

# COVER SHEET

AS095-008557-

SEC Registration Number

IPM HOLDINGS, INC.

(Company's Full Name)

UNIT 103 GROUND FLOOR PRESTIGE  
TOWER CONDOMINIUM F. ORTIGAS JR.  
AVENUE ORTIGAS CENTER PASIG

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

Ana Maria A. Katigbak  
Contact Person

817-6791  
Company Telephone Number

## 2016 Annual Corporate Governance Report

1 2 3 1  
Month Day  
Fiscal Year

FORM TYPE

4<sup>th</sup> Wed of May  
Month Day

Secondary License Type, If Applicable

C F D  
Dept Requiring this Doc

Amended Articles Number / Section

Total No. of Stockholders

Domestic Foreign

Total Amount of Borrowings

To be accomplished by SEC Personnel concerned


File Number LCU

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**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM – ACGR**

**ANNUAL CORPORATE GOVERNANCE REPORT**

1. Report is Filed for the Year 2016
2. Exact Name of Registrant as Specified in its Charter IPM HOLDINGS, INC
3. Unit 103, Ground Floor, Prestige Tower Condominium,  
F. Ortigas Jr. Avenue, Ortigas Center, Pasig City 1605  
Address of Principal Office Postal Code
4. SEC Identification Number AS095-008557
5.  (SEC Use Only)  
Industry Classification Code
6. BIR Tax Identification Number 004-636-077-000
7. (632) 817-6791 & 897-5257  
Issuer's Telephone number, including area code
8. Minerales Industrias Corporation  
Former name or former address, if changed from the last report

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## BOARD MATTERS

### 1) Board of Directors

Number of Directors per Articles of Incorporation	Seven (7)
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Actual number of Directors for the year	Seven (7)
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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)	Elected when (Annual /Special Meeting)	No. of years served as director
1. Isabelita P. Mercado	ED	-	David L. Kho	July 2007	May 25, 2016	Annual	9
2. Gener T. Mendoza	NED	-	Jewelle Y. Lao	July 2007	May 25, 2016	Annual	9
3. Antonio Victoriano F. Gregorio III	NED	-	Michael T. Defensor	July 2011	May 25, 2016	Annual	5
4. Francis-Neil P. Mercado	ED	-	David L. Kho	May 2012	May 25, 2016	Annual	4
5. Rhodora G. Uy	ED	-	Celerino Paredes	May 2016	May 25, 2016	Annual	.58
6. Alfredo P. Javellana II	ID		Jocelyn Y. Kho (not related to ID)	July 2012	May 25, 2016	Annual	4
7. David L. Kho	ID		Patrick Louie Mercado (not related to ID)	May 2016	May 25, 2016	Annual	.58

\*Annual Stockholders' Meeting held on May 25, 2016

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

The Board of Directors of the Company has adopted a Manual on Corporate Governance that seeks to institutionalize the principles of good corporate governance in the entire organization. The Company has only one class of share, with one-share-one-vote policy. It gives minority stockholders the right to elect, remove and replace Directors and vote on certain corporate acts in accordance with the Corporation Code. Cumulative voting is used in the election of directors.

The Board shall encourage the exercise of shareholders' voting rights, pre-emptive right to subscribe to the capital stock of the Corporation, right to inspect the corporate books and records, right to information, right to dividends and appraisal right.

#### Respect for the rights of minority shareholders and of other stakeholders

The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.

#### Disclosure Duties

The essence of corporate governance is transparency. The Board should be transparent, the more transparent the internal workings of the corporation are, the more difficult it will be for Management and dominant stockholders to mismanage the corporation or misappropriate its assets. The Board shall commit at all times to fully publicly disclose all material information that could potentially affect share price. Such information shall include earnings results, acquisition or disposal of assets, board changes, related party transactions, shareholdings of directors and changes to ownership. All required information are fully disclosed to the SEC and the PSE.

### Board Responsibilities

It shall be the Boards responsibility to foster the long-term success of the Corporation and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Corporation, its shareholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities. Their responsibilities to the Company includes the: a) review and approval of the interim and annual financial performance; b) approval of the Company's key strategic and operational matters; c) approval of major investments and funding decision; d) monitoring of internal control; and d) identification and management of the principal risk of the Company.

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

The Board reviewed and approved the Company's vision and mission as often as necessary.

**(d) Directorship in Other Companies**

**(i) Directorship in the Company's Group<sup>1</sup>**

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:

<b>Director's Name</b>	<b>Corporate Name of the Group Company</b>	<b>Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.</b>
Isabelita P. Mercado	Basic Environmental Systems and Technologies, Inc. (subsidiary) IPM Construction and Development Corp. IPM Environmental Services, Inc. IPM Realty and Development Corp.	Chairman & President (Executive)
Francis Neil Mercado	Basic Environmental Systems and Technologies, Inc. (subsidiary) IPM Construction and Development Corp. IPM Environmental Services, Inc. IPM Realty and Development Corp	Treasurer (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:

<b>Director's Name</b>	<b>Name of Listed Company</b>	<b>Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.</b>
Antonio Victoriano F. Gregorio III	Dizon Copper-Silver Mines Abacore Capital Holdings, Inc. Nihao Mineral Resources Int'l Inc. Lodestar Investment Holdings Corp Asiabest Group International Inc.	Director/Treasurer Director Chairman and President Chairman/Director Chairman and President

<sup>1</sup> The Group is composed of the parent, subsidiary, associates and joint ventures of the company.

