

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 set 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 2015
2. Exact Name of Corporation as Specified in its Charter STA. LUCIA LAND, INC.
3. Penthouse, Building III, Sta. Lucia Mall, Marcos Highway Cor. Imelda Ave., Cainta, Rizal 1900
.....
Address of Principal Office Postal Code
4. SEC Identification Number 31050
..... Industry Classification Code
5. (SEC Use Only)
..... 000-152-291 
6. BIR Tax Identification Number
..... (632) 681-7332
7.
Issuer's Telephone number, including area code
8.
Former name or former address, if changed from the last report

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A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	9
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Actual number of Directors for the year	9
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(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) ¹	Elected when (Annual /Special Meeting)	No. of years served as director
Vicente R. Santos	ED	N/A		2007	19 June 2015	Annual Meeting	8years
Exequiel D. Robles	ED	N/A		1995	19 June 2015	Annual Meeting	20 years
Mariza Santos-Tan	ED	N/A		1999	19 June 2015	Annual Meeting	16 years
Aurora D. Robles	ED	N/A		2007	19 June 2015	Annual Meeting	8years
Antonio D. Robles	NED	N/A		2007	19 June 2015	Annual Meeting	8years
Orestes R. Santos	NED	N/A		2007	19 June 2015	Annual Meeting	8years
Santiago Cua	NED	N/A		1995	19 June 2015	Annual Meeting	20 years
Jose Ferdinand R. Guiang	ID	N/A	EXEQUIEL D. ROBLES (not related to the nominee)	2004	4years	Annual Meeting	4years
OsmundoC. De Guzman, Jr.	ID	N/A	MARIZA SANTOS-TAN (not related to the nominee)	2004	4years	Annual Meeting	4years

(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.

Compliance with the principles of good corporate governance shall start with the Board of Directors. In relation to the stockholders, the Board shall establish and maintain an investor relations program that will keep the stockholders informed of important developments in the Corporation. Further, the Board shall also provide them with a balanced and understandable assessment of the Corporation's performance, position and prospects on a quarterly basis. With respect to stakeholders, the Board shall identify the Corporation's major

¹Reckoned from the election immediately following 02 January 2012, pursuant to SEC Memorandum Circular No. 09-11.

and other stakeholders and formulate a clear policy on communicating or relating with them accurately, effectively and sufficiently. There must be an accounting rendered to them regularly in order to serve their legitimate interests. Finally, with respect to the Board's duties and responsibilities, the Board shall ensure that the Corporation complies with all relevant laws, regulations and codes of best business practices. In addition, the Board shall ensure that it is properly discharging its functions by meeting regularly. Independent views during Board meetings should be given due consideration and all such meetings should be duly minuted to ensure that the rights of minority stockholders are protected. Also, in compliance with the SEC Memorandum Circular No. 20, Series of 2014, the members of the Board of Directors, together with the key officers, are required to attend a program on corporate governance conducted by training providers duly accredited by the Securities and Exchange Commission.

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

Once every two years and/or as the need arises

(d) Directorship in Other Companies

(i) Directorship in the Company's Group²

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

Director's Name	Corporate Name of the Group ³ Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Vicente R. Santos	1.Orchard Golf & Country Club 2.Eagle Ridge Golf & Country Club	1. Executive 2. Executive
Exequiel D. Robles	1. Sta. Lucia Realty Development & Corporation, Inc. 2. Sta. Lucia East Cinema Corporation 3. Sta. Lucia Waterworks Corporation 4. Sta. Lucia East Commercial Corporation 5. Sta. Lucia East Department Store 6. Sta. Lucia East Bowling Center, Inc. 7. RS Maintenance & Services, Inc. 8. Valley View Realty Development Corporation 9. Philippine Racing Club, Inc.	1. Executive - Chairman 2. Executive 3. Executive 4. Executive 5. Executive 6. Executive 7. Executive 8. Executive 9. Non-Executive
Mariza Santos-Tan	1.Orchard Golf & Country Club 2. Sta. Lucia Realty Development & Corporation, Inc. 3. Valley View Realty	

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

³The Corporation's parent company namely, Sta. Lucia Realty & Development, Inc. and the Corporation's subsidiaries namely, Sta. Lucia Homes, Inc. and Santalucia Ventures, Inc.

	Development Corporation 4. Alta Vista Gold & Country Club 5. Manila Jockey Club 6. True Value Workshop 7. Consolidated Insurance Company 8. Unioil Resources Holdings, Inc. 9. Ebedev	Executive
Aurora D. Robles	1. CICI General Insurance Corp.	Executive
Antonio D. Robles	Exan Builders Corp.	Executive
Santiago Cua	1. ACL Development Corporation 2. Cualoping Securities, Inc. 3. Filpak Industries 4. Philippine Racing Club, Inc.	Executive
Orestes R. Santos	City Chain Realty	Executive

(ii) Directorship in Other Listed Companies

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

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Santiago Cua	Philippine Racing Club, Inc.	Executive
Exequiel D. Robles	Philippine Racing Club, Inc.	Non-Executive
Mariza Santos-Tan	Unioil Resources Holdings, Inc.	Executive

(iii) Relationship within the Company and its Group

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

Director's Name	Name of the Significant Shareholder	Description of the relationship
Vicente R. Santos	Sta. Lucia Realty & Development, Inc.	Stockholder and Executive Vice-President of Sta. Lucia Realty & Development, Inc.
Exequiel D. Robles	Sta. Lucia Realty & Development, Inc.	President and Chairman of Sta. Lucia Realty & Development, Inc.
Mariza Santos-Tan	Sta. Lucia Realty & Development, Inc.	Stockholder and Vice-President for Marketing of Sta. Lucia Realty & Development, Inc.
Aurora D. Robles	Sta. Lucia Realty & Development, Inc.	Vice-President for Purchasing of Sta. Lucia Realty & Development, Inc.
Antonio D. Robles	Sta. Lucia Realty & Development, Inc.	Stockholder of Sta. Lucia Realty & Development, Inc.

Orestes R. Santos	Sta. Lucia Realty & Development, Inc.	Stockholder and Project Manager of Sta. Lucia Realty & Development, Inc.
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- (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:

The Corporation has not set a specific limit on the number of board seats in other companies that the members of the Board may have. The Corporation does not have a policy but the limit of five board seats has not been breached.

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	N/A	
Non-Executive Director		
CEO		

- (e) Shareholding in the Company

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

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Vicente R. Santos	712,494	233,000	0.0110%
Exequiel D. Robles	712,500	230,000	0.0110%
Mariza Santos-Tan	1		0.0000%
Aurora D. Robles	1		0.0000%
Antonio D. Robles	1		0.0000%
Santiago Cua	1,000		0.0000%
Orestes R. Santos	1		0.0000%
Jose Ferdinand R. Guiang	1		0.0000%
Osmundo C. De Guzman, Jr.	1		0.0000%
TOTAL			.022%

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	Vicente R. Santos
CEO/President	Exequiel D. Robles

- (b) Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	Presides at all meetings of stockholders and directors.	Presides at all meetings of the stockholders and the Boards of Directors in the absence of the Chairman
Accountabilities	Have all powers and perform all duties incident to and vested in the Office of Chairman of the Board of a Corp.	General supervision of the business of the Corporation
Deliverables	The Chairman shall issue the certificates, contracts and other instruments of the Corporation to which he is a signatory, and as authorized by the Board of Directors.	The Chief Executive Officer shall issue the certificates, contracts and other instruments of the Corporation to which he is a signatory, and as authorized by the Board of Directors.

