

A 1 9 9 8 0 6 8 6 5

SEC Registration Number

A P O L L O G L O B A L C A P I T A L , I N C .
(F O R M E R L Y , Y E H E Y ! C O R P O R A T I O N)

(Company's Full Name)

1 8 0 1 E A S T T O W E R , P H I L I P P I N E S T O C K
E X C H A N G E E X C H A N G E C E N T E , E X C H A N G E
R O A D , O R T I G A S C E N T E R , P A S I G C I T Y

(Business Address: No. Street City/Town/Province)

KRISTINA C. CARO -GAÑGAN
(Contact Person)

8880999
(Company Telephone Number)

1 2 3 1
Month Day
(Fiscal Year)

ACGR
(Form Type)

Last Friday of
June
Month Day
(Annual Meeting)

N/A
(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings
N/A N/A
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY, METRO MANILA) S.S.

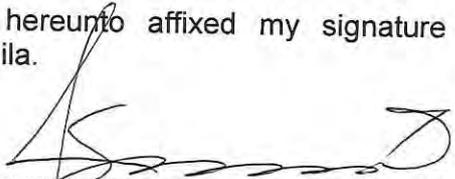
SECRETARY'S CERTIFICATE

I, **KRISTINA JOYCE CARO-GAÑGAN**, of legal age, Filipino and with office address at the Penthouse, Liberty Center, 104 H.V. dela Costa Street, Salcedo Village, Makati City, Metro Manila, after having been sworn in accordance with law, hereby certify that:

1. I am the Corporate Secretary of **APOLLO GLOBAL CAPITAL, INC. (FORMERLY YEHEY! CORPORATION)** (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 Unit 1801, East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City, Philippines.

2. In compliance with the requirements set forth in SEC Memorandum Circular No. 12, series of 2014, the Corporation submits herewith the accompanying consolidated changes and updates to its Annual Corporate Governance Report for the year 2016.

IN WITNESS WHEREOF, I have hereunto affixed my signature this 30 MAY 2017 at Makati City, Metro Manila.


KRISTINA JOYCE C. CARO-GAÑGAN
Corporate Secretary

SUBSCRIBED AND SWORN to before me on 30 MAY 2017, affiant exhibiting to me her Passport No. EB8740524 issued on 22 July 2013 by the DFA-Manila.

Doc. No. 396;
Page No. 81;
Book No. 1;
Series of 2017.


KAREN G. ESPAYNADO
Appointment No. M-262
Notary Public for Makati City
Until December 31, 2018
Penthouse, Liberty Center
104 H.V. dela Costa Street, Makati City
Roll no. 66325
PTR No. 5918733/ Makati City/ 01-04-2017
IEP No. LRN-015033/ Makati City/ May 30, 2016

SECURITIES AND EXCHANGE COMMISSION
SEC FORM – ACGR
ANNUAL CORPORATE GOVERNANCE REPORT
GENERAL INSTRUCTIONS



(A) Use of Form ACGR

This SEC Form shall be used to meet the requirements of the Revised Code of Corporate Governance.

(B) Preparation of Report

These general instructions are not to be filed with the report. The instructions to the various captions of the form shall not be omitted from the report as filed. The report shall contain the numbers and captions of all items. If any item is inapplicable or the answer thereto is in the *negative*, an appropriate statement to that effect shall be made. Provide an explanation on why the item does not apply to the Company or on how the Company's practice differs from the Code.

(C) Signature and Filing of the Report

- A. Three (3) complete sets of the report shall be filed with the Main Office of the Commission.
- B. At least one complete copy of the report filed with the Commission shall be **manually** signed.
- C. All reports shall comply with the full disclosure requirements of the Securities Regulation Code.
- D. This report is required to be filed annually together with the Company's annual report.

(D) Filing an Amendment

Any material change in the facts set forth in the report occurring within the year shall be reported through SEC Form 17-C. The cover page for the SEC Form 17-C shall indicate "Amendment to the ACGR".

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is Filed for the Year: **2016**
2. Exact Name of Registrant as Specified in its Charter:
APOLLO GLOBAL CAPITAL, INC. (Formerly, YEHEY! CORPORATION)
3. Address of Principal Office:
**Unit 1801-A East Tower, Phil Stock Exchange Center, Brgy. San Antonio Ortigas
Center, Pasig City**
Postal Code: **1605**
4. SEC Identification Number: **A199806865**
5.  (SEC Use Only)
Industry Classification Code
6. BIR Tax Identification Number: **005-301-677**
7. Issuer's Telephone number, including area code: **(632)910-6420**
8. Former name or former address, if changed from the last report: **YEHEY! CORPORATION**

TABLE OF CONTENTS

A. BOARD MATTERS.....	5
1) BOARD OF DIRECTORS.....	
(a) Composition of the Board.....	5
(b) Corporate Governance Policy/ies.....	5
(c) Review and Approval of Vision and Vision.....	5
(d) Directorship in Other Companies.....	5
(e) Shareholding in the Company.....	6
2) CHAIRMAN AND CEO.....	7
3) PLAN FOR SUCCESSION OF CEO/MANAGING DIRECTOR/PRESIDENT AND TOP KEY POSITIONS.....	8
4) OTHER EXECUTIVE, NON-EXECUTIVE AND INDEPENDENT DIRECTORS.....	8
5) CHANGES IN THE BOARD OF DIRECTORS.....	10
6) ORIENTATION AND EDUCATION PROGRAM.....	16
B. CODE OF BUSINESS CONDUCT & ETHICS.....	16
1) POLICIES.....	16
2) DISSEMINATION OF CODE.....	18
3) COMPLIANCE WITH CODE.....	18
4) RELATED PARTY TRANSACTIONS.....	18
(a) Policies and Procedures.....	18
(b) Conflict of Interest.....	18
5) FAMILY, COMMERCIAL AND CONTRACTUAL RELATIONS.....	19
6) ALTERNATIVE DISPUTE RESOLUTION.....	20
C. BOARD MEETINGS & ATTENDANCE.....	20
1) SCHEDULE OF MEETINGS.....	20
2) DETAILS OF ATTENDANCE OF DIRECTORS.....	20
3) SEPARATE MEETING OF NON-EXECUTIVE DIRECTORS.....	20
4) QUORUM REQUIREMENT.....	20
5) ACCESS TO INFORMATION.....	20
6) EXTERNAL ADVICE.....	21
7) CHANGES IN EXISTING POLICIES.....	21
D. REMUNERATION MATTERS.....	22
1) REMUNERATION PROCESS.....	22
2) REMUNERATION POLICY AND STRUCTURE FOR DIRECTORS.....	22
3) AGGREGATE REMUNERATION.....	22
4) STOCK RIGHTS, OPTIONS AND WARRANTS.....	23
5) REMUNERATION OF MANAGEMENT.....	24
E. BOARD COMMITTEES.....	24
1) NUMBER OF MEMBERS, FUNCTIONS AND RESPONSIBILITIES.....	24
2) COMMITTEE MEMBERS.....	27
3) CHANGES IN COMMITTEE MEMBERS.....	29
4) WORK DONE AND ISSUES ADDRESSED.....	29
5) COMMITTEE PROGRAM.....	29
F. RISK MANAGEMENT SYSTEM.....	30

1) STATEMENT ON EFFECTIVENESS OF RISK MANAGEMENT SYSTEM.....	30
2) RISK POLICY.....	30
3) CONTROL SYSTEM.....	31
G. INTERNAL AUDIT AND CONTROL.....	32
1) STATEMENT ON EFFECTIVENESS OF INTERNAL CONTROL SYSTEM.....	32
2) INTERNAL AUDIT	
(a) Role, Scope and Internal Audit Function.....	33
(b) Appointment/Removal of Internal Auditor.....	35
(c) Reporting Relationship with the Audit Committee.....	35
(d) Resignation, Re-assignment and Reasons.....	35
(e) Progress against Plans, Issues, Findings and Examination Trends.....	35
(f) Audit Control Policies and Procedures.....	36
(g). Mechanisms and Safeguards.....	37
H. ROLE OF STAKEHOLDERS.....	37
I. DISCLOSURE AND TRANSPARENCY.....	38
J. RIGHTS OF STOCKHOLDERS.....	40
1) RIGHT TO PARTICIPATE EFFECTIVELY IN STOCKHOLDERS' MEETINGS.....	40
2) TREATMENT OF MINORITY STOCKHOLDERS.....	44
K. INVESTORS RELATIONS PROGRAM.....	47
L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES.....	48
M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL.....	48
N. INTERNAL BREACHES AND SANCTIONS.....	48

