

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is Filed for the Year **2015**
2. Exact Name of Registrant as Specified in its Charter **DISCOVERY WORLD CORPORATION**
3. **Station 1, Balabag, Malay, Aklan**
Address of Principal Office Postal Code
4. SEC Identification Number **ASO93-000023**
5. (SEC Use Only)
Industry Classification Code
6. BIR Tax Identification Number **003-822-183**
7. **(02) 813-8857**
Issuer's Telephone number, including area code
8. **N/A**
Former name or former address, if changed from the last report

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A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	7
Actual number of Directors for the year	7

(a) Composition of the Board

Complete the table with information on the Board of Directors:

DIRECTOR'S NAME	TYPE [(ED), (NED) (ID)]	IF NOMINEE, IDENTIFY THE PRINCIPAL	NOMINATOR IN THE LAST ELECTION (IF ID, STATE THE RELATIONSHIP WITH THE NOMINATOR)	DATE FIRST ELECTED	DATE LAST ELECTED (IF ID, STATE THE NUMBER OF YEARS SERVED AS ID) ¹	ELECTED WHEN (ANNUAL/ SPECIAL MEETING)	NO. OF YEARS SERVED AS DIRECTOR
John Y. Tiu, Jr.	ED	N/A		July 25, 2003	June 25, 2015	Annual	13
Ruben C. Tiu	NED	N/A		July 25, 2003	June 25, 2015	Annual	13
A. Bayani K. Tan	NED	N/A		Mar. 1, 2013	June 25, 2015	Annual	3
Lamberto R. Villena	NED	N/A		Mar. 1, 2013	June 25, 2015	Annual	3
Romualdo C. Macasaet	ED	N/A		Mar. 1, 2013	June 25, 2015	Annual	3
Chun Bing G. Uy	ID	N/A	John Y. Tiu, Jr. (no relation)	Mar. 1, 2013	June 25, 2015	Annual	3
Elizabeth Ann C. Parpan	ID	N/A	Ruben C. Tiu (no relation)	Mar. 1, 2013	June 25, 2015	Annual	3

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

The Company believes that good corporate governance is a necessary component of what constitutes sound strategic business management. The Company commits to undertake every effort to create awareness within the organization of good corporate governance principles as embodied in its Manual for Corporate Governance.

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

The Company periodically reviews the vision and mission of the organization. The review, while not formally done, is incorporated during the Company's annual strategic planning for the coming year's plans and programs.

- (d) Directorship in Other Companies

- (i) Directorship in the Company's Group²

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

¹ Reckoned from the election immediately following January 2, 2012.

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

DIRECTOR'S NAME	CORPORATE NAME OF THE GROUP COMPANY	TYPE OF DIRECTORSHIP (EXECUTIVE, NON-EXECUTIVE, INDEPENDENT). INDICATE IF DIRECTOR IS ALSO THE CHAIRMAN.
John Y. Tiu, Jr.	Euro-Pacific Resorts, Inc.	Executive, Chairman
	Discovery Fleet Corporation	Executive, Chairman
	Palawan Cove Corporation	Executive, Chairman
	Tera Investments, Inc.	Executive, Chairman
	Fidelity Securities, Inc.	Executive
	JTKC Realty Corporation	Executive
	Cay Islands Corporation	Executive, Chairman
	Discovery Country Suites Inc.	Executive
	JTKC Equities Inc.	Executive
	JTKC Land Inc.	Executive
	Palawan Cove Corporation	Executive, Chairman
	Sonoran Corporation	Executive, Chairman
	Star Equities, Inc.	Executive
	The Discovery Leisure Company Inc.	Executive
	One Urdaneta Corporation	Executive, Chairman
	Enderun Colleges Inc.	Executive
	JT Perle Corporation	Executive, Chairman
	Oakridge Properties, Inc.	Non-Executive
	One Cerrada Corporation	Executive, Chairman
	SageSoft Solutions Inc.	Executive
Ruben C. Tiu	JTKC Realty Corporation	Executive/ Chairman
	Pan-Asean Multi Resources Corp.	Executive, Chairman
	Aldex Realty Corporation	Executive, Chairman
	Oakridge Properties, Inc.	Executive, Chairman
	JTKC Equities, Inc.	Executive
	Hotel Systems Asia, Inc.	Executive
	Club Asia, Inc.	Executive
	Star Equities, Inc.	Executive, Chairman
	JTKC Land, Inc.	Executive, Chairman
	Palawan Cove Corporation	Non-Executive
	Cay Islands Corporation	Non-Executive
	The Discovery Leisure Company Inc.	Executive, Chairman
	Discovery Country Suites Inc.	Executive, Chairman
	Union Pacific Ace Industries, Inc.	Executive
	Tera Investments, Inc.	Non-Executive
Sonoran Corporation	Non-Executive	

