



112232014001531



## SECURITIES AND EXCHANGE COMMISSION

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Company Information

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**SEC Registration No.** AS95008557  
**Company Name** MINERALES INDUSTRIAS CORPORATION  
**Industry Classification** Metallic Core Mining  
**Company Type** Stock Corporation

Document Information

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**Document ID** 112232014001531  
**Document Type** LETTER/MISC  
**Document Code** LTR  
**Period Covered** December 23, 2014  
**No. of Days Late** 0  
**Department** CED/CFD/CRMD/MRD/NTD  
**Remarks** ACGR

COVER SHEET

ASO 95008557  
SEC Registration  
Number

MINERALES INDUSTRIAS CORPORATION  
AND SUBSIDIARY

(Company's Full Name)

Unit 103 Ground Floor, Prestige  
Tower Condominium, F. Ortigas Jr  
Avenue Ortigas Center Pasig City

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

Ana Maria A. Katigbak  
Contact Person

817-6791/897-5257  
Company Telephone Number

1 2 3 1  
Month Day  
Fiscal Year  
Meeting

Consolidated Changes in the  
ACGR for the year 2013  
FORM TYPE

Month Day  
Annual

N.A.  
Secondary License Type, If Applicable.

S E C  
Dept Requiring this Doc

Amended Articles Number / Section

Total No. of Stockholders

Total Amount of Borrowings  
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier


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**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM – ACGR**


**ANNUAL CORPORATE GOVERNANCE REPORT**

1. Report is Filed for the Year **2013**
2. Exact Name of Registrant as Specified in its Charter **MINERALES INDUSTRIAS CORPORATION**
3. **Unit 103, Ground Floor, Prestige Tower Condominium,**  
**F. Ortigas Jr. Avenue, Ortigas Center, Pasig City**  
Address of Principal Office **1605**  
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. **Former Address: Room 322 LRI Design Plaza, 210 Nicanor Garcia St., Makati City**  
Former name or former address, if changed from the last report

**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM – ACGR**

**ANNUAL CORPORATE GOVERNANCE REPORT**

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F. Ortigas Jr. Avenue, Ortigas Center, Pasig City  
Address of Principal Office 1605  
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**A. 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	Sept. 19, 2013	Annual	6 yrs & 2 mos.
2. Gener T. Mendoza	NED	-	Jewelle Y. Lao	July 2007	Sept. 19, 2013	Annual	6 yrs & 2 mos.
3. Alfredo P. Javellana II	ID	-	Jocelyn Y. Kho (not related to ID)	July 2012	Sept. 19, 2013 (3 mos.)	Annual	1 yr. & 2 mos.
4. William D. Ty	ID	-	Rodolfo P. De Guzman (not related to ID)	July 2007	Sept 19, 2013 (6 yrs & 2 mos.)	Annual	6 yrs & 2 mos.
5. Antonio Victoriano F. Gregorio III	NED	-	Michael T. Defensor	July 2011	Sept. 19, 2013	Annual	2 yrs & 2 mos.
6. Francis-Neil P. Mercado	ED	-	David L. Kho	May 2012	Sept. 19, 2013	Annual	1 yr & 4 mos.
7. Joseph Quintin Y. Lao	NED	-	Jewelle Lao	May 2012	Sept. 19, 2013	Annual	1 yr & 4 mos.

\*Annual Stockholders' Meeting held on **September 19, 2013**

**(b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasis 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 and the solution of collective action problems through appropriate mechanism.

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 Board's 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?** As often as necessary. Considering the recent commencement of business operations of the Company, the Company will adopt a policy of regularly reviewing its vision and mission.

**(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:

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Isabelita P. Mercado	Basic Environmental Systems and Technologies, Inc. (subsidiary) IPM Construction and Development Corp. IPM Environmental Services, Inc. IPM Realty and Development Corp.	Executive (Chairman & President)
Francis Neil Mercado	Basic Environmental Systems and Technologies, Inc. (subsidiary) IPM Construction and Development Corp. IPM Environmental Services, Inc. IPM Realty and Development Corp.	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.
Antonio Victoriano F. Gregorio III	Dizon Copper-Silver Mines Geograce Resources Phils Inc.	Director/Treasurer Chairman of the Board

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



	Nihao Mineral Resources Int'l Inc. Lodestar Investment Holdings Corp Asiabest Group International Inc.	Chairman and President Chairman/Director Chairman and President
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**(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		Ms. Isabelita P. Mercado is the mother of Mr. Francis Neil P. Mercado.
Francis-Neil P. Mercado		

(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
Executive Director	Not applicable	
Non-Executive Director		
CEO		