A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	Nine (9)
---	----------

Actual number of Directors for the year	Nine (9)
---	----------

(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (If ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) ¹	Elected when (Annual/Special Meeting)	No. of years served as director
Alfonso Yap Go	(ED)	N/A	Vittorio P. Lim	19 October 2015	14 December 2016	Annual	2 weeks
Vittorio P. Lim	(ED)	N/A	Alfonso Yap Go	11 December 2015	14 December 2016	Annual	2 weeks
Nathaniel Go	(ED)	N/A	Vittorio P. Lim	19 October 2015	14 December 2016	Annual	2 weeks
Salvador Santos-Ocampo	(NED)	N/A	Alfonso Yap Go	19 October 2015	14 December 2016	Annual	2 weeks
Edwin T. Lim	(NED)	N/A	Salvador Santos-Ocampo	20 October 2015	14 December 2016	Annual	2 weeks
Jocelyn Tiu Tan	(NED)	N/A	Salvador Santos-Ocampo	21 October 2015	14 December 2016	Annual	2 weeks
Socorro P. Lim	(NED)	N/A	Alfonso Yap Go	11 December 2015	14 December 2016	Annual	2 weeks
Klarence Dy	(ID)	N/A	Jeffrey Goh	20 October 2015	14 December 2016	Annual	2 weeks
Raymond Ricafort	(ID)	N/A	Jeffrey Goh	20 October 2015	14 December 2016	Annual	2 weeks

- (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 Board has adopted a Manual on Corporate Governance, as amended, which became effective on 19 June 2014. This Manual is divided into five main substantive parts, particularly:

- Objective;
- Compliance System;
- Stockholders' Rights and Protection of Minority Stockholders;
- Adequate and Timely Information;
- Disclosure and Transparency;
- Commitment to Good Corporate Governance; and
- Penalties for Non-Compliance

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

The Board reviews and approves its vision and mission when it deems important to realign them in light of the direction of the Company.

- (d) Directorship in Other Companies

- (i) Directorship in the Company's Group²

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.

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

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
N/A	N/A	N/A

(ii) Directorship in Other Listed Companies

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

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Vittorio Lim	Pacifica, Inc.	Independent Director
Klarence Dy	Boulevard Holdings, Inc.	Independent Director

(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
Alfonso Yap Go	Nathaniel Go	Son
Nathaniel Go	Alfonso Yap Go	Father
Vittorio Lim	Socorro Lim	Mother

(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		
Non-Executive Director		
CEO		

The Company has not set a limit on the number of board seats in other companies that an individual director or CEO may hold simultaneously. However, the Company makes sure that, despite holding other positions in other companies, its directors and CEO function properly, in accordance to their duties.

(e) Shareholding in the Company

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

Name of Director/Officer	Number of Direct Shares	Number of Indirect Shares /Through (Name of Record Owner)	Percentage of Ownership
Alfonso Yap Go	100	9,306,088,500	33.475%
Socorro P. Lim	100	4,653,044,200	16.738%
Nathaniel Go	100	4,653,044,200	16.738%
Vittorio Lim	9,100	None	Nil

Salvador Santos-Ocampo	100	None	Nil
Edwin Lim	100	None	Nil
Klarence Dy	100	None	Nil
Raymond Ricafort	100	None	Nil
Jocelyn Tiu Tan	100	None	Nil
TOTAL	9,900	18,612,176,900	66.951%

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	Socorro Lim
CEO/President	Vittorio Lim

Ms. Socorro Lim functions as the Chairman while Mr. Vittorio Lim functions as President and CEO.

- (b) Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	The Chairman shall, if present, preside at all meetings of the stockholders and of the Board of Directors. The Chairman shall also perform such other duties as shall from time to time be assigned to him by the Board of Directors. According to the Company's By Laws, the President shall be the Company's Chief Executive Officer.	<p>According to the Company's Manual on Corporate Governance, the following are the roles of the CEO:</p> <ol style="list-style-type: none"> i. Supervise and control all the business affairs of the Company; ii. In the absence of the Chairman and the Vice Chairman of the Board, preside at all meetings of the Board and stockholders. If the President and CEO positions are not held by one individual, then the President shall preside unless absent, in which case the CEO shall preside; iii. 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 has authorized to be

		<p>executed; and</p> <p>iv. Perform all duties incident to the office of the CEO, those provided in the By-Laws and existing laws and regulations and such other duties as may be prescribed by the Board from time to time.</p>
Accountabilities	<p>The Chairman of the Board directly answers to the stockholders as well as his constituents in the Board.</p> <p>He is accountable for the orderly administration of Board matters and meetings of the Company.</p>	<p>The CEO directly answers to the Chairman and Vice Chairman of the Board.</p> <p>In general, he is accountable for the proper operation and day-to-day administration of the Company.</p>
Deliverables	<p>He is accountable for the orderly administration of Board matters and meetings of the Company.</p>	<p>In general, he is accountable for the proper operation and day-to-day administration of the Company.</p>

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

The strategy of the Board is to develop in-house talents to replace the President or any top management personnel. However, the Board can also turn to external independent search. The latter can best identify the most appropriate candidates in the marketplace given its professional search mechanisms and wider pool of talents.

The Board shall ensure that the Company always has succession planning for key executives in cases of extraordinary circumstances. This will ensure continuity of 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 Company has a policy of ensuring diversity of experience and background of directors in its Board. In fact, its Manual on Corporate Governance requires the Board to implement of a "process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies."

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

The Company, in accordance with law, has at any given time, two (2) independent directors. These directors could be considered as non-executive directors.

The Company makes sure that these directors belong to the same industry as its business since the former deems it important to have an outsider perspective on its business concerns.

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

	Executive	Non-Executive	Independent Director
Role	<p>Executive directors manage the day-to-day business of the Company.</p> <p>Additionally, Executive Directors have the following general functions, in accordance with the Company's Manual on Corporate Governance:</p> <ol style="list-style-type: none"> 1. Conduct fair business transactions with the Company and ensure that his personal interests do not conflict with the interests of the Company; 2. Devote the time and attention necessary to properly and effectively perform his duties and responsibilities; 3. Act judiciously; 4. Exercise independent judgment; 5. Have a working knowledge of the statutory and regulatory requirements that affect the Company, including its Articles of Incorporation and By-Laws, the rules and regulations of the Commission and, where applicable, the requirements of relevant regulatory agencies; and 6. Observe confidentiality. 	<p>Non-executive directors are not involved in the day-to-day operations of the Company. However, they are involved in planning and policy making.</p> <p>Non-executive directors also:</p> <ol style="list-style-type: none"> 1. Review with management, performance of statutory and internal auditors, adequacy of internal control systems, adequacy of internal audit function including their structure, frequency, reporting; and 2. Recommend to the Board on the appointment, re-appointment and, if required, the replacement or removal of statutory auditor and fixation of audit fees. <p>Aside from these, Non-executive Directors also have the general functions of Executive Directors.</p>	<p>Independent directors provide oversight of company financial reporting process and disclosures of financial reporting process and disclosures of financial information. The Independent Directors also:</p> <ol style="list-style-type: none"> 1. Form part of various committees of the Company; 2. Review with management, performance of statutory and internal control systems, adequacy of internal audit function including their structure, frequency, reporting; 3. Recommend to the Board on the appointment, re-appointment and, if required, replacement or removal of statutory auditor and fixation of audit fees; and <p>Aside from these, Independent Directors also have the general functions of Executive Directors.</p>
Accountabilities	Accountable for smooth day-to-day operation of the Company.	Accountable for formulation of adequate, responsive and effective policies of the Company.	Accountable for its independent appraisal of the inner workings of the Company.
Deliverables	The smooth day-to-day operation of the Company.	Policies which are adequate, responsive and	Independent appraisal of the inner

		effective to the direction and/or needs of the Company.	workings of the Company.
--	--	---	--------------------------

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

Independent means distinction to and absence of any relationship with management or any other relationship which could, or could reasonably be perceived to, materially interfere with the exercise of independent judgment in carrying out one's responsibilities. The Company complies with this definition through assuring that its independent director sufficiently qualifies as such, in accordance with SEC Memorandum Circular No. 16-02.