(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 ³	TYPE [(ED), (NED) (ID)] INDICATE IF DIR. IS ALSO THE CHAIRMAN.
John Y. Tiu, Jr.	I-Remit, Inc.	NED
Ruben C. Tiu	I-Remit, Inc.	NED, Chairman
A. Bayani K. Tan	I-Remit, Inc. Asia United Bank First Abacus Financial Holdings Corporation Belle Corporation TKC Metals Corporation ⁴ COAL Asia, Inc.	Non-Executive

(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:

Ruben C. Tiu, Chairman of the Board, is the brother of John Y. Tiu, Jr., President. No member of the Board of Directors is related to significant shareholders of the Company.

DIRECTOR'S NAME	NAME OF THE SIGNIFICANT SHAREHOLDER	DESCRIPTION OF THE RELATIONSHIP
Ruben C. Tiu	JTKC Equities, Inc.	Stockholder, Director
	The Discovery Leisure Company, Inc.	Stockholder, Director
John Y. Tiu, Jr.	JTKC Equities, Inc.	Stockholder, Director
	The Discovery Leisure Company, Inc.	Stockholder, Director

- (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:

	GUIDELINES	MAXIMUM NUMBER OF DIRECTORSHIPS IN OTHER COMPANIES
Executive Director	Please see explanation below.	
Non-Executive Director		
CEO		

The Company has not set any limits on the number of board seats that an individual director or CEO may hold simultaneously. As the executive profile of the Company will show, most directors of the Company have very few concurrent directorships and officerships.

(e) Shareholding in the Company

³ Deleted "Sterling Bank of Asia" as it is not a listed corporation

⁴ Formerly TKC Steel Corporation.

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
Ruben C. Tiu	1	Direct	-nil-
	1,000,001	Indirect	0.16%
John Y. Tiu, Jr.	1,200,001	Direct	0.19%
	<u>4,562,000</u>	Indirect	<u>0.73%</u>
Romualdo C. Macasaet	10,001	Direct	-nil-
A. Bayani K. Tan	50,001	Direct	0.01
Lamberto R. Villena	50,001	Direct	0.01
Chun Bing G. Uy	1	Direct	-nil-
Elizabeth Ann C. Parpan	50,001	Direct	0.01
TOTAL			<u>1.11%</u>

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 CEO:

Chairman of the Board	Ruben C. Tiu
CEO/President	John Y. Tiu, Jr.

(b) Roles, Accountabilities and Deliverables

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

	CHAIRMAN	CHIEF EXECUTIVE OFFICER
Role	<ul style="list-style-type: none"> Preside at the meetings of the directors and shareholders Exercise such powers and perform such duties as the Board of Directors assign to him. Together with the rest of the Board of Directors, provide strategic direction to the Company. 	<ul style="list-style-type: none"> Supervise and control all the business and affairs of the Company. In the absence of the Chairman and the Vice Chairman of the Board, preside at all meetings of the Board of Directors and stockholders. Perform all duties incident to the office of CEO, those provided in existing laws and regulations and the By-Laws, and such other duties as may be prescribed by the Board from time to time.
Accountabilities	<ul style="list-style-type: none"> Attest to the accuracy of the minutes of stockholders' meetings prepared by the Corporate 	<ul style="list-style-type: none"> Together with other officers designated by the Board, sign all checks, drafts, or other orders with