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

The succession for CEO /Managing Director/President and the key management officers is done annually at the election of the directors during the stockholders meeting. In case of vacancy during the term of such director/officer, the Board of Directors has the power and authority to elect a new Director/Officer if still constituting a quorum. Otherwise, the election of the vacant position for director/officer is held a Special Meeting called for that purpose.

The board of directors likewise plans for the succession of its key management positions by allowing them to participate in the meetings of the Board of Directors and contribute to decisions of and for the Corporation, through the guidance of the more senior members of the Board of Directors.

- 4) Other Executive, Non-Executive and Independent Directors

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

The Corporation does not have a policy on ensuring diversity of experience and background of the directors.

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

The Corporation does not have a policy on ensuring **that at least one non-executive director has an experience in the sector or industry the company belongs to.**

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

	Executive	Non-Executive	Independent Director
Role	The Board of Directors is in charge of the management of the business, property, and affairs of the Corporation.	The Board of Directors is in charge of the management of the business, property, and affairs of the Corporation.	The Board of Directors is in charge of the management of the business, property, and affairs of the Corporation.
Accountabilities	The Executive Directors shall be accountable to the stockholders for the day-to-day operations of the Corporation.	The Non- Executive Directors shall also be accountable to the stockholders insofar as policy making is concerned.	The Independent Directors shall be accountable to the stockholders for the exercise of independent judgment in the day-to-day operations of the Corporation.
Deliverables	Balanced and	Balanced and	Certificates, contracts

	comprehensive assessment of the Corporation's performance, position and prospects on a quarterly basis including interim and other reports that could adversely affect its business, as well as reports to regulators that are required by law.	comprehensive assessment of the Corporation's performance, position and prospects on a quarterly basis including interim and other reports that could adversely affect its business, as well as reports to regulators that are required by law.	and other instruments of the Corporation to which he is a signatory, as authorized by the Board of Directors.
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Provide the company's definition of "independence" and describe the company's compliance to the definition.

In relation to independent directors, "independence" refers to the absence of any relationship with, or position in, the Corporation, or with parties related to the Corporation, and the holding of such relationship or position will interfere with the exercise of impartial judgment in carrying out the responsibilities as a director.

In the case of the Corporation, the independent directors elected are not related to any party in the Corporation, or its subsidiaries and affiliates.

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 Corporation complies with the term limits set in Securities and Exchange Commission Memorandum Circular No. 9, Series of 2011.

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

(a) Resignation/Death/Removal

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

Name	Position	Date of Cessation	Reason
None			

(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	The Board of Directors shall be elected during the annual meeting of the stockholders. A majority of the subscribed capital stock of the Corporation, present in person	Members of the Board of Directors must own at least one (1) share of the capital stock of the Corporation. In addition, he must be competent, of legal age, shall have been proven to possess

	<p>or represented by proxy, shall be sufficient at a stockholders meeting to constitute a quorum for the election of directors. The votes for the election of directors, and, except upon demand by any stockholder, the votes upon any question before the meeting except for the procedural questions determined by the Chairman of the meeting, shall be by viva voce or show of hands.</p> <p>The Chairman and the President shall be elected by the directors from amongst themselves at the organizational meeting immediately following the annual stockholders' meeting. All other executive officers shall be appointed by a majority vote of the directors at any regular or special meeting.</p>	<p>integrity and probity and shall be assiduous.</p> <p>The criteria for the appointment of some of the executive directors of the Corporation are provided in the By-Laws. For instance, the Executive Vice-President is appointed by the Board, taking into account his experience, competence, academic training and technical know-how. On the other hand, the By-Laws provide that the Secretary must be a citizen and a resident of the Philippines. In sum, the Executive Directors should be qualified under the Corporation Code, Securities Regulation Code, and other relevant laws. The Board may provide for additional qualifications which include, among others, college education or equivalent academic degree, practical understanding of the business of the Corporation, membership in good standing in relevant industry, business or professional organizations, and previous business experience.</p>
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(ii) Non-Executive Directors	<p>The Board of Directors shall be elected during the annual meeting of the stockholders.</p> <p>A majority of the subscribed capital of the Corporation present in person or represented by proxy, shall be sufficient at a stockholders meeting to constitute a quorum for the election of directors. The votes for the election of directors, and, except upon demand by any stockholder, the votes upon any question before the meeting except for the procedural questions determined by the Chairman of the meeting, shall be by viva voce or show of hands.</p>	<p>Members of the Board of Directors must own at least one (1) share of the capital stock of the Corporation. The Non-Executive Directors should be qualified under the Corporation Code, Securities Regulation Code, and other relevant laws. The Board may provide for additional qualifications which include, among others, college education or equivalent academic degree, practical understanding of the business of the Corporation, membership in good standing in relevant industry, business or professional organizations, and previous business experience.</p>
(iii) Independent Directors	<p>The Board has a Nomination Committee which reviews and evaluates the qualifications of all persons nominated to the Board. The Nomination Committee pre-screens and shortlists all candidates to be nominated to become a member of the Board of Directors in accordance with the set qualifications and disqualifications.</p>	<p>The Independent Directors shall be independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with their exercise of independent judgment in carrying out their responsibilities as directors in the Corporation. Further, each Independent Director must meet all the qualifications and have none of the disqualifications prescribed by Section 38.1 of the Implementing Rules and Regulations of the Securities Regulation Code, the Code of Corporate Governance and Securities and Exchange Commission Memorandum Circular No. 16, Series of 2002 and all other applicable issuances, laws, rules and regulations.</p>
b. Re-appointment		
(i) Executive Directors	<p>Each director shall hold office for one (1) year and until the successor is duly elected and qualified.</p>	<p>Same as above.</p>
(ii) Non-Executive Directors		
(iii) Independent Directors		
c. Permanent Disqualification		

(i) Executive Directors		The following shall be grounds for the permanent disqualification of a director:
(ii) Non-Executive Directors	The Directors may be removed as such by a vote of two-thirds (2/3) of the outstanding capital stock at a regular or special meeting called for the purpose.	<p>a. Any person who has been finally convicted by a competent judicial or administrative body of any of the following: (i) any crime involving the purchase or sale of securities, e.g., proprietary or non-proprietary membership certificate, commodity futures contract, or interest in a common trust fund, pre-need plan, pension plan or life plan; (ii) any crime arising out of the person's conduct as an underwriter, broker, dealer, investment company, investment adviser, principal distributor, mutual fund dealer, futures, commission merchant, commodity trading advisor, floor broker; or (iii) any crime arising out of his relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;</p> <p>b. Any person who, by reason of any misconduct, after hearing or trial, is permanently or temporarily enjoined by order, judgment or decree of the Commission or any court or other administrative body of competent jurisdiction from: (i) acting as an underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or a floor broker; (ii) acting as a director or officer of a bank, quasi-bank, trust company, investment house, investment company or an affiliated person of any of them; (iii) engaging in or continuing any conduct or practice in connection with any such activity or willfully violating laws governing</p>