**(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	1,855,000		0.26884%
3. Alfredo P. Javelana II	1,000	179,000	0.02608%
4. William D. Ty	2,000,000		0.28986%
5. Antonio Victoriano F. Gregorio III	1,000		0.00014%
6. Francis Neil P. Mercado	2,000		0.00029%
7. Joseph Quintin Y. Lao	100,000	5,441,300	0.80309%
<b>TOTAL</b>	<b>4,959,000</b>	<b>6,120,300</b>	<b>1.60569%</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:

Chairman of the Board	Isabelita P. Mercado
CEO/President	Isabelita P. Mercado

**(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 him. He ensures an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making.	The President 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. He 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>	He shall preside at the meetings of the directors and the stockholders.	Implementation of policies approved by the Board.
<b>Deliverables</b>	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 Directors must have sufficient experience in managing the business to substitute for such formal education. They must also be assiduous and should be persons of integrity and probity.

**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.

**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.

Accountabilities	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.
Deliverables	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 in any covered company.

**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 will comply with the term limit set by the SEC in its Memo 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: None

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
<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.	A 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.
(ii) Non-Executive Directors	The Nomination Committee pre-screens and prepares a shortlist of all candidates nominated to become Directors in accordance	A director must have at least one share. He must possess all the qualifications and none of the disqualifications provided in the

	with the qualifications and disqualifications set in the Manual of Corporate Governance of the Company.	Company's Manual on Corporate Governance.
(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	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>d. Temporary Disqualification</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>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 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>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	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.

**Voting Result of the Annual General Meeting (held on September 19, 2013)**

Name of Director	Votes Received
1. Isabelita P. Mercado	597,962,631
2. Gener T. Mendoza	597,962,631
3. Alfredo P. Javellana II	597,962,631
4. William D. Ty	597,962,631
5. Antonio Victoriano F. Gregorio III	597,962,631
6. Francis Neil P. Mercado	597,962,631
7. Joseph Quintin Y. Lao	597,962,631

**6) Orientation and Education Program**

- (a) Disclose details of the company's orientation program for new directors, if any. The Company does not have a formal orientation program yet.
- (b) State any in-house training and external courses attended by Directors and Senior Management<sup>2</sup> for the past three (3) years: Not applicable.
- (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
This will be considered when the organization becomes bigger and fully operational.			

**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:

<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.

<b>Business Conduct &amp; Ethics</b>	<b>Directors</b>	<b>Senior Management</b>	<b>Employees</b>
(a) Conflict of Interest	Directors, Executive Officers and Employees owe a fiduciary duty to the Company that requires them to act in the best interest of the Company. Actual and potential conflicts of interest should be avoided or otherwise identified, disclosed, and explained. With respect to the directors, they should strictly adhere to their fiduciary duties to the Company and comply with the Corporation Code.		
(b) Conduct of Business and Fair Dealings	No Director, Executive Officer or Employee should take unfair advantage of anyone.		
(c) Receipt of gifts from third parties	No formal written policy. In all cases, however, directors, management and employees should comply with legal requirements.		
(d) Compliance with Laws & Regulations	No formal written policy. In all cases, however, directors, management and employees should comply with legal requirements.		
(e) Respect for Trade Secrets/Use of Non-public Information	Directors, Executive Officers, and Employees must observe the confidentiality of non-public information and not disclose it to any other person without the authority of the Board.		
(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	No formal company policy		
(i) Whistle Blower	No formal company policy		
(j) Conflict Resolution	No formal written policy.		

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

The Company has no code of ethics yet since it only started operations when it acquired its subsidiary last March 2013. The Company has started studying how best to draft its Code of Ethics for employees.

**3) Discuss how the company implements and monitors compliance with the code of ethics or conduct. Not applicable.**

**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. Not applicable.

<b>Related Party Transactions</b>	<b>Policies and Procedures</b>
(1) Parent Company	The Company only acquired its subsidiary, BEST, last March 2013. The Company has started consultations regarding possible policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions.
(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. None for 2013.

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

(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. Not applicable for 2013.

Directors/Officers/Significant Shareholders	
Company	
Group	

**5) 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:

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

(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.		

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

**6) Alternative Dispute Resolution**

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities. None

	Alternative Dispute Resolution System
Corporation & Stockholders	
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?**

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/President	Isabelita P. Mercado	Sept 19, 2013	7	7	100%
Member	Gener T. Mendoza	Sept 19, 2013	7	7	100%
Independent	Alfredo P. Javellana III	Sept 19, 2013	7	7	100%
Member	Antonio Victoriano F. Gregorio III	Sept 19, 2013	7	7	100%
Member	Francis Neil P. Mercado	Sept 19, 2013	7	6	86%
Member	Joseph Quintin Y. Lao	Sept 19, 2013	7	7	100%
Independent	William D. Ty	Sept 19, 2013	7	5	71%

**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 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?**

<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.