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 set a term limit of five (5) consecutive years for independent directors. After two years of rest from the initial five years of service, an independent director may again serve for another five years. Such independent director would subsequently be forever disqualified from holding the position of independent director after the second five years of service, in accordance with the relevant SEC Memorandum Circular.

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 of Director	Position	Date of Cessation	Reason
N/A	N/A	N/A	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	According to the By-Laws of the Company, the nomination of directors shall be done prior to the annual stockholders' meeting. The nomination committee shall then prepare a list of candidates which shall be voted upon during the meeting of the stockholders of the Company.	According to the Manual on Corporate Governance of the Company, directors of the Company must not have any of the following disqualifications: <ul style="list-style-type: none"> a. Conviction by final judgment or order of a competent judicial or administrative body or of a competent foreign court or equivalent financial authority of any crime or offense that: <ul style="list-style-type: none"> i. Involves the purchase or sale of securities; ii. 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

		<p>broker;</p> <ul style="list-style-type: none"> iii. Arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them; iv. Involves moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts; or v. Willful violation or willful aiding, abetting, counseling, inducing or procuring the violation of any provision of the Corporation Code, Securities Regulation Code or any other law, rules and regulations administered by the Commission or the Bangko Sentral ng Pilipinas (BSP). <p>b. By reason of misconduct, after hearing and by final judgment or order of the Commission or a competent judicial or administrative body, or of a competent foreign court or equivalent financial authority, permanent enjoinder from:</p> <ul style="list-style-type: none"> i. Acting as an underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; ii. Acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; or iii. Engaging in or continuing any conduct or practice in any of the capacities mentioned in subparagraphs (i) and (ii) above, or willfully violating the laws that govern securities and banking activities. <p>c. Currently subject to any of the following:</p> <ul style="list-style-type: none"> i. An order of the Commission, the (BSP), a competent judicial or administrative body or a competent foreign court or equivalent financial authority, denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities
--	--	--

		<p>Regulation Code or any other law, rules and regulations administered by the Commission or the BSP;</p> <p>ii. an order of the Commission, the BSP, a competent judicial or administrative body or a competent foreign court or equivalent financial authority restraining him from engaging in any activity involving securities and banking; or</p> <p>iii. an effective order of a self-regulatory organization, whether domestic or foreign, suspending or expelling him from membership, participation or association with a member or participant of the organization.</p> <p>d. Conviction by final judgment or order of a competent judicial or administrative of any crime or offense punishable by imprisonment for more than six (6) years or of any violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.</p> <p>e. Judicial declaration of insolvency.</p>
(ii) Non-Executive Directors	Same as Executive Directors	Same as Executive Directors
(iii) Independent Directors	Same Executive Directors	<p>Aside from the disqualifications of Executive Directors, Independent Directors are subject to the following rules, in accordance with the Manual on Corporate Governance:</p> <ol style="list-style-type: none"> 1. If the independent director becomes an officer or employee of the Company, or his beneficial security ownership in the Company or in its related companies exceeds 10%, he shall automatically be disqualified from being an independent director; 2. He should not be / is not a director or officer of the Company or its related companies or any of its substantial shareholders except when the same shall be an independent director of any of the foregoing; 3. He should not be related to any director, officer, or substantial shareholder of the Company, any of its related companies or any of its substantial shareholder. For this purpose, relatives include spouse,

		<p>parent, child, brother, sister, and the spouse of such child, brother or sister;</p> <p>4. He should not be 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.;</p> <p>5. He has not been employed in any executive capacity by the Company, any, any of its related companies and/or by any of its substantial shareholder within the last five (5) years;</p> <p>6. He has 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 five (5) years;</p> <p>7. He has not been 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; and</p> <p>8. He has not engaged and does not engage in any transaction with the Company and/or with any of its related companies 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.</p>
b. Re-appointment		
(i) Executive Directors	Same for election/appointment.	Same for election/appointment.
(ii) Non-Executive Directors	Same for election/appointment.	Same for election/appointment.
(iii) Independent Directors	Same for election/appointment.	Same for election/appointment.
c. Permanent Disqualification		
(i) Executive Directors	The nomination committee shall determine whether or not	Should any of the criteria on selection/appointment above be permanent, then the disqualification of the

	a nominated director is permanently disqualified from running for the positions, if he is, then he shall not be allowed to be elected by the stockholders.	director to run for the positions shall also be same.
(ii) Non-Executive Directors	Same as Executive Directors.	Same as Executive Directors.
(iii) Independent Directors	Same as Executive Directors.	Same as Executive Directors, plus the appointment/selection criteria above.
d. Temporary Disqualification		
(i) Executive Directors	According to the Manual on Corporate Governance of the Company, the Board may temporarily disqualify a director for any of the reasons listed in the "Criteria".	<p>The Board may provide for the temporary disqualification of a director for any of the following reasons:</p> <ul style="list-style-type: none"> a. Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists. b. Absence in more than fifty percent (50%) of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. <p>The disqualification shall apply for purposes of the succeeding election.</p> <ul style="list-style-type: none"> d. Dismissal or termination for cause as director of any corporation covered by the Revised Code. <p>The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination.</p> <ul style="list-style-type: none"> e. If the beneficial equity ownership of an independent director in the Company or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock. <p>The disqualification shall be lifted if the limit is later complied with.</p> <ul style="list-style-type: none"> f. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.

(ii) Non-Executive Directors	Same Executive Directors	Same Executive Directors
(iii) Independent Directors	Same Executive Directors	Same Executive Directors
e. Removal		
(i) Executive Directors	According to the By-Laws of the Company, any director may be removed, whether with or without cause, at any time, by the affirmative vote of the stockholders holding or representing at least two-thirds of the outstanding capital stock entitled to vote at a regular meeting or at a special meeting for the purpose after due notice.	The stockholders may remove directors for any reason, subject to the required vote requirement.
(ii) Non-Executive Directors	Same Executive Directors	Same Executive Directors
(iii) Independent Directors	Same Executive Directors	Same Executive Directors
f. Re-instatement		
(i) Executive Directors	Same for election/appointment	Same for election/appointment
(ii) Non-Executive Directors	Same for election/appointment	Same for election/appointment
(iii) Independent Directors	Same for election/appointment	Same for election/appointment
g. Suspension		
(i) Executive Directors	The Board of the Company may suspend a director for just causes.	The Board may suspend a director for any just cause.
(ii) Non-Executive Directors	Same as Executive Directors	Same as Executive Directors
(iii) Independent Directors	Same as Executive Directors	Same as Executive Directors

Voting Result of the last Annual General Meeting

As previously disclosed to the SEC and PSE, the Company held its 2016 Annual Stockholders' Meeting on 14 December 2016. Below are the results of such meeting:

Resolution	Approving	Dissenting	Abstaining
Increase the authorized capital stock from Php1 billion to Php6 billion and accordingly amend the Seventh Article of the Articles of Incorporation	20,958,931,602	0	0
Change in the principal office from Unit 1801 East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City to Unit 1204, Galleria Corporate Center, EDSA corner	20,958,931,602	0	0

Ortigas Ave., Brgy. Ugong Norte, Quezon City and amend the Third Article of the Articles of Incorporation			
Approve the issuance and listing of shares to be issued out of the current unissued and/or the increase in the authorized capital stock of the Company	20,958,931,602	0	0
Appointment of the external auditor for 2016	20,958,931,602	0	0

Election of Directors:

Name of Director	Votes Received
Alfonso Yap Go	20,958,931,602
Salvador Santos-Ocampo	20,958,931,602
Nathaniel Go	20,958,931,602
Edwin Lim	20,958,931,602
Klarence Dy	20,958,931,602
Raymond Ricafort	20,958,931,602
Jocelyn Tiu Tan	20,958,931,602
Vittorio Lim	20,958,931,602
Socorro Lim	20,958,931,602

6) Orientation and Education Program

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

All incoming directors are given the appropriate orientation to ensure familiarity with the Company's business and governance processes.