		<p>securities, and banking activities. Such disqualification shall also apply when such person is currently subject to an effective order of the Commission of any court or other administrative body refusing, revoking or suspending any registration, license or permit issued under the Corporation Code, SRC or any other law administered by the Commission or BangkoSentral ng Pilipinas or under any rule or regulation promulgated by the Commission or BangkoSentral ng Pilipinas, or otherwise restrained to engage in any activity involving securities and banking. Such person is also disqualified when he is currently subject to an effective order of a self-regulatory organization suspending or expelling him from membership or participation or from associating with a member or participant of the organization;</p> <p>c. Any person finally convicted judicially or administratively of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false oath, perjury or other fraudulent act or transgressions;</p> <p>d. Any person finally found by the Commission or a court or other administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the SRC, the Corporation Code or any other law administered by the Commission or BangkoSentral ng Pilipinas, or any rule, regulation or order</p>
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		<p>of the Commission or Bangko Sentral ng Pilipinas, or who has filed a materially false or misleading application, report or registration statement required by the Commission, or any rule, regulation or order of the Commission;</p> <p>e. Any person judicially declared to be insolvent;</p> <p>f. Any person finally found guilty by a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in paragraphs (a) to (e) hereof;</p> <p>g. Any affiliated person who is ineligible, by reason of paragraphs (a) to (f) hereof to serve or act in the capacities listed in paragraphs (a) to (f) hereof; and</p> <p>h. Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment.</p>
(iii) Independent Directors		<p>In addition to the grounds for disqualification of executive directors mentioned above, an independent director shall be permanently disqualified if s/he becomes an officer, employee or consultant of the Corporation.</p>
d. Temporary Disqualification		
(i) Executive Directors	<p>A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. The disqualification shall become permanent in case of failure or refusal to do so for</p>	<p>The following shall be grounds for the temporary disqualification of a director:</p> <p>a. Refusal to comply with the disclosure requirements of the SRC and its Implementing Rules and Regulations. The</p>
(ii) Non-Executive Directors		

	unjustified reasons.	<p>disqualification shall be in effect as long as the refusal persists.</p> <p>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. The disqualification shall apply for purposes of the succeeding election.</p> <p>c. Dismissal or termination for cause as director of any corporation covered by the Revised Code of Corporate Governance . 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> <p>d. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.</p>
(iii) Independent Directors		In addition to the grounds for disqualification of executive directors mentioned above, an independent director shall be temporarily disqualified if his/her beneficial equity ownership in the Corporation or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with.
e. Removal		
(i) Executive Directors	The Directors may be removed as such by a vote of two-thirds (2/3) of the outstanding capital stock at a regular or special meeting called for the purpose.	
(ii) Non-Executive Directors		
(iii) Independent Directors		
f. Re-instatement		
(i) Executive Directors	The Corporation does not have a policy on the re-instatement	

(ii) Non-Executive Directors	of members of the Board.
(iii) Independent Directors	
g. Suspension	
(i) Executive Directors	The Corporation does not have a fixed policy on the suspension of members of the Board.
(ii) Non-Executive Directors	
(iii) Independent Directors	

Voting Result of the last Annual General Meeting

Name of Director	Votes Received
Vicente R. Santos	7,452,431,767 shares
Exequiel D. Robles	7,452,431,767 shares
Mariza Santos-Tan	7,452,431,767 shares
Aurora D. Robles	7,452,431,767 shares
Antonio D. Robles	7,452,431,767 shares
Santiago Cua	7,452,431,767 shares
Jose Ferdinand R. Guiang	7,452,431,767 shares
Osmundo C. De Guzman, Jr.	7,452,431,767 shares

6) Orientation and Education Program

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

None.

(b) State any in-house training and external courses attended by Directors and Senior Management⁴ for the past three (3) years:

On 15 October 2015, all members of the Board and key officers of the Corporation completed the seminar on Updates on Corporate Governance Practices in the Philippines conducted by the Securities and Exchange Commission from 8:30 a.m. to 4:40 p.m. at InterContinental Manila, Ayala Avenue, Makati City.

(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
Vicente R. Santos	15 October 2015	Updates on Corporate Governance Practices in the Philippines	SEC
Exequiel D. Robles	15 October 2015	Updates on Corporate Governance Practices in the Philippines	SEC
Mariza Santos-Tan	15 October 2015	Updates on Corporate Governance Practices in the Philippines	SEC
Aurora D. Robles	15 October 2015	Updates on Corporate Governance Practices in	SEC

⁴ Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

		the Philippines	
Antonio D. Robles	15 October 2015	Updates on Corporate Governance Practices in the Philippines	SEC
Santiago Cua	15 October 2015	Updates on Corporate Governance Practices in the Philippines	SEC
Orestes R. Santos	15 October 2015	Updates on Corporate Governance Practices in the Philippines	SEC
Osmundo De Guzman, Jr.	15 October 2015	Updates on Corporate Governance Practices in the Philippines	SEC
Jose Ferdinand R. Guiang	15 October 2015	Updates on Corporate Governance Practices in the Philippines	SEC

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	In case of an actual or potential conflict of interest on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process. A director who has a continuing material conflict of interest should seriously consider resigning from his position.	In case of an actual or potential conflict of interest on the part of a senior management personnel, he should fully and immediately disclose it and should not participate in the decision-making process.	In case of an actual or potential conflict of interest on the part of an employee, he should fully and immediately disclose it.
(b) Conduct of Business and Fair Dealings	Deal honestly and ethically with customers, suppliers, competitors, employees and other stakeholders on behalf of the Company in all matters.	Deal honestly and ethically with customers, suppliers, competitors, employees and other stakeholders on behalf of the Company in all matters.	Deal honestly and ethically with customers, suppliers, competitors, employees and other stakeholders on behalf of the Company in all matters.
(c) Receipt of gifts from third parties	The fundamental principle is that no director and employee should do anything which might give rise to the impression that he or she has been or might be influenced by a gift or	The fundamental principle is that no director and employee should do anything which might give rise to the impression that he or she has been or might be influenced by a gift or hospitality or other	The fundamental principle is that no director and employee should do anything which might give rise to the impression that he or she has been or might be influenced by a gift or hospitality or other consideration to show bias