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. He shall perform such other duties as may be properly delegated to him. He must comply with the Company's 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.

(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	Not applicable.
Audit	Notice of the meeting shall be sent at least three (3) days before the date of the meeting.
Nomination	
Remuneration	
Others (specify)	Not applicable.

6) **External Advice**

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

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
Not applicable.		

**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	The Company only started business operations upon the acquisition of	

(2) Variable remuneration	its subsidiary last March 2013. This will be considered when the company becomes bigger and fully operational.
(3) Per diem allowance	
(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	The Company only acquired its subsidiary last March 2013 and has started consultations regarding a policy on remuneration and compensation.		
Non-Executive Directors			

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

Remuneration Scheme	Date of Stockholders' Approval
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	60,000.00	110,000.00	50,000.00
(d) Bonuses	None		
(e) Stock Options and/or other financial instruments	None		
(f) Others (Specify)	None		
<b>Total</b>	<b>60,000.00</b>	<b>110,000.00</b>	<b>50,000.00</b>

Other Benefits	Executive Directors	Non-Executive Director (other than Independent directors)	Independent Directors
1) Advances	None		
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)			
<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: Not applicable.

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

**(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
Not applicable.	

## 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 external 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					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				

### 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*	July 11, 2012	1	1	100%	5 mos
Member (NED)	Francis Neil P. Mercado*	May 23, 2012	1	1	100%	7 mos
Member (ID)	William D. Ty	May 23, 2012	1			5 yrs & 7 mos

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

**ALFREDO P. JAVELLANA II**, 67 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.

**WILLIAM D. TY**, 68 years old, for the past five years has been the chair and president of WAM Realty and Development Corporation (1986-present), WAM Food and Development Corporation (1978-present), Wellington Investment Manufacturing Corporation (2000-present), and Toyota Cubao Inc. (1999-present). Apart from his business affiliations and interests, Mr. Ty also serves as a regular director of Organizational Change Consultants International Inc. (1995-present) and the Alicia Tan Ty Foundation (1994-present).

**FRANCIS-NEIL P. MERCADO**, 33 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).

**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)	Gener T. Mendoza	Sept 19, 2013	1	1	100%	1
Member (NED)	Antonio Victoriano F. Gregorio III	Sept 19, 2013	1	1	100%	3
Member (NED)	Joseph Quintin Y. Lao	Sept 19, 2013	1	1	100%	1 yr & 4 mos

Member (ID)	William D. Ty	Sept 19, 2013	1	1	100%	6 yrs & 2 mos
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**(d) Remuneration Committee**

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (NED)	Gener T. Mendoza	Sept 19, 2013	1	1	100%	6 yrs & 2 mos.
Member (NED)	Antonio Victoriano F. Gregorio III	Sept 19, 2013	1	1	100%	3 yrs
Member (NED)	Joseph Quintin Y. Lao	Sept 19, 2013	1	1	100%	1 yr & 2 mos
Member (ID)	William D. Ty	Sept 19, 2013	1	1	100%	4 yrs

**(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						
Member (ED)						
Member (NED)						
Member (ID)						
Member						

**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 during the year.	
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		
Audit		
Nomination		
Remuneration		
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	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.

The Company only started business operations in March 2013 and has yet to develop a risk management system for 2013.

**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: Not applicable for 2013.

Risk Exposure	Risk Management Policy	Objective

**(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
This is not applicable since the company has no identified Group.		

**(c) Minority Shareholders**

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

Risk to Minority Shareholders

**3) Control System Set Up – Not applicable for 2013.**

**(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)

**(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)

**(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

**G. INTERNAL AUDIT AND CONTROL**

The company only started business operations in March 2013. It has started consultations regarding how to further strengthen its internal audit function and plans to establish a separate an Internal Audit and Control Unit are being studied.

**1) Internal Control System**

Disclose the following information pertaining to the internal control system of the company: Not applicable for 2013.

- (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.

**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. Not applicable for 2013.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process



(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 for 2013.

(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 for 2013.

**(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 for 2013.

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. Not applicable for 2013.

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

[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." Not applicable for 2013.

Policies & Procedures	Implementation

**(g) Mechanism and Safeguards**

State the mechanism established by the company to safeguard the independence of the auditors, financial

<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.

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 for 2013.