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

In house training of management and staff is regularly being undertaken to include social media management and Digital PR.

- (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
N/A	N/A	N/A	N/A

B. CODE OF BUSINESS CONDUCT & ETHICS

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

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	A Director should not	Senior management is	The Company has adopted

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

	use his position to make profit or acquire advantage for himself and his related interests.	expected to ensure that they themselves and their subordinates are not in any way involved in any conflict of interest which can adversely influence their judgment, objectivity or loyalty to the Company.	certain basic work rules for all employees, based on common sense guidelines, basic work ethics, and respect for others. The Company recognizes that employees may take part in other activities outside of their work, but any potential conflict of interest arising from said activities must be disclosed promptly to management.
(b) Conduct of Business and Fair Dealings	A Director is expected to conduct fair business transactions with the Company and to ensure that personal interests do not influence Board decisions.	Senior Management and Employees should ensure that their personal interests do not conflict with the interest of the Company. Senior management should make sure that employees abide by all laws and company policies at all times.	
(c) Receipt of gifts from third parties	It is recognized by the Company that giving and receiving "business gifts" to include entertainment and gift items is a customary way to strengthen relationships. However, said gifts should be nominal in value and not given or received with an intent to influence the decision making of the recipient. No one may give or receive gifts that will violate laws, regulations and agreements.		
(d) Compliance with Laws & Regulations	Directors are expected to comply with the SRC disclosure requirements, rules and regulations.	Senior officers are expected that policies and regulations of the Company are practiced by the employees. Should violations occur, management should ensure that appropriate disciplines are applied including or up to termination of employment.	Each employee is expected to follow all Company policies and regulations at all times.
(e) Respect for Trade Secrets/Use of Non-public Information	Directors are expected to respect the sensitivity of the information received during their term of service. Confidentiality should be maintained at all times.	At all times, Company assets should be protected including trademarks, intellectual property, electronic files and confidential information. All officers and staff are prohibited to communicate material non public information to any person.	
(f) Use of Company Funds, Assets and Information	Directors should ensure that all polices with regard to Company assets, funds and information are widely practiced. Said polices are supposed to be reviewed regularly	Officers and staff are expected to use Company assets, information and funds with utmost respect and within the boundaries of policies and regulations, in pursuit of legitimate Company business interests. Senior management is expected to make sure that all employees adhere to the relevant policies.	
(g) Employment & Labor Laws & Policies	Directors are expected to ensure that employment/labor	Employment and labor laws are widely disseminated in the Company for everyone to follow and comply with	

	laws are strictly followed and adhered to by the Company	
(h) Disciplinary action	All directors, officers and staff who violate the provisions stated in the Corporate Governance Manual and Code of Ethics shall be subject to penalties and/or sanctions as maybe imposed by the Board of Directors	
(i) Whistle Blower	The Company has existing procedures with regard to receipt, retention, treatment of complaints and confidential/anonymous submission of information regarding internal dishonest or illegal activities. The procedures are designed to facilitate disclosures and proper individual conduct of everyone in the Company	
(j) Conflict Resolution	Resolutions of conflicts in the Company involve negotiation, mediation, arbitration, diplomacy, peace building, etc. Said conflicts, if not resolved within the Senior Management level, are elevated to the respective Committees created by the Board. Said committees are guided by their respective guidelines and policies to consider in resolving conflicts between and among stockholders, the Company and third parties, etc.	

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

Yes.

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

The Board of Directors establishes the vision, strategic objectives, key policies and procedures to ensure sufficient control mechanisms for good governance. Regular Committee meetings are scheduled to ensure compliance to the Corporate Governance Manual and 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.

Related Party Transactions	Policies and Procedures
(1) Parent Company	All business transactions with the Parent Company should always be above board and transparent. All disclosures requirements needed by governing authorities should be complied with by both parties. The Board of Directors formulates policies and procedures that would ensure the integrity and transparency of related party transactions to include joint ventures, subsidiaries, affiliates, stockholders, officers and directors, spouses, children, etc. The Board ensures that all transactions are always to the interest of the Company.
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	
(7) Directors including spouse/children/siblings/parents	
(8) Interlocking director relationship of Board of Directors	

(b) Conflict of Interest

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

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

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	N/A
Name of Officer/s	N/A
Name of Significant Shareholders	N/A

(ii) Mechanism

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

	Directors/Officers/Significant Shareholders
Company	The Company expects directors, as well as officers and employees, to act ethically at all times and to acknowledge their adherence to the policies comprising the Company's code of conduct set forth in the Company's Code of Ethics. The Company will not make any personal loans or extensions of credit to directors or executive officers. The Company will not permit any waiver of any ethics policy for any director or executive officer. If an actual or potential conflict of interest arises for a director or officer, the director or officer shall promptly inform the CEO and the presiding director. If a significant conflict exists and cannot be resolved, the director or officer should resign.
Group	

5) Family, Commercial and Contractual Relations

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

Name of Related Significant Shareholder	Type of Relationship	Brief Description of the Relationship
Alfonso Yap Go	Nathaniel Go	Son
Nathaniel Go	Alfonso Yap Go	Father

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

Names of Related Significant Shareholders	Type of Relationship	Brief Description
N/A		

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

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

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

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 Company and its stockholders, and the Company and third parties, including regulatory authorities.

Alternative Dispute Resolution System	
Company & Stockholders	To resolve disputes and conflicts, the Company enters into discussions, negotiations, mediations and arbitrations, among others, with its stockholders, third parties and regulatory authorities.
Company & Third Parties	
Company & Regulatory Authorities	

C. BOARD MEETINGS & ATTENDANCE

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

The meeting of the Board is set at the beginning of the year. The directors of the Company are aware that meetings are held immediately after each quarter of the year.

2) Attendance of Directors

Board	Name	Date of Election	Number of Meetings Held During the Year	Number of Meetings Attended	Percentage of Attendance
Chairman	Socorro P. Lim	14 December 2016	8	8	100%
President	Vittorio P. Lim	14 December 2016	8	8	100%
Director	Alfonso Yap Go	14 December 2016	8	8	100%
Director	Salvador Santos-Ocampo	14 December 2016	8	8	100%
Director/ Treasurer	Nathaniel Go	14 December 2016	8	8	100%
Director	Edwin T. Lim	14 December 2016	8	8	100%
Director	Jocelyn Tiu Tan	14 December 2016	8	8	100%
Independent Director	Klarence Dy	14 December 2016	8	8	100%
Independent Director	Raymond Ricafort	14 December 2016	8	8	100%

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

Non-executive directors have separate meetings during the year. They meet as frequent as required, usually in time for the submission of the Company's financial reports.

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

The quorum required to conduct business during a board meeting is more than fifty percent (50%) of the attendance of the directors of the Company. Generally, only majority of the quorum is required to pass corporate acts, unless, as the By-Laws of the Company states, "otherwise provided by statute, by the Articles of Incorporation or by the By-Laws."

5) Access to Information

(a) How many days in advance are board papers⁵ for Board of Directors' meetings provided to the board?

Board papers are provided to the directors about a week prior to the meeting.

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

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

The members have an independent access to Management and the Corporate Secretary. In fact, this is required in the Manual of Corporate Governance of the Company.

- (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.?