	hospitality or other consideration to show bias for or against any person or organization while carrying out official duties.	consideration to show bias for or against any person or organization while carrying out official duties.	for or against any person or organization while carrying out official duties.
(d) Compliance with Laws & Regulations	The Board of Directors ensures that the Corporation complies with all relevant laws, regulations and codes of best business practices.	The Board of Directors ensures that the Corporation complies with all relevant laws, regulations and codes of best business practices.	All employees are directed to comply with all relevant laws, regulations and codes of best business practices.
(e) Respect for Trade Secrets/Use of Non-public Information	Board members are reminded not to disclose any confidential, proprietary or trade secret information without specific written approval by an authorized company representative.	Board members are reminded not to disclose any confidential, proprietary or trade secret information without specific written approval by an authorized company representative.	During employment, no employee shall disclose any confidential, proprietary or trade secret information without specific written approval by an authorized company representative.
(f) Use of Company Funds, Assets and Information	Company funds are to be used only for authorized and bona fide business purposes.	Management must approve, and is responsible for, controlling all expenditures of Company funds. Managers and supervisors are responsible for ensuring that all employees reporting to them understand and comply with Company policies and procedures pertaining to the use of Company funds.	Any employee violating this policy by using Company funds contrary to this policy or intentionally misrepresenting costs or expenses as to the purpose for which they were incurred, their relationship to Company business, the validity of supporting documentation or their assignment to accounts and contracts, will be subject to appropriate disciplinary action, up to and including dismissal.
(g) Employment & Labor Laws & Policies		The Company assures the rights of employees to self organization, collective bargaining, security tenure and a just and humane conditions of work.	The Company assures the rights of employees to self organization, collective bargaining, security tenure and a just and humane conditions of work.
(h) Disciplinary action	Disciplinary action taken should be within the premise of just cause with unsatisfactory job performance and unacceptable personal conduct.	Disciplinary action taken should be within the premise of just cause with unsatisfactory job performance and unacceptable personal conduct.	Disciplinary action taken should be within the premise of just cause with unsatisfactory job performance and unacceptable personal conduct.
(i) Whistle Blower	Human Resource Department provides an avenue for	Human Resource Department provides an avenue for employees to	Human Resource Department provides an avenue for employees to

	employees to raise concerns and reassurance that they will be protected from reprisals or victimization for whistleblowing.	raise concerns and reassurance that they will be protected from reprisals or victimization for whistleblowing.	raise concerns and reassurance that they will be protected from reprisals or victimization for whistleblowing.
(j) Conflict Resolution	The Corporation shall establish and maintain an alternative dispute resolution system that can amicably settle conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties, including the regulatory authorities.	The Corporation shall establish and maintain an alternative dispute resolution system that can amicably settle conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties, including the regulatory authorities.	The Corporation shall establish and maintain an alternative dispute resolution system that can amicably settle conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties, including the regulatory authorities.

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

The Revised Manual on Corporate Governance has been disseminated to all directors, senior management and employees.

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

The Corporation has complied, and will continue to comply, with the leading practices and principles on good corporate governance, as set forth in the Corporation's Manual on Corporate Governance in compliance with SEC Memorandum Circular No. 2, Series of 2009. The Corporation monitors compliance through its Compliance Officer, Mrs. Mariza R. Santos-Tan, who submits a certificate to the SEC attesting to the Corporation's compliance.

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	The Corporation reports and discloses all related party transactions in accordance with the PSE and SEC Disclosure Rules.
(2) Joint Ventures	The Corporation reports and discloses all related party transactions in accordance with the PSE and SEC Disclosure Rules.
(3) Subsidiaries	The Corporation reports and discloses all related party transactions in accordance with the PSE and SEC Disclosure Rules.
(4) Entities Under Common Control	The Corporation reports and discloses all related party transactions in accordance with the PSE and SEC Disclosure Rules.

(5) Substantial Stockholders	The Corporation reports and discloses all related party transactions in accordance with the PSE and SEC Disclosure Rules.
(6) Officers including spouse/children/siblings/parents	The Corporation reports and discloses all related party transactions in accordance with the PSE and SEC Disclosure Rules.
(7) Directors including spouse/children/siblings/parents	The Corporation reports and discloses all related party transactions in accordance with the PSE and SEC Disclosure Rules.
(8) Interlocking director relationship of Board of Directors	The Corporation reports and discloses all related party transactions in accordance with the PSE and SEC Disclosure Rules.

(b) Conflict of Interest

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

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

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	None
Name of Officer/s	None
Name of Significant Shareholders	Sta. Lucia Realty & Development, Inc., since both companies are engaged in real property development.

(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	<p>The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process. A director who has a continuing material conflict of interest should seriously consider resigning from his position.</p> <p>A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the Corporation, or stands to acquire or gain financial advantage at the expense of the Corporation.</p>
Group	Same as above.

5) Family, Commercial and Contractual Relations

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

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
Sta. Lucia Realty & Development, Inc.	Family	Sta. Lucia Realty & Development, Inc. is composed of members of the Santos and Robles families.

(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
Sta. Lucia Realty & Development, Inc.	Parent	Sta. Lucia Realty & Development, Inc. owns 83.2845% of the capital stock of the Corporation.

(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
None		

6) Alternative Dispute Resolution

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

	Alternative Dispute Resolution System
Corporation & Stockholders	The Corporation currently does not have an alternative dispute resolution system. However, the Corporation exhausts all means to settle all conflicts in a fair and expeditious manner.
Corporation & Third Parties	
Corporation & Regulatory Authorities	

C. BOARD MEETINGS & ATTENDANCE

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

⁵Family relationship up to the fourth civil degree either by consanguinity or affinity.

The meetings of the Board of Directors are not scheduled before or at the beginning of the year. The Board meets as often as necessary, taking into consideration the business requirements of the Corporation. However, a regular meeting is held at least once every calendar quarter. The date of such regular meeting is agreed upon by the directors and stated in the written notice of the meeting.

2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Vicente R. Santos	19 June 2015	3	3	100
Member	Exequiel D. Robles	19 June 2015	3	3	100
Member	Mariza Santos-Tan	19 June 2015	3	3	100
Member	Aurora D. Robles	19 June 2015	3	3	100
Member	Antonio D. Robles	19 June 2015	3	2	67
Member	Santiago Cua	19 June 2015	3	2	67
Member	Orestes R. Santos	19 June 2015	3	3	100
Independent	Jose Ferdinand R. Guiang	19 June 2015	3	3	100
Independent	Osmundo C. De Guzman, Jr.	19 June 2015	3	3	100

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

The non-executive directors do not have a separate meeting from the executive directors. However, the Corporation's Executive Committee, Audit Committee, Nomination Committee and Remuneration Committee have separate meetings during the year, outside of meetings of the Board of Directors.

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

No. The minimum quorum requirement for holding of a meeting shall be the majority of the directors. In such meeting, any resolution adopted by the majority of the quorum shall be valid as a corporate act.

5) Access to Information

(a) How many days in advance are board papers⁶ for board of directors meetings provided to the board?

Board papers for meetings of the Board of Directors are usually given at least one (1) day before the scheduled meeting.

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

Yes.

⁶ 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.

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

The Secretary keeps and prepares a complete and accurate record of the minutes of the proceedings of all meetings of the stockholders and the Board of Directors. The Secretary also keeps in custody the seal of the Corporation, and has the authority to affix the same to all instruments where its use is required. The Secretary is also in-charge of sending all notices required by statute, the Articles of Incorporation and the By-Laws. Moreover, he shall serve as the *ex-officio* secretary of the Nomination Committee, Audit Committee and Executive Compensation Committee. In such capacity, he shall record and keep the minutes of all meetings of the foregoing committees,

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

Yes, the current corporate secretary is a lawyer.