**(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
Isabelita P. Mercado	IPM Construction and Development Corp.	Ms. Isabelita P. Mercado is the mother of Mr. Francis Neil P. Mercado.
Francis-Neil P. Mercado	IPM Environmental Services, Inc. IPM Realty and Development Corp	

**(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? No. If yes, briefly describe other guidelines:**

	Guidelines	Maximum Number of Directorships in other companies
<b>Executive Director</b>	The executive directors shall submit themselves to a low indicative limit on membership in other corporate board.	Pursuant to the SEC Memorandum Circular No. 19 Series of 2016, directors of the Company shall be allowed to serve as directors for publicly listed companies for a maximum five companies.
<b>Non-Executive Director</b>	The same low limit shall apply to independent, non-executive directors who serve as full-time executive in other corporations.	
<b>CEO</b>	The Chief Executive Officer shall submit themselves to a low indicative limit on membership in other corporate board	

**(c) Shareholding in the Company**

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

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
1. Isabelita P. Mercado	1,000,000	500,000	0.21739%
2. Gener T. Mendoza	5,000	1,850,000	0.26884%
3. Alfredo P. Javellana II	1,000	179,000	0.02608%
4. Antonio Victoriano F. Gregorio III	1,000		0.00014%
5. Francis Neil P. Mercado	2,000		0.00029%
6 Rhodora G. Uy	2,000		0.00029%

7. David L. Kho	1,790,000	200,000	0.288415%
<b>TOTAL</b>	<b>2,801,000</b>	<b>2,729,000</b>	<b>0.80145%</b>

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:

<b>Chairman of the Board</b>	Isabelita P. Mercado
<b>CEO/President</b>	Isabelita P. Mercado CEO)/ Rhodora G. Uy (President)

The Company has created the position of President/ Chief Operating Officer to counter balance the power exercise by the Chairman/Chief Executive Officer. The function of the Chairman/Chief Executive Officer and the President/Chief Operating Officer are clearly defined in the Company's By-Laws.

(b) Roles, Accountabilities and Deliverables

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

	<b>Chairman</b>	<b>Chief Executive Officer</b>
<b>Role</b>	The Chairman of the Board shall exercise such powers and perform such duties as the Board of Directors may assign to her. She ensures an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.	The Chairman shall be the Chief Executive Officer of the Corporation and also have the general supervision and management of the business affairs and property of the corporation. She shall initiate and develop corporate objectives and policies and formulate long range projects, plans and programs for the approval of the Board.
<b>Accountabilities</b>	The accountabilities of the Chairman are as follows: <ul style="list-style-type: none"> <li>a. She shall preside at the meetings of the directors and the stockholders;</li> <li>b. She shall represent the corporation at all functions and proceedings;</li> <li>c. She shall sign certificates of stock;</li> <li>d. She shall execute on behalf of the corporation all contracts, agreements and other instruments affecting the interest of the corporation which require the approval of the Board of Directors, except as otherwise directed by the Board of Directors;</li> </ul>	Implementation of policies approved by the Board.



	e. She shall perform such other duties as are incident to her office or entrusted to her by the Board of Directors.	
Deliverables	Ensure that there is an effective line of communication between the executive and non-executive directors.	Ensure that financial results, business strategies and targets are communicated to the stakeholders.

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

The Board shall create a Nomination Committee to review and evaluate the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board of Directors. It should prepare a description of roles and capabilities required of a particular appointment.

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

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

The Company shall, as far as practicable, ensure diversity in the composition of the Board of Directors in terms of age, ethnicity, culture, skills, competence and knowledge to ensure that optimal decision-making is achieved, as stated in the Company's Revised Manual on Corporate Governance.

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

While there is no formal written policy on the matter, the Board deems it to the best interest of the company that at least one non-executive director has experience in the industry that the Company shall henceforth operate in so that it can fully understand the peculiar requirements of doing business in such industry, as stated in the Company's Revised Manual on Corporate Governance.

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

	<b>Executive</b>	<b>Non-Executive</b>	<b>Independent Director</b>
<b>Role</b>	Ensure proper implementation of Board approved policies.	Review and monitor Board policies to ensure that address the requirements and needs of the Company.	Oversight of company financial reporting process and disclosure of its financial information.
<b>Accountabilities</b>	Ensure that in the course of implementing policies of the Board, they will comply with their fiduciary duties to the Company.	Adhere to their fiduciary duties as directors of the Company.	Perform their duties as members/ chairpersons of various Board committees, especially those pertaining to corporate governance.
<b>Deliverables</b>	Ensure that concrete actions are taken to implement Board approved policies.	Regularly review Board policies.	Review financial reports and other disclosures.

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

Independent Director refers to a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director.

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

The Company complies with the SEC requirements on term limits for independent directors of a maximum of five (5) consecutive years, subject to a two (2) year cooling-off period, after which, he may be re-elected for another five (5) consecutive years. Recently the Company has adopted the Revised Manual on Corporate Governance which serve for a maximum cumulative term of nine years.

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

**(a) Resignation/Death/Removal**

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

<b>Name</b>	<b>Position</b>	<b>Date of Cessation</b>	<b>Reason</b>
William D. Ty	Independent Director	May 25, 2016	Not elected during the ASM.
Joseph Y. Lao	Director	May 25, 2016	Not elected during the ASM.

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

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

<b>Procedure</b>	<b>Process Adopted</b>	<b>Criteria</b>
<b>a. Selection/Appointment</b>		
(i) Executive Directors	The Nomination Committee pre-screens and prepares a shortlist of all candidates nominated to become Directors in accordance with the qualifications and disqualifications set in the Manual of Corporate Governance of the Company.	The criteria for the selection/appointment of the Executive and Non-Executive Directors are as follows: <ol style="list-style-type: none"> <li>1. Holder of at least one (1) share of stock of the Corporation;</li> <li>2. He shall be at least a college graduate or have sufficient experience in managing the business to substitute for such formal education;</li> <li>3. He shall be at least twenty one (21) years old;</li> </ol>

		<p>4. He shall have proven to possess integrity and probity; and</p> <p>5. He shall be assiduous.</p>
(ii) Non-Executive Directors	Same as above	Same as above
(iii) Independent Directors	The Nomination Committee pre-screens and prepares a shortlist of all candidates nominated to become Directors in accordance with the qualifications and disqualifications set in the Manual of Corporate Governance of the Company.	An independent director must have at least one share. He must possess all the qualifications and none of the disqualifications provided in the Company's Manual on Corporate Governance. He must comply with all requirements under SRC Rule 38 and other SEC issuances pertaining to independent directors.
<b>b. Re-appointment</b>		
(i) Executive Directors	Same as above	Same as above
(ii) Non-Executive Directors	Same as above	Same as above
(iii) Independent Directors	Same as above	Same as above
<b>c. Permanent Disqualification</b>		
(i) Executive Directors	The Nomination Committee pre-screens and prepares a shortlist of all candidates nominated to become Directors in accordance with the qualifications and disqualifications set in the Manual of Corporate Governance of the Company.	<p>The following are the criteria for the permanent disqualification of Executive Directors:</p> <p>(i) Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;</p> <p>(ii) Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent</p>