According to the Manual on Corporate Governance of the Company, the following are the roles of the Corporate Secretary:

- i Attendance in all Board meetings, except when justifiable causes prevent him from doing so;
 - ii Ensure strict compliance with all Board procedures and rules and regulations;
 - iii Inform the members of the Board, in accordance with the Company's By-Laws, of the agenda of their meetings and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
 - iv Safekeeping and preservation of the integrity of the minutes of the Board and its committees, as well as the other official records of the Company;
 - v Issue a certification on or before January 30 of each year on the attendance of the Directors in meetings of the Board of Directors, countersigned by the Chairman of the Board; and
 - vi Awareness of the laws and rules and regulations necessary in the performance of his duties and responsibilities.
- (d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.

The Company's secretary is well-versed in legal, accountancy or company secretarial practices. She is a lawyer engaged in corporate/commercial law practice.

- (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

Committee	Details of the procedures
Executive	Directors may either request for a conference or for documents from this committee through any of the modes of communication available. The directors are not prohibited to access information
Audit	Same as the Executive Committee.
Nomination	Same as the Executive Committee.
Compensation	Same as the Executive Committee.
Others (specify)	Same as the Executive Committee.

- 6) External Advice

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

Procedures	Details

There is no procedure for receiving external advice, save for instances when directors invite resource persons during meetings to enlighten them on corporate issues.

- 7) Change/s in existing policies

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

Existing Policies	Changes	Reason

The Board has not implemented any new significant changes in company policies.

D. REMUNERATION MATTERS

1) Remuneration Process

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

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	Benchmarked against current rates in the industry	Benchmarked against current rates in the industry
(2) Variable remuneration	Benchmarked against current rates in the industry	Benchmarked against current rates in the industry
(3) Per diem allowance	Benchmarked against current rates in the industry	Benchmarked against current rates in the industry
(4) Bonus	Based on achievement of targets	Based on achievement of targets
(5) Stock Options and other financial instruments	Based on achievement of targets	Based on achievement of targets
(6) Others (specify)	None	None

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

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

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	The Compensation Committee provides oversight on directors' compensation and remuneration of senior management and key personnel. The Committee ensures that the compensation scheme and strategy is consistent with the corporate and individual performance.		
Non-Executive Directors			

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

Remuneration Scheme	Date of Stockholders' Approval
N/A	

3) Aggregate Remuneration

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

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration			
(b) Variable Remuneration			
(c) Per diem Allowance			
(d) Bonuses			
(e) Stock Options and/or other financial instruments			
(f) Others (Specify)			
Total			

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances			
2) Credit granted			
3) Pension Plan/s Contributions			
(d) Pension Plans, Obligations incurred			
(e) Life Insurance Premium			
(f) Hospitalization Plan			
(g) Car Plan			
(h) Others (Specify)			
Total			

The Executive and Non-Executive Directors have not received any remuneration during the last year.

4) Stock Rights, Options and Warrants

(a) Board of Directors

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

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

The Company has no stock rights, options or warrants over its shares.

(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

There has been no amendment or discontinuation of any incentive programs introduced last year.

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

Management has not received any remuneration during the last financial year.

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
	Director	Independent Director (ID)				
Executive	4	1	Yes	The Executive Committee manages the day to-day operations of the Corporation.		
Audit	2	1	Yes	<p>1. Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;</p> <p>2. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company.</p> <p>This function shall include regular receipt from Management of information on risk exposures and risk management activities.</p> <p>3. Perform oversight functions over the Company's Internal and External</p>		

				<p>Auditors;</p> <ol style="list-style-type: none"> 4. It should ensure that the Internal and External Auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions; 5. Review the annual internal audit plan to ensure its conformity with the objectives of the Company. <p>The plan shall include the audit scope, resources and budget necessary to implement it.</p> <ol style="list-style-type: none"> 6. Prior to the commencement of the audit, discuss with the External Auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts; 7. Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal; 8. Monitor and evaluate the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology security; 9. Review the reports submitted by the Internal and External Auditors; 10. Review the quarterly, half-year and annual financial statements before their submission to the Board; 11. Coordinate, monitor and facilitate compliance with laws, rules and regulations; 12. Evaluate and determine the non-audit work, if any, of the External Auditor, and review periodically the non-audit fees paid to the External Auditor in relation to their significance to the total annual income of the External Auditor and to the Company's overall consultancy expenses;
--	--	--	--	--

				<p>The Committee shall disallow any non audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Company's annual report.</p> <p>Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities;</p> <p>13. The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties.</p>
Nomination	2	1	Yes	<ol style="list-style-type: none"> 1. Pre-screen and shortlist all candidates nominated to become a member of the Board of Directors in accordance with the qualifications and disqualifications under the Corporation Code, the Securities Regulation Code, this Manual and pertinent rules and regulations, as well as those qualifications and disqualifications set by the Board; and 2. Re-define the role, duties and responsibilities of the Chief Executive Officer by integrating the dynamic requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance.
Compensation	2		Yes	<ol style="list-style-type: none"> 1. Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel to ensure that the compensation levels are consistent with the Company's culture, strategy and control environment; 2. Determine the amount of remuneration for the Company's directors and officers, which shall be in a sufficient level to attract and retain personnel who are needed to run the Company successfully; 3. Insure that all incoming officers and directors disclose fully their existing business interests or shareholdings that may directly or indirectly conflict with the performance of their intended duties and responsibilities, under the

				<p>penalty of perjury;</p> <p>4. Disallow any director to decide his or her own remuneration;</p> <p>5. Provide Management with a clear, concise and understandable disclosure of the compensation of the Company's directors and top four (4) management officers for the previous fiscal year and the current year, which shall be incorporated in the Company's annual reports, information and proxy statements; and</p> <p>6. Review the existing Human Resources Development or Personnel Handbook or its equivalent, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements. In the absence of such Personnel Handbook or its equivalent, the Committee, in coordination with the Human Resources Department, shall develop such a handbook which shall cover the same parameters of governance stated above.</p>
--	--	--	--	---

2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
None	None	none	none	none	none	none

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Raymond Ricafort	14 December 2016	-	-	-	2 weeks
Member (ED)	Vittorio Lim	14 December 2016	-	-	-	2 weeks
Member (ED)	Socorro Lim	14 December 2016	-	-	-	2 weeks

Disclose the profile or qualifications of the Audit Committee members.

Mr. Raymond Ricafort (Independent Director) is the Co-Founder and Managing Director of Wealth Private Advisory Limited and Vice President of PhilEquity Management, Inc. He has been the Chairman and Director of Net Voice, Inc. since 2003. He was a Director and Finance Committee Head of the Nationwide Development Corporation from 1995 to 2010.

Mr. Vittorio Paulo P. Lim (Director/President) is the President of V2S Property Developer Co., Inc. He is also the Corporate Secretary of B and P Realty, Inc., Champaca Development Corporation, PX2 Enterprises Co., Inc., VNP Properties Development Inc., Zelle Dev't Corporation, Tarlac Centerpoint, Panlilio Centerpoint. Likewise, he is the Treasurer of Vini Agro Products, Inc. He holds a degree in Interdisciplinary Studies from the Ateneo de Manila.

Ms. Socorro P. Lim (Chairman of the Board) is the President of Vini Agro Products, Inc., PX2 Enterprises Co., Inc. She is also the Corporate Secretary of Panlilio Singian Prado Co., Inc. Shamshiel Corporation. Concurrently she is Treasurer of Casa Pennsylvania Development Corporation, Champaca Development Corporation, VNP Properties Development, Inc., V2S Property Developer Co., Inc., Zelle Dev't Corporation, Masanting Development Inc., Conico, Inc., Tarla Centerpoint, Panlilio Centerpoint. These are all her positions at present. She holds a degree in Business Management from the Assumption College, San Lorenzo, Makati.

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

The Audit Committee:

1. Prior to the commencement of the audit, discuss with the External Auditor the nature, scope and expenses of the audit, and ensures the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
2. Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the Company's overall consultancy expenses. The Committee shall disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence;
3. Review and approve the Interim and Annual Financial Statements before their submission to the Board;
4. Review the disposition of the recommendations in the External Auditor's management letter;
5. Perform oversight functions over the External Auditors; and
6. Recommend to the Board the appointment, reappointment, removal and fees of the External Auditor.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ED)	Vittorio Lim	14 December 2016	-	-	-	2 weeks
Member (ED)	Socorro Lim	14 December 2016	-	-	-	2 weeks
Member (ID)	Raymond Ricafort	14 December 2016	-	-	-	2 weeks

The members of the Nomination Committee are the same as the members of the Audit Committee.

