs to its employees on a regular basis and on occasions required by government regulatory bodies.

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

The Company does not have reward/ compensation policy that accounts for the performance of the company.

- 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.

Employees are encouraged to promptly report concerns about any illegal and unethical behavior. Reports can be made anonymously to the Company's Compliance Officer, Human Resource Department Head, or to any member of the Audit Committee. To enable the Company to verify and act on the report, employees are encouraged to make reports that contain as much information as possible, including the person involved, any witnesses, the location of any other information that would assist in investigating the concerns, and any supporting documentation. All whistle blower reports are handled in a confidential manner and confidentiality will be maintained to the fullest extent possible, consistent with the need to conduct an adequate investigation of the report and to perform subsequent remedial measures.

All reports received are forwarded to the Audit Committee, which would then make the preliminary assessment of the issues raised. The Audit Committee will then determine whether there is justification for an investigation and how it should be handled, should one be necessary. Depending on the issues involved, the Audit Committee may, in some cases, decide to delegate responsibility for an investigation to the Compliance Officer or to a legal counsel who will report directly to the Audit Committee.

Prompt and appropriate corrective action will be taken in response to any finding of illegal and unethical behavior. If after the investigation, the Audit and Risk Committee concludes that disciplinary measures are necessary, it will recommend such measures to the Board.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

SHAREHOLDER	NUMBER OF SHARES	PERCENT	BENEFICIAL OWNER
PCD Nominee Corporation (F)	564,680,999	90.20%	JTKC Equities Inc. 48.42% The Discovery Leisure Company, Inc. 24.82
PCD Nominee Corporation (NF)	61,314,000	9.79%	various stockholders

NAME OF SENIOR MANAGEMENT	NUMBER OF DIRECT SHARES	NUMBER OF INDIRECT SHARES / THROUGH (NAME OF RECORD OWNER)	% OF CAPITAL STOCK
N/A			
TOTAL			

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	For compliance
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/ commissioners	Yes
Training and/or continuing education programme attended by each director/commissioner	Yes
Number of board of directors/commissioners meetings held during the year	Yes
Attendance details of each director/commissioner in respect of meetings held	Yes
Details of remuneration of the CEO and each member of the board of directors/commissioners	For compliance

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

3) External Auditor's fee

NAME OF AUDITOR	AUDIT FEE	NON-AUDIT FEE
Reyes Tacandong & Co.	P950K, exclusive of VAT and Operation Expenses	-

4) Medium of Communication

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

In communicating with its shareholders, the Company makes use of the following:

- Direct mailing of Company materials;
- Disclosures via the PSE website; and
- Posting to the Company website.

5) Date of release of audited financial report: As per due date of April 15 each year unless earlier submitted

April 15

6) Company Website

Does the company have a website disclosing up-to-date information about the following? Yes
(www.discovery.com.ph)

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

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

7) Disclosure of RPT

RPT	RELATIONSHIP	NATURE	VALUE
Various management personnel	Key management personnel	Various fees for DSB - Villas	₱83k
Various Subsidiaries	Subsidiary	Various fees related to purchase of land	₱443.7 M broken down as ffs: SC – 20.2M PCC – 87.8M DFC – 248.8M CIC – 86.9M

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?

The Company is in the process of formalizing its RPT policies. However, all RPTs are covered by proper disclosures to Shareholders, SEC and PSE. RPTs are presented to the Board of Directors for approval. The Company complies with the voting requirements prescribed under its By-laws.

J. RIGHTS OF STOCKHOLDERS

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

(a) Quorum

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

Quorum Required	Presence, in person or by proxy, of stockholders holding 50% + 1 of the outstanding capital stock of the Company
------------------------	--

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	Ratification by stockholders during the annual stockholders meetings.
Description	The actions of the Company's Board and senior management are presented to the stockholders during the annual stockholders meeting. These are ratified by the stockholders during the meeting.

(c) Stockholders' Rights

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

STOCKHOLDERS' RIGHTS UNDER THE CORPORATION CODE	STOCKHOLDERS' RIGHTS NOT IN THE CORPORATION CODE
The rights of the stockholders under the Corporation Code are duly recognized by the Company. No deviations or modifications were implemented by the Company.	

Dividends

DECLARATION DATE	RECORD DATE	PAYMENT DATE
25 June 2015	13 July 2015	6 August 2015

(d) Stockholders' Participation

1. State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.

MEASURES ADOPTED	COMMUNICATION PROCEDURE
All stockholders who will not, are unable, or do not expect to attend the meeting in person are encouraged to fill out, date, sign	The Annual Stockholders' Meeting provides the avenue for shareholders to exercise their rights, including the right to raise questions or issues

MEASURES ADOPTED	COMMUNICATION PROCEDURE
and send a proxy.	concerning the Company. During the annual stockholders meeting, the Chairman of the Board or any of the officers of the Company addresses the questions and the suggestions of the stockholders.
The date of the Annual Stockholders Meeting is announced through disclosure in the PSE more than a month before the scheduled date.	The information statement accompanying the notice of the Annual Stockholders' Meeting indicates the Company's contact information, which the stockholders may utilize to voice their concerns.

2. 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
 - c. Transfer of all or substantially all assets, which in effect results in the sale of the company

The Company complies with the requirements of the Corporation Code that a stockholders' meeting be called to approve the forgoing matters. A vote of stockholders holding at least 2/3 of the Company's outstanding capital stock is required to approve the foregoing matters.

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

- a. Date of sending out notices: 2 June 2015
- b. Date of the Annual/Special Stockholders' Meeting: 25 June 2015

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

None

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

RESOLUTION ¹⁰	APPROVING	DISSENTING	ABSTAINING
Ratification of the acts and proceedings of the Board of Directors and Management for the year	100%		
Election of Directors	100%		
Appointment of External Auditor	100%		

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

The results of the annual meeting of stockholders were disclosed to the public via the PSE on 25 June 2015 via the PSE EDGE System.

¹⁰ No resolution was made on Amendment of the Corporation's Articles of Incorporation (AOI). In 2014, the stockholders voted on the amendment of the AOI to reflect the complete address of the Corporation.

(e) Modifications

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

MODIFICATIONS	REASON FOR MODIFICATION
None	

(f) Stockholders' Attendance

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

TYPE OF MEETING	NAMES OF BOARD MEMBERS / OFFICERS PRESENT	DATE OF MEETING	VOTING PROCEDURE (BY POLL, SHOW OF HANDS, ETC.)	% OF SH ATTENDING IN PERSON	% OF SH IN PROXY	TOTAL % OF SH ATTENDANCE
Annual	Elizabeth Ann C. Parpan A. Bayani K. Tan John Y. Tiu, Jr. Ruben C. Tiu Chun Bing Uy Lamberto R. Villena	<u>25 June</u> <u>2015</u>	Viva Voce	<u>0.51</u>	<u>73.71</u>	<u>74.22</u>

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

An inspector is appointed by the Board before or at each meeting of the stockholders at which an election of directors is to take place. If no appointment shall have been made or if the inspector appointed by the Board refuses to act or fails to attend, the appointment shall be made by the presiding officer of the meeting.

Atty. A. Bayani K. Tan, the Company's Corporate Secretary, was tasked to validate the ballots and count the votes.

(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's common shares are entitled to one vote for each 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	All stockholders who will not, are unable, or do not expect to attend the meeting in person were encouraged to fill out, date, sign and send a proxy to the Company's Corporate Secretary.