		<p>jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as Director or Officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.</p> <p>The disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;</p> <p>(iii) Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;</p> <p>(iv) Any person who has been adjudged by final judgment or order of the Commission, court, or</p>
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		<p>competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law administered by the Commission or BSP, or any of its rule, regulation or order;</p> <p>(v) Any person earlier elected as Independent Director who becomes an officer, employee or consultant of the same corporation;</p> <p>(vi) Any person judicially declared as insolvent;</p> <p>(vii) Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in subparagraphs (i) to (v) above;</p> <p>(viii) Conviction by final judgment of an offense punishable by imprisonment for more than 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>
(ii) Non-Executive Directors	Same as above	Same as above
(iii) Independent Directors	Same as above	Same as above
<b>d. Temporary Disqualification</b>		
(i) Executive Directors	<p>The Nomination Committee pre-screens and prepares a shortlist of all candidates nominated to become Directors in accordance with the qualifications and disqualifications set in the Manual of Corporate Governance of the Company.</p>	<p>The following are the criteria for the temporary disqualification of Executive Directors:</p> <p>(i) Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists.</p>

		<p>(ii) Absence in more than fifty (50) percent 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>(iii) Dismissal or termination for cause as Director of any corporation covered by this Code. 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>(iv) If the beneficial equity ownership of an Independent Director 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.</p> <p>(v) If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.</p> <p>A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.</p>
(ii) Non-Executive Directors	Same as above	Same as above
(iii) Independent Directors	Same as above	Same as above
<b>e. Removal</b>		
(i) Executive Directors	In accordance with the Manual on Corporate Governance and related issuance of the SEC.	In accordance with the Manual on Corporate Governance and related issuance of the SEC.
(ii) Non-Executive Directors	In accordance with the Manual on Corporate Governance and related	In accordance with the Manual on Corporate Governance and related

	issuance of the SEC.	issuance of the SEC.
(iii) Independent Directors	In accordance with the Manual on Corporate Governance and related issuance of the SEC.	In accordance with the Manual on Corporate Governance and related issuance of the SEC.
<b>f. Re-Instatement</b>		
(i) Executive Directors	In accordance with the Manual on Corporate Governance and related issuance of the SEC.	In accordance with the Manual on Corporate Governance and related issuance of the SEC.
(ii) Non-Executive Directors	In accordance with the Manual on Corporate Governance and related issuance of the SEC.	In accordance with the Manual on Corporate Governance and related issuance of the SEC.
(iii) Independent Directors	In accordance with the Manual on Corporate Governance and related issuance of the SEC.	In accordance with the Manual on Corporate Governance and related issuance of the SEC.
<b>g. Suspension</b>		
(i) Executive Directors	None	None
(ii) Non-Executive Directors	None	None
(iii) Independent Directors	None	None

**Voting Result of the Annual Stockholders Meeting (held on May 25, 2016)**

Name of Director	Votes Received
1. Isabelita P. Mercado	548,726,232 or 79.53%
2. Gener T. Mendoza	548,726,232 or 79.53%
3. Alfredo P. Javellana II	548,726,232 or 79.53%
4. Francis Neil P. Mercado	548,726,232 or 79.53%
5. Antonio Victoriano F. Gregorio III	548,726,232 or 79.53%
6. Rhodora G. Uy	548,726,232 or 79.53%
7. David L. Kho	548,726,232 or 79.53%

**6) Orientation and Education Program**

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

The Company encourages its new directors to attend a seminar, consisting of at least eight hours, on corporate governance which shall be conducted by a duly recognized private or government institute.

- (b) **State any in-house training and external courses attended by Directors and Senior Management<sup>2</sup> for the past three (3) years:**

The Company's directors and officers attended a seminar last December 6, 2016 as conducted by Risk, Opportunities, Assessment and Management (ROAM), Inc., a SEC accredited training provided.

<sup>2</sup>Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

- (c) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Isabelita P. Mercado	December 6, 2016	Corporate Governance Seminar	Risk, Opportunities, Assessment and Management (ROAM), Inc.
Rhodora G. Uy	December 6, 2016	Corporate Governance Seminar	Risk, Opportunities, Assessment and Management (ROAM), Inc.
Gener T. Mendoza	December 6, 2016	Corporate Governance Seminar	Risk, Opportunities, Assessment and Management (ROAM), Inc.
Alfredo P. Javellana, II	December 6, 2016	Corporate Governance Seminar	Risk, Opportunities, Assessment and Management (ROAM), Inc.
Francis-Neil P. Mercado	December 6, 2016	Corporate Governance Seminar	Risk, Opportunities, Assessment and Management (ROAM), Inc.
David L. Kho	December 6, 2016	Corporate Governance Seminar	Risk, Opportunities, Assessment and Management (ROAM), Inc.
Antonio Victoriano F. Gregorio III	December 7, 2016	Corporate Governance Seminar	Risk, Opportunities, Assessment and Management (ROAM), Inc.

## 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	The Company has adopted a Policy on conflict of interest which provides Directors, officers, and employees have a duty of loyalty to the Company and are therefore expected to always act in the Company's best interests. A conflict arises when the personal, professional or business interests of a director, officer or employee influence or have the potential to influence, the exercise of his judgment in the performance of his duties to the Company. Conflicts of interest and even the appearance of a conflict of interest may compromise the Company's reputation and must be avoided, as stated in the Revised Manual on Corporate Governance.		
(b) Conduct of Business and Fair Dealings	The Company believes in dealing fairly with its competition and other stakeholders. The Company requires its employees to avoid taking unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of materials facts, or any unfair dealing practice, as stated in the Revised Manual on Corporate Governance.		
(c) Receipt of gifts from third parties	The Company's Code of Business Conduct and Ethics includes standard for employees' conduct in business dealings, gift giving and courtesies, as stated in the Corporate Governance Guidelines.		
(d) Compliance with Laws & Regulations	The Company's Compliance Officer monitors compliance with rules and regulations of regulatory bodies and makes the necessary recommendations to the Board of Directors.		
(e) Respect for Trade Secrets/Use of Non-public Information	Non-public and confidential matters are strictly kept confidential by company insiders, pursuant to the Company's Policy on Insider Trading.		