	CHAIRMAN	CHIEF EXECUTIVE OFFICER
	<p>Secretary.</p> <ul style="list-style-type: none"> • Together with other officers designated by the Board, sign all checks, drafts, or other orders with respect to any funds of the Company maintained in any bank, certificates of stock of the Company, any deed, mortgage, bond, contract, or other instrument which the Board of Directors has authorized to be executed. • Designate a Compliance Officer primarily responsible for monitoring and ensuring adherence to the provisions of the Manual on Corporate Governance. 	<p>respect to any funds of the Company maintained in any bank, certificates of stock of the Company, any deed, mortgage, bond, contract, or other instrument which the Board of Directors has authorized to be executed.</p>
Deliverables	<ul style="list-style-type: none"> • Minutes of stockholders' meetings. • Various regulatory submissions that may require the signature of the Chairman of the Board of Directors. 	<ul style="list-style-type: none"> • Budgets and statements of account of the Company. • Reports to the Board and stockholders. • Signed certificates of stock.

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

The Company's senior officers work closely with the CEO and the President, and under the guidance of the Board of Directors to ensure that they are given ample training and experience in running the Company. This approach exposes the senior officers to the day-to-day demands of Company operations

- 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 Nomination Committee evaluates the nominees for election as directors to ensure that there is diversity of experience and backgrounds. This is part of the duty of the Nomination Committee when they pre-screen and shortlist the nominees for election as 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. The Corporation started its hotel and resort business in 2007, when Mr. Ruben C. Tiu has served as Chairman of the Board (NED) for 4 years.

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

	EXECUTIVE	NON-EXECUTIVE	INDEPENDENT DIRECTOR
Role	<ul style="list-style-type: none"> • Determine and establish the Company's purpose, mission and vision, objectives, policies and procedures, and the strategies and means to carry out its objectives and attain its goals. • Establish minimum internal control mechanisms for monitoring and overseeing management performance. • Implement a process of selection to ensure a mix of competent directors and officers and specify minimum qualifications and disqualifications for these positions to add value and contribute independent judgment to the formulation of corporate strategies and policies. • Ensure that the Company complies with all relevant laws, regulations and codes of best business practices. • Periodically evaluate and monitor implementation of its strategic policies and programs. • Identify the Company's major and other stakeholders and formulate a clear policy on communicating or relating with them through an effective investor relations 	<ul style="list-style-type: none"> • Determine and establish the Company's purpose, mission and vision, objectives, policies and procedures, and the strategies and means to carry out its objectives and attain its goals. • Establish minimum internal control mechanisms for monitoring and overseeing management performance. • Implement a process of selection to ensure a mix of competent directors and officers and specify minimum qualifications and disqualifications for these positions to add value and contribute independent judgment to the formulation of corporate strategies and policies. • Ensure that the Company complies with all relevant laws, regulations and codes of best business practices. • Periodically evaluate and monitor implementation of its strategic policies and programs. • Identify the Company's major and other stakeholders and formulate a clear policy on communicating or relating with them through an effective investor relations 	<ul style="list-style-type: none"> • Determine and establish the Company's purpose, mission and vision, objectives, policies and procedures, and the strategies and means to carry out its objectives and attain its goals. • Establish minimum internal control mechanisms for monitoring and overseeing management performance. • Implement a process of selection to ensure a mix of competent directors and officers and specify minimum qualifications and disqualifications for these positions to add value and contribute independent judgment to the formulation of corporate strategies and policies. • Ensure that the Company complies with all relevant laws, regulations and codes of best business practices. • Periodically evaluate and monitor implementation of its strategic policies and programs. • Identify the Company's major and other stakeholders and formulate a clear policy on communicating or relating with them through an effective investor relations program. • Adopt a system of