- (e) Committee Procedures

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

Yes No

Committee	Details of the procedures
Executive	Any director may ask the management to supply the requested information. Requests for information are coursed through the heads of the various committees.
Audit	
Nomination	
Remuneration	
Others (specify)	

- 6) External Advice

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

Procedures	Details
Before a Director may seek independent professional advice, he must obtain prior approval of the Board. In this regard, the Corporate Secretary shall provide information as may be required in accordance with the interest of the Corporation.	The Board may, as a group or individually, in the furtherance of their duties, take independent professional advice, if necessary, at the Corporation's expense.

- 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
No changes were introduced during the year.		

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	Php2,400,000	Php7,450,000
(2) Variable remuneration	Php1,200,000	Php2,475,000
(3) Per diem allowance	Php25,000	Php0
(4) Bonus		
(5) Stock Options and other financial instruments		
(6) Others (specify)		

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	<p>Each director shall receive a <i>per diem</i> for every meeting of the board, whether regular or special, which he attends.</p> <p>Executive directors having a rank of vice-president or its equivalent shall receive such compensation as the Board of Directors may reasonably determine, with due regard to the recommendations made by the Executive Compensation Committee.</p> <p>An officer with a rank below that of a</p>	As agreed by the Remuneration Committee.	As agreed by the Remuneration Committee.

	<p>vice-president or its equivalent shall receive such compensation as the Executive Compensation Committee shall reasonably fix.</p> <p>Moreover, an executive director may also receive, for services rendered to the Corporation which are in addition to his duties and responsibilities as such officer, such additional compensation as may be fixed by the Board of Directors.</p>		
Non-Executive Directors	Each director shall receive a <i>per diem</i> for every meeting of the board, whether regular or special, which he attends		

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
Other than a per diem of Twenty Five Thousand Pesos (P25,000.00) for attendance in a board meeting, there are no other standard arrangement or other arrangements between the directors and the Corporation on the matter of the director's compensation.	

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	Php5,640,000	Php1,440,000	
(b) Variable Remuneration	Php3,360,000	Php960,000	

(c) Per diem Allowance	Php60,000	Php30,000	Php30,000
(d) Bonuses			
(e) Stock Options and/or other financial instruments			
(f) Others (Specify)			
Total	Php9,060,000	Php2,430,000	Php30,000

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	N/A	N/A	N/A
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	N/A	N/A	N/A

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
None				

(b) Amendments of Incentive Programs

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

Incentive Program	Amendments	Date of Stockholders' Approval
None		

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
Antonio D. Robles	Php2,420,000
Orestes R. Santos	
Santiago Cua	
Jose Ferdinand R. Guiang	
Osmundo De Guzman, Jr.	
David M. Dela Cruz	

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	4	1	0	None	In charge of the Corporation's day to day operations.	In charge of the Corporation's day to day operations.	To act, by majority vote of all its members, on such specific matters within the competence of the Board, as may be delegated to it on a majority vote of the Board, including those involving demands, actions, cases and proceedings filed by or against the Corporation, and in any event except with respect to: (1) approval of any

							<p>action for which shareholders' approval is also required;</p> <p>(2) the filling of vacancies in the Board;</p> <p>(3) the amendment or repeal of by-laws or the adoption of new by-laws;</p> <p>(4) the amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;</p> <p>(5) a distribution of cash dividends to the shareholders;</p> <p>(6) matters within the competence of the Operations Committee; and</p> <p>(7) matters within the competence of the Construction Committee</p>
Audit	0	2	1	Yes	To assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring compliance.	To review the annual audit plan; to discuss with the external auditor the nature, scope and expenses of the audit, and to review the reports of the external auditors; to monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system; and to review the	To review the annual audit plan; to discuss with the external auditor the nature, scope and expenses of the audit, and to review the reports of the external auditors; to monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system; and to review the financial statements.

						financial statements.	
Nomination	2	0	1	None	To review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors.	The Nomination Committee shall pre-screen and shortlist all candidates nominated to become a member of the Board in accordance with the set qualifications and disqualifications.	The Nomination Committee shall pre-screen and shortlist all candidates nominated to become a member of the Board in accordance with the set qualifications and disqualifications.
Remuneration	1 None	1	1		In charge of establishing a procedure for the development of a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors. Also in charge of overseeing remuneration of senior management and other key personnel.	To ensure that the remuneration policies and packages of the management personnel are consistent with the Corporation's culture, strategy and control environment.	To ensure that the remuneration policies and packages of the management personnel are consistent with the Corporation's culture, strategy and control environment.
Others (specify)							

2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Exequiel D. Robles	04 March 2008	10	10	100	5 years
Vice-Chairman	Vicente R. Santos	04 March 2008	10	10	100	5 years
Member	Mariza Santos-Tan	04 March	10	10	100	5 years

		2008				
Member	Antonio D. Robles	04 March 2008	10	10	100	5 years
Member	Aurora D. Robles	04 March 2008	10	10	100	5 years

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Jose Ferdinand R. Guiang	19 June 2015	4	4	100	3years
Member (ED)	Orestes R. Santos	19 June 2015	4	4	100	3 years
Member (ED)	Antonio D. Robles	19 June 2015	4	4	100	3 years

Disclose the profile or qualifications of the Audit Committee members.

Jose Ferdinand R. Guiang

Mr. Guiang, 47 years old, Filipino, is an independent director of the Corporation. He has also served as President of Pharmazel Inc. and as Area Sales Supervisor of Elin Pharmaceuticals, Inc.

Orestes R. Santos

Mr. Santos, 46 years old, Filipino, has held served as the Project Manager of Sta. Lucia Realty & Development, Inc. and the President of RS Superbatch, Inc. He has also been a Director of City Chain Realty.

Antonio D. Robles

Mr. Robles, 47 years old, Filipino, owns a franchise of Figaro Coffee and Cabalen. He also served as the Director of Exan Builder's Corp. Mr. Robles is a stockholder of Sta. Lucia Realty & Development, Inc., Valley View Realty Dev't Corp., RS Maintenance & Services Corp., Sta. Lucia East Commercial Corp., RS Night Hawk Security & Investigation Agency and Exan Builders Corp.