(d) Compensation Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ED)	Vittorio Lim	14 December 2016	-	-	-	2 weeks
Member (ED)	Socorro Lim	14 December 2016	-	-	-	2 weeks
Member (ID)	Raymond Ricafort	14 December 2016	-	-	-	2 weeks

The members of the Compensation Committee are the same as the members of the Audit Committee.

(e) Others (Specify)

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

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

The Company has no other committees.

3) Changes in Committee Members

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

Name of Committee	Name	Reason
Executive		
Audit		
Nomination		
Compensation		
Others (specify)		

There have been no changes in committee membership during the year.

4) Work Done and Issues Addressed

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

Name of Committee	Work Done	Issues Addressed
Executive	Review of the corporate strategies prepared by the Senior Management	Over-all direction of the Company given the fast pace change in the digital industry
Audit	Review of the audited financial statements existing credit policies	Audit findings
Nomination	Screen and shortlist candidates nominated to be members of the Board	N/A
Compensation	Review the current salaries of the management of the Company and the current trend in salaries of rank and file employees. The Remuneration Committee also prescribed increases in the salaries of the management and the increases in the range of salaries of rank and file employees	N/A
Others (specify)	N/A	N/A

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	Review the Company's purpose, mission, vision, and strategies to carry out its objectives	Corporate strategy

Audit	Improve on the procedures and polices handbook that will be used by the entire organization	Internal control and procedure
Nomination	None	N/A
Compensation	Review of the Current HR Handbook and strengthen provisions on salaries, benefits, policies, promotions, etc.	HR Policies and benefits
Others (specify)	N/A	N/A

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

The Company adopts a risk philosophy of maximizing business opportunities while minimizing adverse outcomes to enhance shareholder value. This risk philosophy permeates the entire organization through:

Culture. We believe that a strong risk management and control culture starts at the top. To this end, senior management promotes awareness, ownership and proactive management of key risks.

Structure. We believe in an organizational structure that provides for proper segregation of duties, for definition of risk-taking responsibility and authority, and for promotion of ownership and accountability for risk taking.

Processes. We believe in putting in place robust processes and systems for effective identification, quantification, monitoring, mitigation and management of risk. Furthermore, internal control policies and procedures are reviewed and improved on an ongoing basis to ensure they remain sound and relevant.

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

The directors review the effectiveness of the risk management system of the Company. The nature of the business of the Company requires its constant review of risks, which it does at least quarterly during the board of directors' meetings.

The directors believe that the system in place is adequate.

(c) Period covered by the review;

Last review was done during the last quarter of 2014, covering the risks during the last quarter of the same year.

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

The risk management system is reviewed at least annually.

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

The Company having been recently acquired is currently in a transition stage.

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
Credit risk	It is the Company's policy that all counterparties who wish to trade on credit terms are subject to credit verification procedures.	The Company manages and controls credit risk by dealing only with recognized, creditworthy third parties.
	In addition, receivable balances are monitored on an ongoing basis.	To ensure that the Company's exposure to bad debts is not significant
	The Company assesses the credit quality of their financial assets based on their historical experience with the corresponding third parties.	To determine if any allowances have to be provided or if impairment is warranted
	It is the Company's policy that cash and cash equivalents are invested only in banks, which are approved by the BOD.	To ensure that cash and cash equivalents are invested only with reputable banks
Liquidity risk	The Company closely monitors its cash flows and ensures that credit facilities with banks are available. Any excess cash is invested in short-term money market placements.	To ensure that there is enough cash available to meet obligations as and when they fall due
Operational risk	Segregate functions between the transaction initiators and those who confirm, settle, and those who record and report the transactions	The separation of these functions ensures that no single individual controls the transaction flow thereby minimizing the possibility of fraud.

(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
N/A	N/A	N/A

(c) Minority Shareholders

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

Risk to Minority Shareholders
The Company believes that due to the vast ownership of the company's shares, there is no foreseeable risk to the minority shareholders due to the exercise of the controlling shareholder's voting power.

3) Control System Set Up

(a) Company

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

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Credit risk	* Account balances (cash and	Monitor default probabilities of each

	placements) with a counterparty at any given time • Total face value (bonds) issued by a borrower • Outstanding receivables from major suppliers/partners	counterparty, borrower, supplier and partner
Liquidity risk	Maximum cumulative outflow	
Market risk	N/A	N/A
Operational risk	Operational oversights	Set volume and price limits

(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)
N/A	N/A	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:

Committee/Unit	Control Mechanism	Details of its Functions
N/A	N/A	N/A

The responsibility of laying down and supervising control mechanisms rests with the Board.

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

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

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

It is the process by which the company safeguards its assets both tangible and intangible by having the right structure, work and authority flows, people and management information system. It is a way of mitigating risk to minimize losses and early detection of possible fraud.

At the organizational level, its objective is to come-up with a reliable and timely financial reporting to achieve its strategic goals and comply with all regulatory requirements. At the transaction level, this refers to the achievement of specific objective for each transaction flow such as timely and accurate settlement to counterparties for a trade or services rendered. Internal control procedures standardize procedures resulting to a more predictable and measureable outcome.

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

The effectiveness of the internal control system was reviewed by the Company. The Board is under the impression that such is adequate.

(iii) Period covered by the review;

The review covers the internal audit done during the year ending 2016.

(iv) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the

internal control system; and

The criteria for assessing the effectiveness of the internal control system is done yearly, prior to the approval of the financial statements of the Company

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

2) Internal Audit

(i) 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
Head of Audit	<p>Effectively manage the Internal Audit organization and provide direction and oversight in the development of its Annual Audit Plan and the on-going conduct of internal audit business services;</p> <p>Report significant audit findings/issues related to the processes for controlling the activities of the company, and its subsidiaries;</p> <p>Approve the release of audit reports, the auditors' assessment on the adequacy and effectiveness of the company's processes for controlling its activities and for managing risk;</p> <p>Provide information periodically on the status and results of the approved audit plan;</p>	In-house	Rene Tresano	Reports directly to the Audit Committee

	Develop audit methodology and programs what would ensure that members of the internal audit adhere to the company's internal audit standards, regulations and international standards			
Unit/Team Head	Ensures that operations are conducted in accordance with the company's policies and procedures prescribed by the Board of Directors and the Management. Moreover, he must ensure that the process of monitoring the compliance with the requirements of government agencies to which it is subject to is adequate.	In-house	Vacant	Reports to the Head of Audit
Team Member	To provide a reliable, independent and objective assessment of the company's operations, aiming to add value, through a systematic and disciplined approach in evaluating and improving the effectiveness of internal control, risk management and governance process; Responsible for monitoring and providing assurance that the company's operational systems	In-house	Klarence Dy Raymond Ricafort Vittorio Lim	Reports to the Team Head

	are protected and controlled by the business units operating management.			
--	--	--	--	--

- (ii) 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?

Not applicable. Internal audit function is handled in house

- (iii) 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 Audit Committee shall be established by the Board of Directors of the company. Internal Audit reports directly to the Audit Committee and have access to the Board of Directors. They have the authority to investigate any matter within its terms of reference, full access to and cooperation by management and full discretion to invite executive officer(s) and staff to attend its meetings. It shall be provided with adequate resources to enable it to effectively discharge its functions.

- (iv) 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
Abdias Sespene	Personal Reasons
Mary Ann Apura	Personal Reasons
Angela Aquino	Personal Reasons

- (v) 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	Achieved 100% audit engagement/examination against calendar/plan.
Issues⁶	Significant issues were immediately escalated to the Audit Committee for proper actions. To date, there was none to address.
Findings⁷	Same with the above, significant findings were immediately escalated to the Audit Committee for prompt action. To date, there was none to specify
Examination Trends	We are using a Risk-Based Auditing. Units are categorized to High, Medium, and Low Risks. High risk units were scheduled for engagement/examination at least twice in a 12month period. Medium risk units were engaged/examined at least once in 12-month period and the low risk units at least once in every 18 months.