EXECUTIVE	NON-EXECUTIVE	INDEPENDENT DIRECTOR
<p>program.</p> <ul style="list-style-type: none"> • Adopt a system of internal checks and balances, which shall include checks and balances in case of unified positions. • Identify key risk areas and key performance indicators and monitor these factors with due diligence. • Keep the Board authority within the powers of the institution as prescribed in the Articles of Incorporation, By-Laws and in existing laws, rules and regulation. • Constitute the Executive, Compensation and Remuneration, Audit and Nomination Committees and appoint the members thereof in keeping with the principles of good corporate governance and in accordance with the provisions of this Manual. • Provide the stockholder with a balanced and understandable assessment of the Corporation's performance, position and prospects. • Explain its responsibility for preparing the accounts, for which there should be a statement by the auditors about its 	<p>program.</p> <ul style="list-style-type: none"> • Adopt a system of internal checks and balances, which shall include checks and balances in case of unified positions. • Identify key risk areas and key performance indicators and monitor these factors with due diligence. • Keep the Board authority within the powers of the institution as prescribed in the Articles of Incorporation, By-Laws and in existing laws, rules and regulation. • Constitute the Executive, Compensation and Remuneration, Audit and Nomination Committees and appoint the members thereof in keeping with the principles of good corporate governance and in accordance with the provisions of this Manual. • Provide the stockholder with a balanced and understandable assessment of the Corporation's performance, position and prospects. • Explain its responsibility for preparing the accounts, for which there should be a statement by the auditors about its 	<p>internal checks and balances, which shall include checks and balances in case of unified positions.</p> <ul style="list-style-type: none"> • Identify key risk areas and key performance indicators and monitor these factors with due diligence. • Keep the Board authority within the powers of the institution as prescribed in the Articles of Incorporation, By-Laws and in existing laws, rules and regulation. • Constitute the Executive, Compensation and Remuneration, Audit and Nomination Committees and appoint the members thereof in keeping with the principles of good corporate governance and in accordance with the provisions of this Manual. • Provide the stockholder with a balanced and understandable assessment of the Corporation's performance, position and prospects. • Explain its responsibility for preparing the accounts, for which there should be a statement by the auditors about its reporting responsibilities. • Require the chief audit executive to render to the Audit Committee and senior

	EXECUTIVE	NON-EXECUTIVE	INDEPENDENT DIRECTOR
	<p>reporting responsibilities.</p> <ul style="list-style-type: none"> • Require the chief audit executive to render to the Audit Committee and senior management an annual report on the internal audit department's activity, purpose, authority, responsibility and performance relative to the audit plans and strategies approved by the Audit Committee. • Appoint competent, professional, honest, and highly motivated management officers. • Adopt an effective succession-planning program for management. • Provide sound strategic policies and guidelines to management on major capital expenditures. • Establish and maintain alternative dispute resolution system that can amicably settle conflicts or differences between the Company and its stockholders, and the Company and third parties. • Appoint a Compliance Officer, who shall have the rank of at least vice president of the Corporation. • Run the day-to-day operations of the department or unit that he/she heads. 	<p>reporting responsibilities.</p> <ul style="list-style-type: none"> • Require the chief audit executive to render to the Audit Committee and senior management an annual report on the internal audit department's activity, purpose, authority, responsibility and performance relative to the audit plans and strategies approved by the Audit Committee. • Appoint competent, professional, honest, and highly motivated management officers. • Adopt an effective succession-planning program for management. • Provide sound strategic policies and guidelines to management on major capital expenditures. • Establish and maintain alternative dispute resolution system that can amicably settle conflicts or differences between the Company and its stockholders, and the Company and third parties. • Appoint a Compliance Officer, who shall have the rank of at least vice president of the Corporation. 	<p>management an annual report on the internal audit department's activity, purpose, authority, responsibility and performance relative to the audit plans and strategies approved by the Audit Committee.</p> <ul style="list-style-type: none"> • Appoint competent, professional, honest, and highly motivated management officers. • Adopt an effective succession-planning program for management. • Provide sound strategic policies and guidelines to management on major capital expenditures. • Establish and maintain alternative dispute resolution system that can amicably settle conflicts or differences between the Company and its stockholders, and the Company and third parties. • Appoint a Compliance Officer, who shall have the rank of at least vice president of the Corporation.
Accountabilities	<ul style="list-style-type: none"> • Conduct fair business transactions with the Company and ensure 	<ul style="list-style-type: none"> • Conduct fair business transactions with the Company and ensure 	<ul style="list-style-type: none"> • Conduct fair business transactions with the Company and ensure