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

The Audit Committee performs oversight functions over the external auditor. It ensures that the external auditor acts independently and that the external auditor is given unrestricted access to all records, properties and personnel to enable them to perform their audit functions. The Audit Committee shall also disallow any non-audit work that will conflict with the external auditor's duties and poses a threat to his independence.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Jose Ferdinand R. Guiang	19 June 2015	1	1	100	3 years
Member (ED)	Mariza Santos-Tan	19 June 2015	1	1	100	3 years
Member (ED)	Aurora D. Robles	19 June 2015	1	1	100	3 years

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Osmundo C. De Guzman, Jr.	19 June 2015	2	2	100	3 years
Member (ED)	Antonio D. Robles	19 June 2015	2	2	100	3 years
Member (ED)	Vicente R. Santos	19 June 2015	2	2	100	3 years

(e) Others (Specify)

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

Construction Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Liberato D. Robles	04 March 2008	40	40	100	5 years
Vice-Chairman	Orestes R. Santos	04 March 2008	400	40	100 %	5 years
Member	Igmidio D. Robles	04 March 2008	40	36	90 %	5 years
Member	Leodegario R. Santos	04 March 2008	40	40	100 %	5 years
Member	Rolando A. Castro	04 March 2008	40	40	100 %	5 years

Operations Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Mariza Santos-Tan	04 March 2008	50	50	100 %	5 years
Vice-Chairman	Aurora D. Robles	04 March 2008	50	49	98 %	5 years
Member (NED)	Antonio D. Robles	04 March 2008	50	38	76 %	5 years
Member	Felizardo R. Santos	04 March 2008	50	41	82 %	5 years
Member	Rolando A. Castro	04 March 2008	50	50	100 %	5 years

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	No changes in all committees	
Audit		

Nomination		
Remuneration		
Others (specify)		

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	Acts in behalf of the Board of directors, subject to the applicable rules, procedures, restrictions and resolutions. In close contact with the board committee and kept them informed of the important concerns.	None.
Audit	Assisted 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; Provided oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Corporation. This function shall include regular receipt from Management of information on risk exposures and risk management activities	Business process flows and internal controls of the Corporation
Nomination	Reviewed and evaluated the qualifications of all persons nominated to the Board and other appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors.	Reviewed the qualifications of all nominees to the Board of directors, taking into consideration the relevant requirements of the Securities and Exchange Commission relative to qualifications and disqualifications of both regular and independent director nominees
Remuneration	Establish a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the Corporation's culture, strategy and the business environment in which it operates	Provided oversight over remuneration of senior management and other key personnel. No other resolution relating to director's remuneration has been adopted by the Board of Directors as the schedule of the amount of per diem for attendance

		in meetings of the Board of Directors/Committees has remained unchanged
Others (specify)		

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	Establish and maintain an investor relations program that will keep the stockholders informed of important developments in the corporation. The Corporation's CEO or Chief Financial Officer shall exercise oversight responsibility over this program.	Investors relations program
Audit	Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;	Business process flow and Internal controls
Nomination	Formalize a Board Committee Charter Pre-screen qualifications of all nominees to the Board of Directors	Nominations for the Corporation's Committees
Remuneration	Formulate a Human Resources Development or Personnel Handbook to strengthen policies relating to conflict of interest, salaries and benefits plans, promotion and career advancement directives, and compliance by personnel with statutory conditions or requirements.	Reevaluate and strengthen compensation policies
Others (specify)		

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

- (a) Overall risk management philosophy of the company;
The Board and Management believe that 'risk management' should be an essential part of the planning and operations process of the Company in order to meet corporate goals and objectives.
- (b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof;
The Company's 2013 Annual Report includes a signed Report of the Audit Committee and the following

statement is included therein:

“In compliance with the Audit Committee Charter, we confirm that:
 ...we have reviewed and discussed the adequacy of the risk management framework and risk management processes specific to financial statement reporting, business continuity, fraud, revenue assurance and regulatory risks with Management who is primarily responsible for the risk management process.”

- (c) Period covered by the review;
2014
- (d) How often the risk management system is reviewed and the directors’ criteria for assessing its effectiveness;
and
Risk Management system is reviewed annually.
A Risk Management Plan is updated to determine whether the risks identified, assessed, quantified and aggregated remain current and are among the key risks priorities. Measures and/ or controls identified to address these key risk priorities are evaluated if still effective in mitigating subject risks. Risk monitoring and reporting activities are reviewed to ensure its effectiveness such that these risks priorities and control activities are optimized and utilized to help Management meet its goals and objectives.
- (e) Where no review was conducted during the year, an explanation why not.

Annual review is conducted.

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	The Group's credit risk management includes the process of analysis prior to taking decisions, the decision-making itself, the instrumentation and monitoring of the transactions formalized and their recovery. The Board Risks Committee analyses and, where appropriate, authorizes the risk proposals whose volume may compromise the Group's solvency and capital adequacy or the recurrence of its earnings. It does the same for other risk proposals that might present potential operational risks or reputational risks in the terms established by the Executive Committee.	Realize profits thus becoming a dependable partner to our clients
Structural interest risk.	The management balance sheet exposure to interest risk aims to keep exposure at levels in keeping	To improve cash flow to generate more investible funds

	with the Group's strategy and risk profile when market interest rates change. With this aim, it actively manages the balance sheet by trading to optimize the level of risk incurred with regard to expected earnings and to comply with the highest level of tolerable risk.	

(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		

(c) Minority Shareholders

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

Risk to Minority Shareholders
While there is a risk that the exercise of the controlling shareholders' voting power may be restrictive or authorizing preferences in their favor, the Board in its commitment to practice good governance, is committed to respect the rights of the shareholders as provided for in the Corporation Code. These include the right to vote on all matters that require their consent or approval, such that a director shall not be removed without cause if it will deny minority shareholders representation in the Board. Although all stockholders should be treated equally or without discrimination, the Board should give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the corporation.

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)
N/A		

(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		

(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		

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

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

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

The Board of Directors ensures that the company is properly and effectively managed and supervised. In furtherance thereof, the Board is given oversight functions relating to the definition of the duties and the selection of the Chief Executive Officer, evaluation of senior management appointments, selection of other management officers and the review of the company’s human resource policies, conflict of interest situations, compensation program for employees and management succession plan.

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

On an annual basis, the Chief Audit Executive issues an Internal Control Report indicating procedures performed by Internal Audit in evaluating the internal control system of the Company that includes its policies, procedures, processes as well as an attestation that a sound internal audit, control, compliance system is in place and working effectively.

Period covered by the review;2014

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

The Audit Committee is tasked by the Board (through its approved charter) to review the internal control

system of the Company. Part of their regular meeting (minimum of 4 times / year) is to review the internal control system through the reports of the auditors (internal and external) and representation made by the Management.

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

Not applicable, quarterly review is conducted.

2) Internal Audit

(a) Role, Scope and Internal Audit Function

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

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
Evaluating the reliability and integrity of significant information	All financial, managerial, and operating information and the means used to identify, measure, classify, and report such information is accurate, reliable and timely.	In-House		Quarterly

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

Yes.

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

The internal auditor reports to the board of directors and audit committee who are within the governance structure.

(d) Resignation, Re-assignment and Reasons

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

Name of Audit Staff	Reason
None	

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

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

Progress Against Plans	N/A
Issues⁷	
Findings⁸	
Examination Trends	

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

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

(f) Audit Control Policies and Procedures

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

Policies & Procedures	Implementation
Governance frameworks must be established to define the scope of work and policies that will regulate and control the unit’s activities.	Implemented

(g) Mechanisms and Safeguards

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

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
INTERNAL AUDITORS The Chief Audit Executive (“CAE”) and the Internal Audit Staff (“Staff”) are not authorized to: 1. Perform any	There are no independence concerns involving financial analyst, investment banks and rating agencies as there are no material public information being disclosed ahead to any group other than what is disclosed publicly to the regulators within the prescribed time period for reporting		

⁷“Issues” are compliance matters that arise from adopting different interpretations.