The relationship among progress, plans, issues and findings should be viewed as an internal control review

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

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

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; and
- 6) Conduct of the foregoing procedures on a regular basis.

(vi) 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
<p>Independence and methodology</p> <p>In order to guaranty its independence vis-a-vis the departments and administrative units, the Internal Audit unit shall report directly to the Audit Committee and shall not bear any direct operational responsibility. The auditors cannot be engaged in the actual organization or management of the activities over which they exercise control.</p>	<p>Implemented</p>
<p>Authority</p> <p>The auditors have access to any documents and records considered necessary for the performance of its functions. Management and staff should supply such information and explanations as may be needed within a reasonable period of time. Likewise, Senior management should ensure that the Internal Audit unit is informed of new developments, initiatives, products and operational changes to ensure that all associated risks are identified at an early stage.</p>	<p>Implemented</p>
<p>Review of internal control systems</p> <p>Internal Audit should regularly review the effectiveness of internal control processes and risk management procedures.</p>	<p>Implemented</p>
<p>Annual Audit Plan</p> <p>Internal Audit shall prepare an annual plan that identifies business risks, order of audit priority and how they are to be carried out. The plan shall be presented for approval of the Audit Committee. Internal Audit is responsible for planning, conducting, reporting and following up on audit projects included in the audit plan, and decides on the scope and timing of audits.</p> <p>Audit fieldwork shall be conducted in a professional and timely manner. Reporting of</p>	<p>Implemented</p>

results will include an open process to agree on the facts and validity of audit recommendations. A detailed audit report shall be issued to Management and the Audit Committee which will summarize the objectives and scope of the audit as well as observations and recommendations.	
Audit Standards Internal Audit adheres to the standards of best professional practice, such as those published by the Institute of Internal Auditors and the Information Systems Audit and Control Association.	Implemented

(vii) Mechanisms and Safeguards

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

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
Strict implementation of the policies enumerated in item F above.	Not Applicable	Not Applicable	Not Applicable

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

The Chairman and President shall attest to the SEC Code of Corporate Governance

H. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' welfare	New policies have yet to be established as the Company is currently in a transition phase (from a company engaged in the digital marketing business to an investment holding company)	N/A
Supplier/contractor selection practice		
Environmentally friendly value-chain		
Community interaction		
Anti-corruption programmes and procedures?		
Safeguarding creditors' rights		

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

No.

3) Performance-enhancing mechanisms for employee participation.

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

The Company believes that the employees are the most important resource in the organization. The Company believes that to keep the employees happy and motivated, the following need to be provided: healthy working environment, sufficient work facilities, health benefits, health related seminars, among others.

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

The Company believes in work life balance. The Company encourages and supports the following:

1. Flexible work hours
2. Fitness programs after office
3. Subsidized vaccinations, etc.

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

None.

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

The Company provides bonuses for achievement of targets and for living out the corporate values that the Company espouses.

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

The Audit Committee and non-management directors have established the following procedures to enable anyone who has a concern about the Company's conduct, or any employee who has a concern about the Company's accounting, internal accounting controls or auditing matters, to communicate that concern directly to the Audit Committee. Such communications may be confidential or anonymous, and may be e-mailed, submitted in writing or reported by phone. Comments, complaints and concerns are initially processed by the Audit Committee or by other directors, depending on the nature of the concern or complaint.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
Alfonso Yap Go	9,306,088,600	33.475%	Alfonso Yap Go
PCD Nominee Corporation (Filipino)	8,362,420,020	30.081%	PDTC participant
Socorro P. Lim	4,653,044,300	16.738%	Alfonso Yap Go
Nathaniel Go	4,653,044,300	16.738%	Alfonso Yap Go

Name of Senior Management	Number of Direct Shares	Number of Indirect Shares /Through (Name of Record Owner)	Percentage of Ownership
Alfonso Yap Go	100	9,306,088,500	33.475%
Vittorio P. Lim	9,100	None	Nil
Socorro P. Lim	100	4,653,044,200	16.738%

Nathaniel Go	100	4,653,044,200	16.738%
TOTAL	9,300	13,959,132,700	50.213%

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	No
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	No
Number of board of directors'/commissioners' meetings held during the year	No
Attendance details of each director/commissioner in respect of meetings held	No
Details of remuneration of the CEO and each member of the board of directors/commissioners	Yes

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

The other items herewith are already disclosed by the Company through other documents required by the SEC or the PSE.

3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
BDO Roxas Cruz Tagle and Co. (formerly, BDO ALBA ROMEO & CO., CPAS)	Php150,000.00	

4) Medium of Communication

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

Information is disseminated through the Company's website, the PSE website and SEC's i-View portal.

5) Date of release of audited financial report: 28 February 2017

6) Company Website

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

Currently, the website of the Company is being revamped to accommodate all necessary information for public disclosure.

Business operations	
Financial statements/reports (current and prior years)	
Materials provided in briefings to analysts and media	
Shareholding structure	
Group corporate structure	

Downloadable annual report	
Notice of AGM and/or EGM	
Company's constitution (company's by-laws, memorandum and articles of association)	

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

7) Disclosure of RPT

RPT	Relationship	Nature	Value
Loan agreement with Socorro Lim	Major stockholder	Loan agreement	Php254,500,000.00

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?

Related Party Transactions are timely and properly disclosed.

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	A majority of the outstanding capital stock of the Company having voting powers, who is or are present in person or represented by proxy, shall constitute a quorum for the transaction of business, save in those cases where the Corporation Code requires the presence at the meeting, in person or by proxy, of a greater proportion of the outstanding capital stock.
------------------------	--

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	Voting
Description	According to the By-Laws of the Company, each stockholder shall be entitled to vote in person or by proxy and, unless otherwise provided by law, he shall have one vote for each share of stock entitled to vote and recorded in his name in the books of the Company.

(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

There are no rights of stockholders in annual/special meetings that differ from those laid down in the Corporation Code.

Dividends

Declaration Date	Record Date	Payment Date
None	None	None

(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
Direct communication with the Chairman	The stockholders are allowed to address the directors directly during the Annual Stockholders' Meeting. A microphone is provided near the seats for the stockholders so they can speak out and raise their concerns, if any, at any time during meetings.

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

For these three instances, the Company will have to comply with the requirements of the Corporation Code for the notice and holding of a special meeting. This being the case, the policy is to have the opinion of the stockholders through a voting done during the relevant meeting.

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?

The Company observes the notice requirement under the law.

- a. Date of sending out notices:

16 November 2016

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

14 December 2016

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

The only questions raised during the said meeting is with regard to prospects of the Company.

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

Resolution	Approving	Dissenting	Abstaining
Increase the authorized capital stock from Php1 billion to Php6 billion	20,958,931,602	None	None
Approve the issuance and listing of shares to be issued out of the current unissued and/or the increase in the authorized capital	20,958,931,602	None	None

stock of the Company			
Change in the principal office from Unit 1801 East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City to Unit 1204, Galleria Corporate Center, EDSA corner Ortigas Ave., Brgy. Ugong Norte, Quezon City and amend the Third Article of the Articles of Incorporation	20,958,931,602	None	None
Appointment of the external auditor for 2016	20,958,931,602	None	None

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

14 December 2016

(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

There are no modifications made in the Annual Stockholders' Meeting regulation during 2016.