	EXECUTIVE	NON-EXECUTIVE	INDEPENDENT DIRECTOR
	<p>that personal interests do not prejudice Board decisions; act in a manner characterized by transparency, accountability and fairness.</p> <ul style="list-style-type: none"> • Devote time and attention necessary to properly discharge his duties and responsibilities. • Act judiciously and exercise independent judgment. • Have a working knowledge of the statutory and regulatory requirements affecting the Company, including the contents of its Articles of Incorporation and By-Laws, the requirements of the SEC, and where applicable, the requirements of other regulatory agencies. • Observe confidentiality. • Ensure the continuing soundness, effectiveness and adequacy of the Company's control environment. • Attend regular and special meetings of the Board in person or by teleconferencing, subject to existing regulations. 	<p>that personal interests do not prejudice Board decisions; act in a manner characterized by transparency, accountability and fairness.</p> <ul style="list-style-type: none"> • Devote time and attention necessary to properly discharge his duties and responsibilities. • Act judiciously and exercise independent judgment. • Have a working knowledge of the statutory and regulatory requirements affecting the Company, including the contents of its Articles of Incorporation and By-Laws, the requirements of the SEC, and where applicable, the requirements of other regulatory agencies. • Observe confidentiality. • Ensure the continuing soundness, effectiveness and adequacy of the Company's control environment. • Attend regular and special meetings of the Board in person or by teleconferencing, subject to existing regulations. 	<p>that personal interests do not prejudice Board decisions; act in a manner characterized by transparency, accountability and fairness.</p> <ul style="list-style-type: none"> • Devote time and attention necessary to properly discharge his duties and responsibilities. • Act judiciously and exercise independent judgment. • Have a working knowledge of the statutory and regulatory requirements affecting the Company, including the contents of its Articles of Incorporation and By-Laws, the requirements of the SEC, and where applicable, the requirements of other regulatory agencies. • Observe confidentiality. • Ensure the continuing soundness, effectiveness and adequacy of the Company's control environment. • Attend regular and special meetings of the Board in person or by teleconferencing, subject to existing regulations.
Deliverables	<ul style="list-style-type: none"> • Attend Board meetings • Establish internal control mechanisms. • Policy on communicating with stakeholders. • System of internal 	<ul style="list-style-type: none"> • Attend Board meetings • Establish internal control mechanisms. • Policy on communicating with stakeholders. • System of internal 	<ul style="list-style-type: none"> • Attend Board meetings • Establish internal control mechanisms. • Policy on communicating with stakeholders. • System of internal

	EXECUTIVE	NON-EXECUTIVE	INDEPENDENT DIRECTOR
	checks and balances. • Constitute Executive, Compensation and Remuneration, Audit, and Nomination Committees. • Succession planning program for Management. • Policies and guidelines on major capital expenditures. • Establish an alternative dispute resolution system.	checks and balances. • Constitute Executive, Compensation and Remuneration, Audit, and Nomination Committees. • Succession planning program for Management. • Policies and guidelines on major capital expenditures. • Establish an alternative dispute resolution system.	checks and balances. • Constitute Executive, Compensation and Remuneration, Audit, and Nomination Committees. • Succession planning program for Management. • Policies and guidelines on major capital expenditures. • Establish an alternative dispute resolution system.

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

The Company defines "independence" as freedom from any business, family, professional, or other relationship that could, or could reasonably be perceived to, materially interfere with an officer's independent judgment in carrying out responsibilities. The Company complies with this view of independence by ensuring that the independent directors elected not only meet the professional criteria of competence but also are able to freely profess their views on the policies and operations of the Company untainted or unhampered by any relationship or other considerations other than what is best for the Company, its stockholders, and the community where the Company operates.

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

The Company has adopted the guidelines set by the SEC in the term limits of independent directors. Consistent with SEC Memorandum Circular No. 9, Series of 2011, the Company has a term limit of five (5) years for independent directors. Following a two (2) year 'rest period,' a person who previously served as independent director may seek re-election for another period of five (5) years. The Company adheres to the maximum limit of ten (10) years set by the SEC. Thus, an independent director who has served for a total of 10 years shall no longer be nominated for election as independent director.