⁸“Findings” are those with concrete basis under the company’s policies and rules.

<p>operational duties for the organizations or its affiliates.</p> <p>2. Initiate or approve accounting transactions external to the Internal Audit Department.</p> <p>3. Direct the activities of any organization employee not employed by the Internal Audit Department, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the internal auditors.</p>	
<p>1. Preparing accounting records and financial statements;</p> <p>2. Financial information systems design and implementation;</p>	<p>There are no independence concerns involving financial analyst, investment banks and rating agencies as there are no material public information being disclosed ahead to any group other than what is disclosed publicly to the regulators within the prescribed time period for reporting.</p>

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

Vicente R. Santos – Chairman of the Board of Directors
 Exequiel D. Robles – President
 Mariza R. Santos-Tan – Compliance Officer

H. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' welfare	The company develops residential and commercial lots with the objective of realizing profits and providing homes to Filipinos	
Supplier/contractor selection practice	For major suppliers or service providers, a	A bidding process is in place where at

	request for proposal is required to be submitted based on an approved term of reference. A separate (board) committee may be designated to review and evaluate proposals submitted and make recommendations for Board consideration.	least three suppliers or service providers are required to submit their bid proposal for review and evaluation of the designated official and a recommendation is submitted for consideration
Environmentally friendly value-chain	The Company's efforts are currently focused on mitigating the consequences of natural catastrophes	It joins projects undertaken by other entities from time to time through donations and sponsorship.
Community interaction		
Anti-corruption programmes and procedures?	<p>The Company does not condone any dishonest, unethical or unprofessional behavior and actions displayed by an employee, regardless of his/her level of authority.</p> <p>It is the responsibility of each employee to report legitimate concerns so that issues can be properly investigated or resolved and corrective measures can be instituted.</p> <p>These concerns may involve commission of fraud, theft or corruption, unauthorized use of Company funds and properties, breach of a legal obligation, internal or external regulation or any procedure regarding accounting, auditing matters, as well as alleged irregularities of a general, operational and financial nature in the company.</p>	<p>Concerns may be raised verbally or in writing to the HRD Head while concerns involving the HRD Head should be raised to the CEO and complaints concerning the CEO should be raised to the Chairman of the Nomination and Compensation Committee of the Company's Board of Directors.</p> <p>Management shall maintain the confidentiality of all the concerns or complaints raised and the anonymity of the person making the complaint to the fullest extent reasonably practicable within the legitimate needs of law.</p>
Safeguarding creditors' rights	The company manages its cash and investment position to meet its obligations arising from reinsurance agreements and other financial liabilities	All valid claims are settled promptly and judiciously, as part of the company's commitment to its clients.

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

The Corporation does not have its own corporate responsibility report/section or sustainability report/section.

3) Performance-enhancing mechanisms for employee participation.

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

Employees are urged to report to their immediate superior or to the General Services Department accidents or any condition or practice which is unsafe, whether or not these result in personal injury or no matter how minor they might seem to be. In order to ensure the promotion of employee health and well-being, the company offers health care benefits covered by the health insurance provider of the Company.

Employees are involved in deciding, planning and implementing employee activities and programs such as sports and summer outing events, company parties and employee uniform

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

Generally all our regular employees undergo annual medical check-up with their preferred medical clinic/hospital. There have been no reported work-related accidents or health concerns in the Company.

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

New employees are given orientation on the Company's policies and procedures. Depending on their work assignment and employee development plans, employees undergo or are sent to specialized training courses.

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

It is the policy of the company to promote advancement among its employees for consistently exceeding expectations over five (5) years, meeting organizational requirements and facilitating the achievement of long-term corporate goals and objectives. Depending on the performance of the Company and also taking into consideration various qualitative performance parameters such as succession planning and corporate governance, the Board also grants performance bonuses

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

i. Concerns may be raised verbally or in writing to the HRD Head, the Company CEO or to the Chairman of the Nomination and Compensation Committee of the Company's Board of Directors for complaints concerning the CEO should be raised.

ii. When raising a concern or complaint, the employee should give the background, the nature of the alleged wrongdoing or a description of the event, relevant dates, reasons for the concern, witnesses and the names of the individual involved.

iii. If the concern is raised verbally, then the person receiving the information should prepare the outline of the matters raised.

iv. Employees are assured that Management shall maintain the confidentiality of all the concerns and complaints raised and the anonymity of the person making the complaint to the fullest extent reasonably practicable within the legitimate needs of law.

v. The HRD Head/monitoring officer shall be responsible for deciding whether there are grounds for proceeding further with the case. Potential action may include a clarification of facts, a more formal investigation conducted by the Senior ManCom or Internal Audit Department, or referral to external auditors or legal consultants. Concerns that fall within the scope of specific procedures shall be referred for consideration under those procedures.

vi. The monitoring officer (or the HRD Head/CEO/Chairman of NCC as the case maybe) shall inform the reporting employee in writing within seven (7) working days of the following:

a. What has been done or how monitoring officer plans to deal with the matter;

b. An estimate of how long it might take to give a final response;

c. If an initial inquiry has been made;

d. If further investigation will take place;

e. Any further information that may be sought from the employee.

vii. The monitoring officer, subject to legal constraints, will provide the employee with information on the outcome of any investigation.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
Sta. Lucia Realty & Development, Inc.	7,451,005,767	83.28	

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
N/A			
TOTAL			

2) Does the Annual Report disclose the following:

Key risks	Yes
Corporate objectives	No
Financial performance indicators	Yes
Non-financial performance indicators	No
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 Annual Report does not disclose the items marked "No" above in the absence of any rule making such disclosure mandatory.

3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
SGV & Co.	P1,489,600.00	None

4) Medium of Communication

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

The Corporation disseminates information through personal communication, sending of letters and notices in hard copy or in CD format, and publication in print media.

5) Date of release of audited financial report:

14 April 2016.

6) Company Website

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

Business operations	Yes
Financial statements/reports (current and prior years)	Yes
Materials provided in briefings to analysts and media	Yes
Shareholding structure	Yes
Group corporate structure	Yes
Downloadable annual report	Yes
Notice of AGM and/or EGM	None
Company's constitution (company's by-laws, memorandum and articles of association)	Yes

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

As for the Notice of AGM and/or EGM, the Corporation has yet to set the AGM or any EGM, hence, no information has been provided in the website.

7) **Disclosure of RPT**

RPT	Relationship	Nature	Value
Sta. Lucia Realty & Development , Inc.	Parent Company	Regular conduct of business	Php725,199,106
Sta. Lucia East Commercial Corporation	Affiliate	Regular conduct of business	Php634,162,423

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

The Corporation publicly discloses all material information (i.e., anything that could potentially affect share price) such as related party transactions. Accordingly, the Corporation files all the required and necessary disclosure requirements under the PSE and SEC Disclosure Rules, including, but not limited to, the Corporation's Annual Report. All related party transactions are fully disclosed to the Board of Directors. None of the Company's shareholders are granted special privileges or concessions.