(f) Use of Company Funds, Assets and Information	Each Director, Executive Officer and Employee owes a duty to advance the Company's legitimate interests.
(g) Employment & Labor Laws & Policies	The Company complies with labor laws and other related issuances.
(h) Disciplinary action	The Board of Directors has a discretion to apply the appropriate penalties in case of any violation of the Code of Ethics.
(i) Whistle Blower	The Company is committed to high standards of ethical, moral and legal conduct. The Company encourages directors, officers and employees to report suspected anomalies, illegal acts, malpractices and violations of the Company's Code of Business Conduct and Ethics and other Company rules and regulations, and are assured that they may do so without fear of retaliation, punishment or unfair treatment.
(j) Conflict Resolution	The Company commits to adopt an alternative dispute resolution systems so that conflicts and difference with counterparties, particularly with shareholders and other key stakeholders, would be settled in a fair expeditious manner.

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

Yes, for the proper implementation and monitoring of the Code of Ethics.

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

**3) 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. Not applicable.

<b>Related Party Transactions</b>	<b>Policies and Procedures</b>
(1) Parent Company	The Board of Directors is mandated to formulate and implement policies and procedures that ensure the integrity and transparency of related-party transactions between and among the Company, joint ventures, subsidiaries, associates, affiliates, major shareholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board.  Possible and actual conflicts of interest between the Company and the Board and Management must be identified in all transactions and contracts entered into by the Company. In case such conflict/s exist and it is determined that the contract or transaction is vital or beneficial the Company, the Company may engage in such related-party transaction with prior Board approval. The arms-length principle is applied and these transactions are to be properly recorded and disclosed in the financial records.
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	
(7) Directors including spouse/children/siblings/parents	
(8) Interlocking director relationship of Board of Directors	

**(b) Conflict of Interest**

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

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

Directors, officers, and employees have a duty of loyalty to Company and are therefore expected to always act in the Company's best interests. A conflict arises when the personal, professional or business interests of a director, officer or employee influence or have the potential to influence, the exercise of his judgment in the performance of his duties to the Company. Conflicts of interest and even the appearance of a conflict of interest may compromise the Company's reputation and must be avoided.

	<b>Details of Conflict of Interest (Actual or Probable)</b>
Name of Director/s	None
Name of Officer/s	None
Name of Significant Shareholders	None

(ii) Mechanism

Policy

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.

If any director, officer, or employee has any direct or indirect interest in, or relationship with, any individual or organization that proposes or has any transaction with the Company, such person should disclose such interest or relationship and refrain from approving, influencing the approval, or managing the particular transaction in which he has an interest. The Company reserves its right to transfer the assignment of such person should they find it necessary in order to preserve the interests of the Company.

Nevertheless, the Company also respects its employees' right to privacy in their personal activities and financial affairs. It is the responsibility of each employee to ensure that his personal conduct complies with this policy and make the proper disclosures, whenever applicable, to allow the Company to determine and address conflict of interest issues.

	<b>Directors/Officers/Significant Shareholders</b>
Company	None
Group	None

**4) Family, Commercial and Contractual Relations**

(a) Indicate, if applicable, any relation of a family,<sup>3</sup> commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

There is no individual holding a more than 5% equity stake in the Company.

<sup>3</sup>Family relationship up to the fourth civil degree either by consanguinity or affinity.

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
None	None	None

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

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

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

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
The Corporation is not aware of any person holding more than 5% of the shares of the Corporation under a voting trust or similar agreement which may result in a change in control of the Corporation.		

## 5) 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	No conflicts or differences occurred for the last three (3) years.
Corporation & Third Parties	No conflicts or differences occurred for the last three (3) years
Corporation & Regulatory Authorities	No conflicts or differences occurred for the last three (3) years

## C. BOARD MEETINGS & ATTENDANCE

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

Regular meetings of the Board of Directors shall be held once every quarter of the year on such dates and at such times and places.

### 2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman/CEO	Isabelita P. Mercado	May 26, 2016	4	4	100%
President/COO	Rhodora G. Uy	May 25, 2016	3	2*	66%
Member	Gener T. Mendoza	May 25, 2016	4	4	100%
Independent	Alfredo P. Javellana III	May 25, 2016	4	4	100%
Member	Antonio Victoriano F. Gregorio III	May 25, 2016	4	4	100%

Member	Francis Neil P. Mercado	May 25, 2016	4	3	75%
Independent	David L. Kho	May 25, 2016	3	3*	100%

\*Elected on May 25, 2016

3) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times? None

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

A majority of the directors shall constitute a quorum for the transaction of corporate business and every decision of at least a majority of the directors present at a meeting at which there is a quorum shall be valid as a corporate act, except for the election of officers which shall require the vote of a majority of all the members of the Board.

5) Access to Information

(a) How many days in advance are board papers<sup>4</sup> for board of directors meetings provided to the board?

In practice, the notice and agenda are sent at least 3 days before the meeting.

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

(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, who must be a resident and a citizen of the Philippines, shall record all the votes and proceedings of the meeting of Stockholders and of the Board of Director in a book kept for that purpose. She shall perform such other duties as may be properly delegated to her. She must comply with the Company's Revised Manual on Corporate Governance.

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

Yes.

(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	N/A
Audit	Notice of the meeting shall be sent at least three (3) days before the date of the meeting.
Nomination	
Remuneration	
Others (specify)	N/A

6) External Advice

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

<sup>4</sup>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.

Procedures	Details
Asking for legal advice & opinion	Refer to the Corporate Secretary or legal counsel for advice on legality or implications.
Ask opinion on financial matters	Refer to the external auditors for proper guidance.

## 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
N/A	N/A	N/A

## 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:

The Board has approved a resolution granting per diem to the directors for every attendance at regular board meetings.

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	N/A	N/A
(2) Variable remuneration	N/A	N/A
(3) Per diem allowance	Board Resolution	N/A
(4) Bonus	N/A	N/A
(5) Stock Options and other financial instruments	N/A	N/A
(6) Others (specify)	N/A	N/A

### 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	N/A	N/A	N/A
Non-Executive Directors	N/A	N/A	N/A

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
The incumbent directors do not receive any compensation for their services. This will be considered when the organization becomes bigger and fully operational.	