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

(a) Resignation/Death/Removal

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

NAME	POSITION	DATE OF CESSATION	REASON
N/A			

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

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

PROCEDURE	PROCESS ADOPTED	CRITERIA
A. SELECTION/APPOINTMENT		
(i) Executive Directors	Nominations for election as directors shall be submitted to the Nomination Committee not later than 30 January of each year. Thereafter, the Nomination Committee meets to consider all nominees in accordance with the qualifications and disqualifications set by the Manual of Corporate Governance and by the Board.	<ul style="list-style-type: none"> • Holder of at least one (1) share of stock of the Corporation. • At least a holder of a Bachelor's Degree, or to substitute for such formal education, must have adequate competency and understanding of business. • Of legal age. • Of proven integrity and probity. • Possesses other qualifications as shall be prescribed by the Board.
(ii) Non-Executive Directors	Nominations for election as directors shall be submitted to the Nomination Committee not later than 30 January of each year. Thereafter, the Nomination Committee meets to consider all nominees in accordance with the qualifications and disqualifications set by the Manual of Corporate Governance and by the Board.	<ul style="list-style-type: none"> • Holder of at least one (1) share of stock of the Corporation. • At least a holder of a Bachelor's Degree, or to substitute for such formal education, must have adequate competency and understanding of business. • Of legal age. • Of proven integrity and probity. • Possesses other qualifications as shall be prescribed by the Board.
(iii) Independent Directors	Nominations for election as directors shall be submitted to the Nomination Committee not later than 30 January of each year. Thereafter, the Nomination Committee meets to consider all nominees in accordance with the qualifications and disqualifications set by the Manual of Corporate Governance and by the Board.	<p>In addition to the requirements for a regular director, an independent director must meet the following requirements:</p> <ul style="list-style-type: none"> • Not a director or officer of the Company or of its related companies or any of its substantial shareholder except when the same shall be an independent director of any of the foregoing. • Does not own more than 2% of the shares of the Company and/or of its related companies or any of its substantial shareholders.

PROCEDURE	PROCESS ADOPTED	CRITERIA
		<ul style="list-style-type: none"> • Is not related to any director, officer or substantial shareholder of the Company, any of its related companies or any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister. • Is not acting as a nominee or representative of any director or substantial shareholder of the Company, and/or any of its related companies and/or any of its substantial shareholders, pursuant to a Deed of Trust or under any contract or arrangement. • Has not been employed in any executive capacity by the Company, any of its related companies and/or by any of its substantial shareholders within the last 5 years. • Is not retained as professional adviser by the Company and/or any of its related companies and/or any of its substantial shareholders within the last 5 years. • Is not retained, either personally or through his firm or any similar entity, as professional adviser by the Company, any of its related companies and/or any of its substantial shareholders, either personally or through his firm. • Has not engaged and does not engage in any transaction with the Company and/or with any of its related companies

PROCEDURE	PROCESS ADOPTED	CRITERIA
		and/or with any of its substantial shareholders, whether by himself and/or with other persons and/or through a firm of which he is a partner and/or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm's length and are immaterial.
B. RE-APPOINTMENT		
(i) Executive Directors	Nominations for election as directors shall be submitted to the Nomination Committee not later than 30 January of each year. Thereafter, the Nomination Committee meets to consider all nominees in accordance with the qualifications and disqualifications set by the Manual of Corporate Governance and by the Board.	<ul style="list-style-type: none"> • Holder of at least one (1) share of stock of the Corporation. • At least a holder of a Bachelor's Degree, or to substitute for such formal education, must have adequate competency and understanding of business. • Of legal age. • Of proven integrity and probity. • Possesses other qualifications as shall be prescribed by the Board.
(ii) Non-Executive Directors	Nominations for election as directors shall be submitted to the Nomination Committee not later than 30 January of each year. Thereafter, the Nomination Committee meets to consider all nominees in accordance with the qualifications and disqualifications set by the Manual of Corporate Governance and by the Board.	<ul style="list-style-type: none"> • Holder of at least one (1) share of stock of the Corporation • At least a holder of a Bachelor's Degree, or to substitute for such formal education, must have adequate competency and understanding of business. • Of legal age. • Of proven integrity and probity. • Possesses other qualifications as shall be prescribed by the Board.
(iii) Independent Directors	Nominations for election as directors shall be submitted to the Nomination Committee not later than 30 January of each year. Thereafter, the Nomination Committee meets to consider all nominees in accordance with the qualifications and disqualifications set by the Manual of	<ul style="list-style-type: none"> • Holder of at least one (1) share of stock of the Corporation. • At least a holder of a Bachelor's Degree, or to substitute for such formal education, must have adequate competency and