(f) Stockholders' Attendance

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

Type of Meeting	Name of Board of Directors/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	Alfonso Yap Go Salvador Santos-Ocampo Nathaniel Go Edwin Lim Klarence Dy Raymond Ricafort Jocelyn Tiu Tan Vittorio Lim Kristina Joyce Caro-Gañgan	14 December 2016	by show of hands	Nil	75.96%	75.93%

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

The Company appoints an independent party to count and/or validate the votes at the Annual Stockholders' Meeting. For 2016, the Company's stock transfer agent validated 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 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	Proxies must be executed by the shareholders and transmitted by the shareholders.
Notary	The Company does not require notarized proxies.
Submission of Proxy	Proxies should be received at least five (5) days prior to the meeting so as to afford the Company sufficient time for validation.
Several Proxies	The Company allows the execution of several proxies, if the intention is to make several people represent different shares. However, if there is more than one proxy for the shares, the latter proxy will be the one the Company considers.
Validity of Proxy	The proxies shall remain valid in accordance with its wording, e.g. for a specific meeting only or for a definite duration of time. Proxies shall remain valid for a maximum of five (5) years.
Proxies executed abroad	These are accepted by the Company, as long as made and submitted prior to the meeting.
Invalidated Proxy	Invalidated proxies are recorded, as well as the reason for their invalidation.
Validation of Proxy	Proxies are validated by a committee of inspectors upon receipt of the proxies at least five (5) days prior to the meeting.
Violation of Proxy	The votes/ acts of proxies outside their authorization are not counted/recognized.

(h) Sending of Notices

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

Policies	Procedure
The notices for annual/special stockholders' meeting are sent out with the Definitive Information Statement of the Company, as well as the Annual Reports and Audited Financial Statements.	The notices are printed on a CD sleeve. The CD contains the Definitive Information Statement, Annual Reports and Audited Financial Statements. The sleeve and the CD are mailed to the stockholders at least three weeks prior to the intended day of meeting.

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	797 (as of record date of annual stockholders' meeting for the year 2016)
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	17 November 2016 (for the annual stockholders' meeting for the year 2016)
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	17 November 2016 (for the annual stockholders' meeting for the year 2016)
State whether CD format or hard copies were distributed	CD copies were distributed

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

Each resolution to be taken up deals with only one item.	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	Yes
The auditors to be appointed or re-appointed.	Yes
An explanation of the dividend policy, if any dividend is to be declared.	If applicable, yes.
The amount payable for final dividends.	If applicable, yes.
Documents required for proxy vote.	Yes

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

2) Treatment of Minority Stockholders

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

Policies	Implementation
The Company's Manual on Corporate Governance states the following rights of stockholders:	These policies are implemented through the By-Laws, Manual on Corporate Governance as well as the Company's compliance with the relevant laws, rules and regulations.
<p>1. Voting Right</p> <p>The stockholders shall have the right to elect, remove and replace directors and to vote on certain corporate acts in accordance with the Corporation Code. Cumulative voting shall be used in the election of directors.</p> <p>A director shall not be removed without cause if it will deny minority stockholders representation in the Board.</p> <p>Although all stockholders should be treated equally and without discrimination, the minority stockholders shall have the right to propose the holding of meetings and the items for discussion</p>	

in the agenda that relate directly to the business of the Company.

2. Pre-Emptive Right

Any stockholder of the Company shall have the right to subscribe to all issues or disposition of shares of any class, in proportion to their respective shareholdings, unless such right is denied by the Company's Articles of Incorporation.

This right shall not extend to the following: Shares to be issued in compliance with laws requiring stock offerings or minimum stock ownership by the public; and Shares to be issued in good faith with the approval of the stockholders representing two-thirds (2/3) of the outstanding capital stock, in exchange for property needed for corporate purposes or in payment of a previously contracted debt.

3. Right to Inspect Corporate Books and Records

The records of all business transactions of the Company and the minutes of any meeting shall be open to inspection by any stockholder at reasonable hours on business days. He may demand, in writing, for a copy of excerpts from said corporate books and records, at his expense.

4. Right to Information

Upon request, the stockholders shall be provided with periodic reports which disclose personal and professional information about the Company's directors and officers, including their shareholdings in the Company, dealings with the Company, relationships among directors and key officers and their aggregate compensation.

5. Right to Dividends

The stockholders shall have the right to receive dividends subject to the discretion of the Board and on the basis of outstanding stock held by them.

The Company shall declare dividends when its retained earnings is in excess of 100% of its paid in capital stock, except in the following instances:

- (i) When justified by definite corporate expansion projects or programs approved by the Board;
- (ii) When the Company is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from

declaring dividends without its consent, and such consent has not been secured; or
(iii) When it can be clearly shown that such retention is necessary under special circumstances obtaining in the Company.

6. Appraisal Right

Any stockholder of the Company shall have the right to dissent and demand payment of the fair value of his shares in accordance with Title 10 of the Corporation Code, under any of the following instances:

In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;

In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the Company's property and assets; and

In case of sale merger of consolidation.

B. The Board shall exercise transparency and fairness in the conduct of the Company's annual and special stockholders' meetings. The stockholders should be encouraged to personally attend such meetings.

If they cannot attend, they should be apprised of their right to appoint a proxy. Subject to the requirements of the Company's By-Laws, the exercise of the right to appoint a proxy shall not be unduly restricted. Any doubt concerning the validity of a proxy shall be resolved in the stockholder's favor.

The Board shall promote the rights of the stockholders, remove impediments to the exercise of such rights and provide an adequate avenue for them to seek timely redress for any breach thereof. It shall also take appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether in person or by proxy. Accurate and timely information should be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.

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

Yes. All stockholders are treated equally and without discrimination.

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 communication policies are aimed at informing employees of their company's operations and development to enhance their knowledge of values, business objectives and strategies that will strengthen their commitment, motivation, loyalty and sense of responsibility. To this end, the Company encourages two-way dialogues at all levels of the organization and develops venues for employees to give feedback and to be part of an open, inclusive communications climate.

On the other hand, the Company's external communication policies are focused on investor and media relations.

To ensure accuracy and consistency of information released to the public, the Company's legal counsel drafts disclosures and announcements and the President approves the same prior to release.

- 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	<ul style="list-style-type: none"> • To keep capital markets continuously informed about the Company's position, operations and development. • To broaden the knowledge of and interest in the Company and thereby improve liquidity in trading of the Company's shares, reduce risk from information deficits, and facilitate the raising of capital in the equity and debt markets if necessary.
(2) Principles	<ul style="list-style-type: none"> • Reliability. All information to the capital markets shall be factual and correct and must not be misleading in any way. • Proactivity and Speed. All information that can materially impact trading of the Company's shares shall be issued as quickly as possible. • Simultaneity. All information shall be conveyed simultaneously to all market participants.
(3) Modes of Communications	Announcements and disclosures are reported to the SEC and published in the following site: PSE website – www.pse.com.ph
(4) Investors Relations Officer	Vittorio Lim Email: vi.lim@icloud.com Tel. No.: 09173258910

- 3) What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets?

The Company will use the services of an independent party to evaluate the fairness of the transaction price.

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

Navarro Amper & Co.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiative	Beneficiary

There are no CSR initiatives undertaken by the Company in 2016.

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

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

	Process	Criteria
Board of Directors	Performance of directors, board committees and the CEO/President is evaluated at least annually based on how their actions and decisions moved the Company closer to the realization of its Vision and Mission.	
Board Committees		
Individual Directors		
CEO/President		

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

Directors, officers and employees of the Company who will violate the provisions of the Code of the Manual shall be subject to penalties and sanctions imposed by the Board of Directors

Violations	Sanctions
The Manual on Corporate Governance of the Company states that:	
To strictly observe and implement the provisions of this manual, the following penalties shall be imposed, after notice and hearing, on the Company's directors, officers, staff, subsidiaries and affiliates and their respective directors, officers and staff in case of violation of any of the provision of this Manual:	
<ol style="list-style-type: none"> 1. In case of first violation, the subject person shall be reprimanded. 2. In case of second violation, suspension from office shall be imposed. The duration of the suspension shall depend on the gravity of the violation. 3. For third violation, the maximum penalty of removal from office shall be imposed. 	
The commission of a third violation of this Manual by any member of the board of the Company or its subsidiaries and affiliates shall be a sufficient cause for removal from directorship.	
The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend to the Chairman of the Board the imposable penalty for such violation, for further review and approval of the Board.	

- Nothing Follows -