### 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	None		
(b) Variable Remuneration	None		
(c) Per diem Allowance	100,000.00	110,000.00	70,000.00
(d) Bonuses	None		
(e) Stock Options and/or other financial instruments	None		
(f) Others (Specify)	None		
<b>Total</b>	100,000.00	110,000.00	70,000.00

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

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
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

(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
The company only acquired its subsidiary last March 2013. The company has started consultations regarding possible incentive programs.		

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
N/A	N/A
N/A	N/A
N/A	N/A

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)				
Audit		1	2	Audit Committee Charter	The Audit Committee functions include the review of the financial and internal reporting process, the system of internal control and management of risks and the external and internal audit process. The Audit Committee reviews the scope and results of the audit with external auditors and obtains legal or other independent professional advice where necessary.	1) Check all financial reports against its compliance with both the internal financial management handbook and accounting standards; 2) Develop a transparent financial management system that will ensure the integrity of internal control activities; and 3) Review the reports submitted by the internal and external auditors.	1) The Audit Committee has the authority to recommend the appointment of external auditor and organize an internal audit department.
Nomination		2	1		The Committee assesses and recommend to the Board candidates for appointment to executive and non-executive directors positions. They ensure that there is a formal and transparent procedure for the appointment of new Directors of the Board.		
Remuneration		2	1		The Committee assesses and recommend to the Board candidates for appointment to executive and non-executive directors positions. They ensure that there is a formal and transparent procedure for the appointment of new Directors of the Board.		



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	None yet.					
Member (ED)						
Member (NED)						
Member (ID)						
Member						

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Alfredo P. Javellana II	May 25, 2016	1	1	100%	4yrs
Member (NED)	Francis Neil P. Mercado	May 25, 2016	1	1	100%	4 yrs
Member (ID)	David L. Kho	May 25, 2016	1			7 mos.

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

**ALFREDO P. JAVELLANA II**, 71 years old, earned his Bachelor of Science in Commerce Major in Accounting and Bachelor of Laws from the University of San Agustin, Iloilo City. He was an independent director of UBS Securities Philippines, Inc. from December 16, 2009 to February 10, 2010. For the past five years he was a director of Philippine Savings Bank and Toyota Motor Philippines. Previously, he was the Chief Finance Officer of the Metropolitan Bank & Trust Company, Inc. He likewise held several other positions in the same bank prior to his appointment as CFO.

**FRANCIS-NEIL P. MERCADO**, 37 years old, graduated with a Bachelor of Science degree in Economics and Finance from Southern New Hampshire University, Manchester, New England, USA in 2003. He also completed his Bachelor of Science in Economics from Nottingham University, United Kingdom in 2001 and Foundation Levels from Bellerby's College, Cambridge, United Kingdom. He sits as director and/or officer of various companies' including Metro luxury Mining Corp. (2009 to present), Zinith Mines Inc. (2009-present), IPM Construction and Development Corp. (2007-present), IPM Realty and Development Corp. (2007-present) and IPM Trading and Development Corp. (2007-present).

**DAVID Y. KHO**, 69 years old, has been a legal and business practitioner since graduating from college. He finished his Business Administration degree, major in Banking and Finance, at the University of the Philippines-Diliman. He later earned his Bachelor of Laws degree also from U.P. Atty. Kho was a member of the 15<sup>th</sup> Congress of the Philippines where he served as Vice chairman of two committees and member of ten others. He ended his term with a perfect attendance. David is an incumbent Trustee of the Kapihan sa Klub Filipino, past president of the Rotary club of Sto. Domingo, Quezon City, former Vice-President and Director of the Quezon City Sports Club, Inc., past Director and legal counsel of the Philippine Chamber of Commerce & Industry, Quezon City chapter, Lifetime member of U.P. Pan Xenia Fraternity, U.P. Law Alumni Assn., Integrated Bar, Charter President of the U.P. Junior Finance Assn. He is an author and publisher as well as a topnotcher of the Real Estate Brokers Exam

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

The Audit Committee discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts. It should ensure that the external auditors act independently and given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions. The committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence.

**(c) Nomination Committee**

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (NED)	Isabelita P. Mercado	May 25, 2016	N/A			
Member (NED)	Gener T. Mendoza	May 25, 2016	N/A			
Member (ID)	Alfredo P. Javellana II	May 25, 2016	N/A			

**(d) Remuneration Committee**

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (NED)	Rhodora G. Uy	May 25, 2016	0	0	0	7 mos
Member (NED)	Francis Neil P. Mercado	May 25, 2016	0	0	0	4 years
Member (ID)	David L. Kho	May 25, 2016	0	0	0	7 mos

**(e) Others (Specify) - None**

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

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

**3) Changes in Committee Members**

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

Name of Committee	Name	Reason
Executive		
Audit	William Ty	Not elected in the ASM
Nomination	Joseph Y. Lao	Not elected in the ASM
Remuneration		
Others (specify)		

**4) Work Done and Issues Addressed**

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

<b>Name of Committee</b>	<b>Work Done</b>	<b>Issues Addressed</b>
Executive	N/A	N/A
Audit	Review and recommendation for approval by the Board the audited financial statements	There were no issues addressed by the Audit Committee.
Nomination	Pre-screens and prepares a shortlist of all candidates nominated to become Directors in accordance with the qualifications and disqualifications set in the Manual of Corporate Governance of the Company.	There were no issues addressed by the Nomination Committee.
Remuneration	N/A	N/A
Others (specify)	N/A	N/A

**5) Committee Program**

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

<b>Name of Committee</b>	<b>Planned Programs</b>	<b>Issues to be Addressed</b>
Executive	The Company only started business operations in March 2013 and has begun consultations regarding possible committee programs.	
Audit		
Nomination		
Remuneration		
Others (specify)		

**F. RISK MANAGEMENT SYSTEM**

**1) Disclose the following:**

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

**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

The Board of Directors recognizes the importance of identifying and controlling various risks to prevent undue or uncalculated negative impact on the Company. The Board also recognizes that risk oversight, implementation of comprehensive controls and assurance processes are core functions of the Board.