PROCEDURE	PROCESS ADOPTED	CRITERIA
	Corporate Governance and by the Board.	understanding of business. <ul style="list-style-type: none"> • Of legal age. • Of proven integrity and probity. • Possesses other qualifications as shall be prescribed by the Board.
C. PERMANENT DISQUALIFICATION		
(i) Executive Directors	The Nomination Committee pre-screens and shortlists all candidates nominated to become a member of the Board. In case the ground for disqualification arises during the incumbency of a director, he shall automatically cease to become a member and shall immediately vacate the office.	<ul style="list-style-type: none"> • Convicted by final judgment or order by a competent judicial or administrative body of any crime (a) that involves the purchase or sale of securities, as defined in the SRC; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank trust company, investment house or as an affiliated person of any of them. • By reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the SEC or any court of administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company (c) engaging in or continuing any conduct or

PROCEDURE	PROCESS ADOPTED	CRITERIA
		<p>practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.</p> <ul style="list-style-type: none"> • Currently the subject of an order of the SEC or any court or administrative body denying, revoking, suspending any registration, license or permit issued to him under the Corporation Code, the SRC or any other law administered by the SEC or the BSP, or under any rule or regulation issued by the SEC or the BSP. • Has been restrained to engage in activity involving securities and banking. • Is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member of participant of the organization. • Convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts. • Finally found by the SEC or a court or other administrative body to have willfully violated or willfully aided, abetted, counseled, induced or procured the violation of

PROCEDURE	PROCESS ADOPTED	CRITERIA
		<p>any provision of the SRC, the Corporation Code or any other law administered by the SEC or the BSP, or any rule, regulation or order of the SEC or the BSP.</p> <ul style="list-style-type: none"> • Has been judicially declared to be insolvent. • Finally found guilty by a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs. • Convicted by final judgment of an offense punishable by imprisonment for a period exceeding 6 years, or a violation of the Corporation Code committed within 5 years prior to the date of his election or appointment.
(ii) Non-Executive Directors	<p>The Nomination Committee pre-screens and shortlists all candidates nominated to become a member of the Board. In case the ground for disqualification arises during the incumbency of a director, he shall automatically cease to become a member and shall immediately vacate the office.</p>	<ul style="list-style-type: none"> • Convicted by final judgment or order by a competent judicial or administrative body of any crime (a) that involves the purchase or sale of securities, as defined in the SRC; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank trust company, investment house or as an affiliated person of any of them • by reason of misconduct, after hearing, is

PROCEDURE	PROCESS ADOPTED	CRITERIA
		<p>permanently enjoyed by a final judgment or order of the SEC or any court of administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.</p> <ul style="list-style-type: none"> • Currently the subject of an order of the SEC or any court or administrative body denying, revoking, suspending any registration, license or permit issued to him under the Corporation Code, the SRC or any other law administered by the SEC or the BSP, or under any rule or regulation issued by the SEC or the BSP. • Has been restrained to engage in activity involving securities and banking. • Is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member of participant of the organization.

PROCEDURE	PROCESS ADOPTED	CRITERIA
		<ul style="list-style-type: none"> • Convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts. • Finally found by the SEC or a court or other administrative body to have willfully violated or willfully aided, abetted, counseled, induced or procured the violation of any provision of the SRC, the Corporation Code or any other law administered by the SEC or the BSP, or any rule, regulation or order of the SEC or the BSP. • Has been judicially declared to be insolvent. • Finally found guilty by a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs. • Convicted by final judgment of an offense punishable by imprisonment for a period exceeding 6 years, or a violation of the Corporation Code committed within 5 years prior to the date of his election or appointment.
(iii) Independent Directors	The Nomination Committee pre-screens and shortlists all candidates nominated to become a member of the Board. In case the ground for disqualification arises during the	<ul style="list-style-type: none"> • Convicted by final judgment or order by a competent judicial or administrative body of any crime (a) that involves the

PROCEDURE	PROCESS ADOPTED	CRITERIA
	<p>incumbency of a director, he shall automatically cease to become a member and shall immediately vacate the office.</p>	<p>purchase or sale of securities, as defined in the SRC; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank trust company, investment house or as an affiliated person of any of them.</p> <ul style="list-style-type: none"> • By reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the SEC or any court of administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities. • Currently the subject of an order of the SEC or any court or administrative body denying, revoking, suspending any registration, license or