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	Majority of the issued and outstanding stock entitled to vote at such meeting.
------------------------	--

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	Generally, the Board of Directors has the power to approve regular corporate acts, unless the ratification of the stockholders is required.
Description	The Board of Directors may approve day-to-day corporate acts through a majority vote of the quorum duly convened during the Board Meeting. If the corporate act requires the ratification of the stockholders, a stockholders' meeting shall be called for that purpose. Ratification by the stockholders of corporate acts may be made through a vote of the majority, or two-thirds of the outstanding capital stock, as may be required by the Corporation Code, Articles of Incorporation and By-Laws of the Corporation.

(c) Stockholders' Rights

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

Stockholders' Rights under The Corporation Code	Stockholders' Rights <u>not</u> in The Corporation Code
Voting Rights	None
Power of Inspection	
Appraisal Right	

Dividends

Declaration Date	Record Date	Payment Date
N/A		

(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
Shareholders are encouraged to attend shareholders' meetings to personally meet their directors/officers and to ask questions regarding the operation of the Company	Announcement of the time and venue of the shareholders' meeting

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

Corporate decisions involving all of the above are submitted to the shareholders for voting. Such corporate decisions may be taken up during the general meetings of the stockholders, or special meetings of the stockholders duly called for purposes of the abovementioned corporate decisions. All notices to the stockholders shall be sent at least five (5) days prior to the scheduled meeting. During the meeting, the stockholders are entitled to vote their respective number of shares, in person or by proxy.

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 Corporation complies with the timetable set under the Securities Regulation Code Implementing Rules and Regulations.

a. Date of sending out notices:

28 May 2015

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

19 June 2015

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

a. What is the effect of the ASEAN integration to the Corporation?

The Corporation believes that the ASEAN integration will produce positive results.

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

Resolution	Approving	Dissenting	Abstaining
Subject to compliance with the applicable legal requirements and disclosure at the appropriate time, ratified the resolution adopted by the Board to purchase up to One Billion Pesos (P1,000,000,000.00) worth of outstanding shares of the Corporation under such terms and conditions that the Board shall deem required and necessary	100%		
Subject to approval by the SEC, authorizing the Corporation to amend the Corporation's Articles of Incorporation to amend the Corporation's Articles of Incorporation to extend its corporate term for fifty (50) years from 06 December 2016	100%		

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

19 June 2015

(e) Modifications

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

Modifications	Reason for Modification
None	

(f) Stockholders' Attendance

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

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance

Annual	12	19 June 2015	Casting of Votes/ cumulative voting	.02%	87.18%	87.20%
Special	No special stockholders' meeting has yet been held.					

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

The Corporate Secretary tabulates the votes at the ASM/SSMs.

(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 holders of common stock are entitled to one vote per share, may apply cumulative voting in case of election of directors.

(g) Proxy Voting Policies

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

	Company's Policies
Execution and acceptance of proxies	The authority of a proxy shall be in writing, dated and executed by the stockholder of record or by his duly appointed attorney-in-fact whose authority must likewise be in writing.
Notary	Notarization is not required, except when the proxy comes from a corporate shareholder, in which case, the Secretary Certificate has to be notarized.
Submission of Proxy	The proxy instrument shall be filed with the Corporate Secretary before a set deadline [i.e., seven (7) days before the meeting].
Several Proxies	The Corporation's By-Laws and company policies do not prohibit a stockholder from assigning several proxies in his/her behalf.
Validity of Proxy	Proxies received after the set deadline [i.e., seven (7) days before the meeting] will not be recorded. Stockholders shall attach to the proxy instrument their respective Secretary's Certificates containing the Board Resolution vis-à-vis the authority of their proxy(ies).
Proxies executed abroad	Proxies executed abroad shall be duly authenticated by the Philippine Embassy or Consular Office
Invalidated Proxy	Proxies received after the set deadline [i.e., seven (7) days before the meeting] will not be recorded.
Validation of Proxy	Proxies submitted on or before the set deadline shall be validated by a Committee of Inspectors.
Violation of Proxy	Any violation of this Rule on Proxy shall be subject to the administrative sanctions provided for under Section 144 of the Corporation Code and Section 54 of the Securities Regulation Code, and shall render the proceedings null and void.

(h) Sending of Notices

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

Policies	Procedure
To send notices to each stockholder as of record date 15 May 2015.	Notices were sent to stockholders via postage.

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	265 stockholders as of 15 May 2015
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	28 May 2015
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	28 May 2015
State whether CD format or hard copies were distributed	Notices in CD format were distributed.
If yes, indicate whether requesting stockholders were provided hard copies	Requesting stockholders will be provided hard copies.

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

Each resolution to be taken up deals with only one item.	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	No
The auditors to be appointed or re-appointed.	Yes
An explanation of the dividend policy, if any dividend is to be declared.	No
The amount payable for final dividends.	No
Documents required for proxy vote.	Yes

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

The items marked "No" above are not disclosed in the Notice but in the Information Statement sent together with the Notice.

2) Treatment of Minority Stockholders

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

Policies	Implementation
All stockholders should be treated equally or without discrimination.	The Board gives the minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Corporation.
All stockholders are given access to all information relating to the business of the Corporation.	The minority shareholders are given access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of the stockholders' meeting, being within the definition of "legitimate purposes".
Minority shareholders shall have representation in the Board.	A director shall not be removed without cause if it will deny minority shareholders representation in the Board.

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

All shareholders, including the minority shareholders, have the right to nominate and elect members of the Board of Directors.

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 has established communication channels that promote effective communication with its shareholders and the investing community. Aside from the regular reporting and disclosures to the various regulating agencies such as the SEC, PSE and IC, the Company actively maintains its website that provides timely information updates on its governance, operational, and financial performance. The Company has also designated relations officers to handle investor and shareholder queries and requests, and their contact information can easily be accessed through the Company's website.

The President/CEO and Chief Financial Officer (CFO) exercises oversight responsibility over this investor relations program.

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	To build better understanding and cultivate a relationship of trust with stakeholders, the Company has set-up communication channels that promote effective communication with its shareholders and the investing community
(2) Principles	Handle investors and shareholders queries and requests as a top priority matter and therefore, immediate resolution is required.
(3) Modes of Communications	Company Website and PSE Website for all our corporate disclosures which includes stock performance, security information, company profile, chart, and historical data
(4) Investors Relations Officer	

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

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

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiative	Beneficiary
N/A	N/A

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	No formal performance evaluation is in place however, the Board, through its Audit Committee, performs a self-evaluation in which the current and potential state of the Company’s corporate governance practices were rated using best practice guidelines issued by the PSE (criteria used)	
Board Committees		
Individual Directors		
CEO/President	The Nomination and Compensation Committee conducts a performance evaluation of the CEO/President and this becomes the basis for renewing his employment contract. The current contract of the President has a term of two years or until December 30, 2013, renewable for another year at the sole option of the Corporation	

N. INTERNAL BREACHES AND SANCTIONS

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

Violations	Sanctions
First Violation	Subject person shall be reprimanded.
Second Violation	Suspension from office shall be imposed to the subject person
Third Violation	The maximum penalty or removal from office shall be imposed.