The Board of Directors shall operationalize a Risk Management Program which shall be guided by the following:

1. Establish the Company's risk profile and determine external and internal factors that may influence it;
2. Identify and characterize specific threats/ risks;
3. Determine the expected likelihood and consequences of specific threats/ risks on critical Company assets, and the latter's vulnerability thereto;
4. Identify ways to minimize said threats/ risks;
5. Prioritize risk reduction measures based on strategy;
6. Implement and monitor an appropriate risk mitigation program;
7. Assess said program's effectiveness, make necessary adjustments

The Risk Management Program shall be reviewed annually and all material changes to the Company's risk profile shall be noted. To assist the Board of Directors in conducting the annual review, Management and key executives are required to report to the Board on:

1. any material risks identified;
2. how the risks are being managed;
3. the implementation of any risk management or internal control system; and
4. whether any breach of the risk management policies have occurred during the period.

**(b) Group**

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

<b>Risk Exposure</b>	<b>Risk Management Policy</b>	<b>Objective</b>
N/A	N/A	N/A
N/A	N/A	N/A

**(c) Minority Shareholders**

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

<b>Risk to Minority Shareholders</b>
None

**3) Control System Set Up**

**(a) Company**

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

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

**(b) Group**

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

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

**(c) Committee**

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

<b>Committee/Unit</b>	<b>Control Mechanism</b>	<b>Details of Its Functions</b>

**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;
- (b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;
- (c) Period covered by the review;
- (d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and
- (e) Where no review was conducted during the year, an explanation why not.

As the size and complexity of its operations may warrant, the Corporation may establish an internal audit system that can reasonably assure the Board, Management and stockholders that its key organizational and operational controls are faithfully complied with. The Board may appoint an Internal Auditor to perform the audit function, and may require him to report to a level in the organization that allows the internal audit activity to fulfill its mandate. The Internal Auditor shall be guided by the International Standards on Professional Practice of Internal Auditing.

- 1. The Internal Auditor shall report to the Audit Committee.
- 2. The minimum internal control mechanisms for management's operational responsibility shall center on the CEO, being ultimately accountable for the Corporation's organizational and procedural controls.

The scope and particulars of a system of effective organizational and procedural controls shall be based on the following factors: the nature and complexity of business and the business culture; the volume, size and complexity of transactions; the degree of risk; the degree of centralization and delegation of authority; the extent and effectiveness of information technology; and the extent of regulatory compliance

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
The company only acquired its subsidiary last March 2013. The company has started consultations regarding the internal audit function and establish the same as a separate unit.				

(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? Not applicable

(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? Not applicable.

(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. Not applicable.

Name of Audit Staff	Reason
N/A	N/A

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

State the internal audit’s progress against plans, significant issues, significant findings and examination trends. Not applicable.

Progress Against Plans	N/A
Issues <sup>5</sup>	N/A
Findings <sup>6</sup>	N/A
Examination Trends	N/A

[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

<sup>5</sup>“Issues” are compliance matters that arise from adopting different interpretations.

<sup>6</sup>“Findings” are those with concrete basis under the company’s policies and rules.

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."

<b>Policies &amp; Procedures</b>	<b>Implementation</b>
The Company only started business operations in March 2013 and has yet to develop an audit control policies and procedures.	

**(g) Mechanism and Safeguards**

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the company's shares and imposition of internal approval procedures for these transactions, limitation on the non-audit services that an external auditor may provide to the company). Not applicable

<b>Auditors (Internal and External)</b>	<b>Financial Analysts</b>	<b>Investment Banks</b>	<b>Rating Agencies</b>

(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.

**H. ROLE OF STAKEHOLDERS**

1) Disclose the company's policy and activities relative to the following: - Not applicable.

	<b>Policy</b>	<b>Activities</b>
Customers' welfare	N/A	N/A
Supplier/contractor selection practice	N/A	N/A
Environmentally friendly value-chain	N/A	N/A
Community interaction	N/A	N/A
Anti-corruption programmes and procedures?	N/A	N/A
Safeguarding creditors' rights	N/A	N/A

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

The Company only started business operations in March 2013 and has begun consultations regarding possible company's policy and activities.

3) **Performance-enhancing mechanisms for employee participation.**

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

IPM Holdings, Inc. believes that the well-being of the Company is driven by the health and safety of its workforce, customers, and the public-at-large.

Therefore, the Company shall exert reasonable efforts and resources to continuously provide and maintain a safe and healthy work environment.

When inside the Company premises, employees, customers, and third-parties are encouraged to observe and follow the Company's prescribed safety measures and health standards.

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

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

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

4) **What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behaviour? Explain how employees are protected from retaliation. Not applicable.**

**I. DISCLOSURE AND TRANSPARENCY**

1) **Ownership Structure**

Holding 5% shareholding or more

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	Percent of Class
Common	IPM Construction and Development Corporation	same as record owner	Filipino	350,000,000	50.725%
Common	PCD Nominee Corporation	The beneficial owners of such shares are Philippine Depository & Trust Corporation (PDT) participants who hold the shares on their behalf or on behalf of their clients	Filipino	203,727,571	29.526%
Common	IPM Environmental Services, Inc.	same as record owner	Filipino	65,000,000	9.42%
Common	IPM Realty and Development Corporation	same as record owner	Filipino	50,000,000	7.246%



Below is the record owner under PCD account holding more than 5% of the outstanding capital stock of the Corporation as of December 31, 2016:

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Citizenship	Number of Shares Held	Percent of Class
Common	Meridian Securities, Inc. Suite 2702 B&C Tektite Tower 1 Ortigas Centre, Pasig City	Filipino	96,382,200	13.97%

The above brokers are only record owners of shares of stock held under the name of PCD Nominee Corp., thus they exercise no voting power over the shares.

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

2) Does the Annual Report disclose the following:

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	N/A
Dividend policy	Yes
Details of whistle-blowing policy	N/A
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	N/A
Number of board of directors/commissioners meetings held during the year	Yes
Attendance details of each director/commissioner in respect of meetings held	Yes
Details of remuneration of the CEO and each member of the board of directors/commissioners	Yes

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

3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
Sycip, Gorres, Velayo & Co.	Php135,000.00	none

4) **Medium of Communication**

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

The shareholders are provided through public records, the disclosure and reports filed with the SEC, PSE and other regulating agencies.