<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 for 2013.

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

2) **Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?** Not applicable.

3) **Performance-enhancing mechanisms for employee participation.** Not applicable.

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

(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

Shareholder	Number of Shares	Percent	Beneficial Owner
PCD Nominee Corporation (Filipino)	500,000,000	74.443%	MBTC – Trust Banking Group.* Metrobank Plaza, Sen. Gil Puyat Avenue, Makati City
PCD Nominee Corporation (Filipino)	52,395,800	7.800%	Meridian Securities, Inc.* Suite 2702 B&C Tektite Tower I Ortigas Centre, Pasig City

\*The shares of beneficial owners are form part of the 668,949,074 shares registered in the name of PCD Nominee Corporation (Filipino) as of December 31, 2013.

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
None			
<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.	Php450,000.00	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 15, 2013

**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
The Company did not engage in any transaction with related parties.			

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. None

<b>Stockholders' Rights under The Corporation Code</b>	<b>Stockholders' Rights <u>not</u> in The Corporation Code</b>

Dividends

<b>Declaration Date</b>	<b>Record Date</b>	<b>Payment Date</b>
Not applicable.		

**(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.

<b>Measures Adopted</b>	<b>Communication Procedure</b>
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.

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

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.

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

The Company complies with the at least 15 business days prior written notice requirement under the SRC. In practice, notices are sent one calendar month prior to the meeting.

- a. Date of sending out notices: August 27, 2013
- b. Date of the Annual/Special Stockholders' Meeting: September 19, 2013

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

5. 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 23, 2012	597,962,631 votes (86.66%)	none	none
Approval of the minutes of the special meeting of stockholders held on February 8, 2013	597,962,631 votes (86.66%)	none	none
Ratification of all the acts and resolutions of the Board of Directors and Officers	597,962,631 votes (86.66%)	none	none
Amendment of the Articles of Incorporation a) to change the principal address of the Corporation to Unit 103, Ground Floor, Prestige Tower Condominium, F. Ortigas Jr. Avenue, Ortigas Center, Pasig City and b) to increase the authorized capital stock of the Corporation to up to Php5,000,000,000	597,962,631 votes (86.66%)	none	none
Approval of the Selection of Sycip Gorres Velayo & Co. as Independent Auditors.	597,962,631 votes (86.66%)	none	none
Election of Directors	597,962,631 votes (86.66%)	none	none

6. 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 - September 19, 2013.

(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
Special	Seven (7)	Feb. 8, 2013		2.51%	73.79%	76.30%
Annual	Seven (7)	Sept. 19, 2013		.68%	85.98%	86.66%

(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.	

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

<b>Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials</b>	129 stockholders
<b>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners</b>	August 27-30, 2013
<b>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders</b>	August 27-30, 2013
<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>	

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

Each resolution to be taken up deals with only one item.	Yes
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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 has not paid dividends because of lack of operations in 2013 and prior years.

## 2) Treatment of Minority Stockholders

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

Policies	Implementation
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.
Right to inspect corporate books and records	In accordance with the Manual of Corporate Governance, By-Laws and the Corporation Code
Right to information	All material information, i.e., anything that could potentially affect share price, shall be publicly disclosed.

### (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 complies with the requirements under the Corporation Code and other applicable laws, rules and regulations.



Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price. Not applicable for 2013.

**L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

Discuss any initiative undertaken or proposed to be undertaken by the company. None yet.

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. Not applicable for 2013.

	Process	Criteria
Board of Directors		
Board Committees		
Individual Directors		
CEO/President		


**N. INTERNAL BREACHES AND SANCTIONS**


Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees. In accordance with the Manual on Corporate Governance.

Violations	Sanctions

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 \_\_\_\_\_

**SIGNATURES**

  
**ISABELITA P. MERCADO**  
 Chairman and President

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

**WILLIAM D. TY**  
 Independent Director


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

**SUBSCRIBED AND SWORN** to before me this DEC 23 2014 day of December 2014, 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	EB0236373	May 18, 2015	DFA, Manila
Alfredo P. Javellana II	DL N11-68-002984	March 5, 2015	East Ave., Quezon City
William D. Ty	EB4485284	January 18, 2017	DFA, Manila
Ana Maria A. Katigbak	EB6978724	December 19, 2017	DFA, Manila

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 Book No. \_\_\_\_\_  
 Series of 2014

  
**ATTY. JODEL G. CORDOLA**  
 NOTARY PUBLIC  
 COMMISSION EXPIRES FEB. 31, 2015  
 REG. NO. \_\_\_\_\_  
 ROLL OF ATTORNEYS NO. 20133