5) **Date of release of audited financial report: April 17, 2017**

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	Yes
Company's constitution (company's by-laws, memorandum and articles of association)	Yes

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

7) **Disclosure of RPT**

RPT	Relationship	Nature	Value

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?

J. **RIGHTS OF STOCKHOLDERS**

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

(a) **Quorum**

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

<b>Quorum Required</b>	At least a majority of the outstanding capital stock unless a higher quorum requirement is provided under the law for certain corporate actions such as amendment of the articles of incorporation, etc.
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**(b) System Used to Approve Corporate Acts**

Explain the system used to approve corporate acts.

<b>System Used</b>	Voting
<b>Description</b>	Viva voce voting is done unless actual balloting is required.

**(c) Stockholders' Rights**

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

<b>Stockholders' Rights under The Corporation Code</b>	<b>Stockholders' Rights not in The Corporation Code</b>
<p><i>Regular and special meetings of stockholders or members.</i> - Regular meetings of stockholders or members shall be held annually on a date fixed in the by-laws, or if not so fixed, on any date in April of every year as determined by the board of directors or trustees: Provided, That written notice of regular meetings shall be sent to all stockholders or members of record at least two (2) weeks prior to the meeting, unless a different period is required by the by-laws.</p> <p>Special meetings of stockholders or members shall be held at any time deemed necessary or as provided in the by-laws: Provided, however, That at least one (1) week written notice shall be sent to all stockholders or members, unless otherwise provided in the by-laws.</p> <p>Notice of any meeting may be waived, expressly or impliedly, by any stockholder or member.</p> <p>Whenever, for any cause, there is no person authorized to call a meeting, the Securities and Exchange Commission, upon petition of a stockholder or member on a showing of good cause therefor, may issue an order to the petitioning stockholder or member directing him to call a meeting of the corporation by giving proper notice required by this Code or by the by-laws. The petitioning stockholder or member shall preside thereat until at least a majority of the stockholders or members present have chosen one of their number as presiding officer. (Corporation Code, Section 50)</p>	<p>Section 1. Annual/Regular Meetings – The annual/regular meeting of stockholders for the purpose of electing directors and for the transaction of such business as may properly come before the meeting, shall be held at the principal office on the fourth Wednesday of May of each year, if a legal holiday, then on the day following.</p> <p>Section 2. Special Meetings – the special meetings of stockholders, for any purpose or purposes, may at any time be called by any one of the following: (a) Board of Directors, at its own instance, or at the written request of stockholders representing a majority of the outstanding capital stock, (b) President.</p> <p>Section 4. Notice of Meeting – Notices for regular or special meetings of stockholders may be sent by the Secretary by personal delivery or by mail to each stockholder of record at his last known address or may be published in a newspaper or general circulation at least (2) weeks prior to the date of the meeting. The notice shall slate the place, date and hour of the meeting and the purpose or purposes for which the meeting is called. In case of special meetings, only matters stated in the notice can be the subject of motions or deliberations at such meeting. (Pursuant to Article II – Amended By-Laws)</p>

Dividends

Declaration Date	Record Date	Payment Date
N/A	N/A	N/A

The Company is not yet in a position to declare dividends and does not have relevant basis to form any dividend policy.

**(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.

2. Measures Adopted	3. Communication Procedure
Stockholders are given the chance to inquire on the management report and financial reports of the Company.	A question and answer portion is allotted during annual stockholders' meetings.

4. 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

These matters require the vote of stockholders. The Company ensures that proper notice are sent to the stockholders in accordance with the requirements under the SRC and the Manual on Corporate Governance.
5. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up?

The Company complies with the at least 15 business days prior written notice requirements under the SRC Rules, as amended.

- a. Date of sending out notices: April 29 - May 3, 2016
  - b. Date of the Annual/Special Stockholders' Meeting: May 25, 2016
6. State, if any, questions and answers during the Annual/Special Stockholders' Meeting. None
  7. Result of Annual/Special Stockholders' Meeting's Resolutions

(a) Resolution	(b) Approving	(c) Dissenting	(d) Abstaining
Approval of the minutes of the previous annual meeting of stockholders held on May 25, 2016.	548,726,232 votes (79.53%)	none	none
Ratification of all the acts and resolutions of the Board of Directors and Officers.	548,726,232 votes (79.53%)	none	none
Approval of the Increase in the Authorized Capital Stock of up to Php7.5 Billion consisting of common and/or preferred shares as may be determined by the Board of Directors	548,726,232 votes (79.53%)	none	none

Amendment of the Articles of Incorporation to include in the purpose clause the authority to issue sureties and guarantees	548,726,232 votes (79.53%)	none	none
Amendment of the By-Laws to create the offices of the Chief Executive Officer and Chief Operating Officer	548,726,232 votes (79.53%)	none	none
Delegation to the Board of Directors of the Authority to Amend the By-Laws	548,726,232 votes (79.53%)	none	none
Appointment of the External Auditors.	548,726,232 votes (79.53%)	none	none
Election of Directors	548,726,232 votes (79.53%)	none	none

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

The result of the annual stockholders' meeting was immediately disclosed to PSE's on-line system (OdiSy) on the same date of the meeting – May 25, 2016.

**(e) Modifications**

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

Modifications	Reason for Modification
N/A	N/A
N/A	N/A

**(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	Isabelita P. Mercado Rhodora G. Uy Gener T. Mendoza Alfredo P. Javellana II Antonio Victoriano Gregorio III Francis Neil Mercado David L./ Kho	May 25, 2016		.43%	79.10%	79.53%

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

Yes. The auditors are appointed to act as inspectors/ canvassers.

- (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.

Yes, one vote per share. The Company has only one class of shares.

**(g) Proxy Voting Policies**

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

	<b>Company's Policies</b>
Execution and acceptance of proxies	Must be in writing and sent to the Company in accordance with the deadline provided in the Definitive Information Statement and notice of meeting. Proxies of corporate stockholders should be accompanied by the requisite board resolution.
Notary	Not required
Submission of Proxy	In accordance with the deadline provided in the Definitive Information Statement and notice of meeting.
Several Proxies	In accordance with the SRC.
Validity of Proxy	Unless otherwise provided, valid only for the meeting indicated.
Proxies executed abroad	Same requirements with locally executed proxies.
Invalidated Proxy	Not counted but copies are kept
Validation of Proxy	Date of validation provided in the DIS
Violation of Proxy	To be dealt with in accordance with the Corporation Code

**(h) Sending of Notices**

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

<b>Policies</b>	<b>Procedure</b>
The company complies with SRC Rule 20 of the Revised Securities Code.	

**(i) Definitive Information Statements and Management Report**

<b>Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials</b>	220 stockholders
<b>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners</b>	April 28– May 3, 2016
<b>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders</b>	April 28 – May 3, 2016
<b>State whether CD format or hard copies were distributed</b>	Hard copies

<b>If yes, indicate whether requesting stockholders were provided hard copies</b>	
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**(j) Does the Notice of Annual/Special Stockholders' Meeting include the following:**

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

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

The company is not yet in a position to declare dividends and does not have relevant basis to form any dividend policy.

**2) Treatment of Minority Stockholders**

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

<b>Policies</b>	<b>Implementation</b>
Right to vote on all matters that require their consent or approval;	One-share, one-vote, except in the election of directors where cumulative voting is allowed.
Pre-emptive right	All stockholders shall have pre-emptive rights, unless the same is denied in the Articles of Incorporation or an amendment thereto. They shall have the right to subscribe to the capital stock of the Corporation.
Right to inspect corporate books and records	All shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code and shall be furnished with annual reports, including financial statements, without cost or restrictions.
Right to information	The Shareholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the Directors and Officers and certain other matters such as their holdings of the company's shares, dealings with the company, relationships among directors and key officers, and the aggregate compensation of Directors and Officers.

	<p>The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.</p> <p>The minority shareholders shall have 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 stockholders' meeting, being within the definition of "legitimate purposes".</p>
Right to Dividends	Shareholders shall have the right to receive dividends subject to the discretion of the Board.
Appraisal Right	<p>The shareholders' shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code of the Philippines, under any of the following circumstances:</p> <p>In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;</p> <p>In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and</p> <p>In case of merger or consolidation.</p>

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

#### K. INVESTORS RELATIONS PROGRAM

- 1) Discuss the company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee. **No formal policy yet.**
- 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	Communicate to the key stakeholders the Company's performance for the year, its significant undertakings, and targets.
(2) Principles	To provide accurate and essential information to stockholders in a regular and consistent manner.
(3) Modes of Communications	Disclosures and meetings.
(4) Investors Relations Officer	Atty. Ana Maria A. Katigbak Telephone No. (632) 817-6791

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

The Company has no specific rules and procedures in this regard.

Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price. Not applicable.

**L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

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

The Company's Corporate Social Responsibility Initiatives, consisted of the following:

**EARTH DAY RECYCLABLES FAIR**

As part of IPM's ECO-CSR Program and in celebration of Earth Day Philippines 2014, the company participated in IPM Group's 3rd Recyclables Fair at the Brixton Technology Center (BTC), Barangay Kapitolyo, Pasig City on April 12, 2014 (Sat.) from 9:00 am to 2:00 pm. This event is recorded in the Earth Day Network of the Philippines (EDNP) National Registry that recognized advocates for environmental conservation.

The Fair featured the following:

- Recyclables Fair Market for paper, plastic, bottle, and others
- Organic farm and compost products exhibit and fair
- Sale of restored office chairs/furnitures

**AWARENESS SEMINAR ON PHANTOM LOAD**

In observance of Earth Hour on March 29, 2014 and as part of its continuing ECO-CSR Program, IPM participated in BEST Inc.'s awareness seminar that is submitted as an event challenge for Earth Hour under the link and DOE Consumer Welfare Promotion Official Websites.

BEST, Inc. invited a representative from Consumer Welfare and Promotion Office (CWPO) of the Department of Energy (DOE) to give awareness seminar about Phantom Load, on April 1, 2014.

Initiative	Beneficiary

**M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL**

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

	<b>Process</b>	<b>Criteria</b>
<b>Board of Directors</b>		
<b>Board Committees</b>		
<b>Individual Directors</b>		
<b>CEO/President</b>		

**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. In accordance with the Manual on Corporate Governance.

<b>Violations</b>	<b>Sanctions</b>
First violation	The subject person shall be reprimanded.
Second violation	Suspension from the office shall be imposed. The duration of the suspension shall be depend on the gravity of the violation.
Third violation	The maximum penalty of removal from office shall be imposed.

Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on May 30, 2017.

**SIGNATURES**

  
**ISABELITA P. MERCADO**  
 Chairman and Chief Executive Officer

  
**ATTY. ALFREDO P. JAVELLANA II**  
 Independent Director

  
**DAVID L. KHO**  
 Independent Director

  
**ATTY. ANA MARIA A. KATIGBAK**  
 Compliance Officer

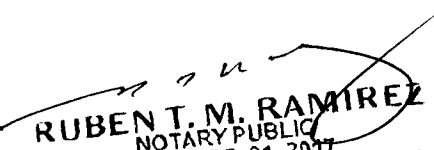
**MAY 30 2017**

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_\_, affiant(s) exhibiting to me their Passport/Driver's License Number, as follows:

NAME	PP NO./DL NO.	EXPIRY DATE	PLACE OF ISSUE
Isabelita P. Mercado	EC3536522	Feb. 24, 2020	DFA, Manila
Alfredo P. Javellana II	EC04874527	June 3, 2019	DFA, Manila
David L. Kho	TN: 189-459-845		BIR, Makati
Ana Maria A. Katigbak	EB6978724	December 19, 2017	DFA, Manila

**NOTARY PUBLIC**

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 Series of 2017

  
**RUBEN T. M. RAMIREZ**  
 NOTARY PUBLIC  
 UNTIL DEC. 31, 2017  
 2734 M. AURORA ST., MAKATI CITY  
 IBP NO. 1052369 / 11-22-16 APPT. NO. M-23  
 ROLL NO. 28947 / MCLE - 4 NO. 006324 / 06-19-12  
 PTR NO. MKT 5909552 / 01-03-17