

# COVER SHEET

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S.E.C. Registration Number

8 9 9 0 H O L D I N G S , I N C .

(Company's Full Name)

1 1 F L I B E R T Y C E N T E R , 1 0 4 H V D E L A

C O S T A , S A L C E D O V I L L A G E , M A K A T I

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

**Teresa C. Secuya**  
Compliance Officer

Contact Person/s

**(632) 4789659/5333915/5333917**

Company Telephone

Number

1 2

Month

3 1

Day

Calendar Year

**ACGR**  
**December 31, 2016**

FORM TYPE

0 7

Month

2 7

Day

Annual Meeting

Secondary License Type, If Applicable

Dept Requiring this Doc.

Amended Articles Number/Section

36

Total No. of Stockholders

33

Domestic

3

Foreign

To be accomplished by SEC Personnel concerned

File Number

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LCU

Document I.D.

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Cashier

S T A M P S

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 8990 HOLDINGS, INC.
3. 11/F LIBERTY CENTER, 104 H.V. DELA COSTA ST., SALCEDO VILLAGE, MAKATI CITY, 1200 PHILIPPINES  
Address of Principal Office Postal Code
4. SEC Identification Number CS 2005 11 816
5. [REDACTED] (SEC Use Only)  
Industry Classification Code
6. BIR Tax Identification Number 239-508-223-000
7. (632) 478-9659/533-3915/533-3917  
Issuer's Telephone number, including area code
8. N/A  
Former name or former address, if changed from the last report

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**A. BOARD MATTERS**

1) .

Number of Directors per Articles of Incorporation	13
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Actual number of Directors for the year	13
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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
Mariano D. Martinez, Jr.	NED	N/A	Kwantlen Development Corporation	July 2012	25 July 2016	Annual	4
Januario Jesus Gregorio III B. Atencio	ED	N/A	Januarius Resources Realty Corporation	July 2012	25 July 2016	Annual	4
Luis N. Yu, Jr.	NED	N/A	Iholdings, Inc.	July 2012	25 July 2016	Annual	4
Willibaldo J. Uy <sup>1</sup>	ED	N/A	Socorro P. Lim - none.	February 2016	25 July 2016	Annual	1
Manuel C. Crisostomo	ID	N/A	Socorro P. Lim – none	February 2018	25 July 2017	Annual	1
Arlene C. Keh	ID	N/A	Socorro P. Lim – none	August 2012	25 July 2016/4 years	Annual	4
Richard L. Haosen	ED	N/A	Luis N. Yu, Jr.	July 2014	25 July 2016	Annual	2
Ian Norman E. Dato	NED	N/A	Luis N. Yu, Jr.	July 2014	25 July 2016	Annual	2
Lowell L. Yu	NED	N/A	Luis N. Yu, Jr.	July 2014	25 July 2016	Annual	2
Manuel S. Delfin, Jr	NED	N/A	Luis N. Yu, Jr	July 2014	25 July 2016	Annual	2
Raul Fortunato R. Rocha	NED	N/A	Luis N. Yu, Jr	July 2014	25 July 2016	Annual	2
Dominic J. Picone	NED	N/A	Iholdings, Inc.	July 2014	25 July 2016	Annual	2
Ben Chan Wei Beng	NED	N/A	Iholdings, Inc.	July 2014	25 July 2016	Annual	2
Anthony Vincent G. Sotto <sup>2</sup>	NED	N/A	Luis N. Yu, Jr	July 2014	27 July 2015	Annual	1

**(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 Corporation's Board of Directors and Management recognize that a good corporate governance system is integral to the mandate bestowed upon them by the Corporation's stockholders, and is a necessary component of what constitutes sound strategic business management. Thus, the Board of Directors and Management commit themselves to uphold their fiduciary duties, accountabilities and responsibilities to the Corporation, and subscribe to the belief that the pursuit of corporate goals must be bound by high ethical standards.

The Board of Directors (the "Board") is primarily responsible for the governance of the Corporation. Corollary to

<sup>1</sup> Mr. Willibaldo J. Uy was previously an Independent Director of the Company from August 2012 to 29 January 2016. He resigned as Independent Director on 29 January 2016 and was appointed as Chief Operating Officer of the Company and was elected as Director to replace Atty. Anthony Vincent S. Sotto on 29 January 2016.

<sup>2</sup> Mr. Anthony Vincent S. Sotto resigned as Director of the Company on 29 January 2016.

setting the policies for the accomplishment of the corporate objectives, it shall provide an independent check on Management.

### **Responsibilities, Duties and Functions of the Board**

#### **1. General Responsibility**

It is the Board's responsibility to foster the long-term success of the Corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders.

The Board should formulate the Corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance.

#### **2. Duties and Functions**

To ensure a high standard of best practice for the Corporation and its stockholders, the Board should conduct itself with honesty and integrity in the performance of, among others, the following duties and functions:

- a.) Implement a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. Appoint competent, professional, honest and highly-motivated management officers. Adopt an effective succession planning program for Management.
- b.) Provide sound strategic policies and guidelines to the Corporation on major capital expenditures. Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance.
- c.) Ensure the Corporation's faithful compliance with all applicable laws, regulations and best business practices.
- d.) Establish and maintain an investor relations program that will keep the stockholders informed of important developments in the Corporation. If feasible, the Corporation's CEO or chief financial officer shall exercise oversight responsibility over this program.
- e.) Identify the sectors in the community in which the Corporation operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them.
- f.) Adopt a system of check and balance within the Board. A regular review of the effectiveness of such system should be conducted to ensure the integrity of the decision-making and reporting processes at all times. There should be a continuing review of the Corporation's internal control system in order to maintain its adequacy and effectiveness.
- g.) Identify key risk areas and performance indicators and monitor these factors with due diligence to enable the Corporation to anticipate and prepare for possible threats to its operational and financial viability.
- h.) Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the Corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board.
- i.) Constitute an Audit Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities.
- j.) Establish and maintain an alternative dispute resolution system in the Corporation that can amicably settle conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties, including the regulatory authorities.
- k.) Meet at such times or frequency as may be needed. The minutes of such meetings should be duly recorded. Independent views during Board meetings should be encouraged and given due consideration.
- l.) Keep the activities and decisions of the Board within its authority under the articles of incorporation and by-laws, and in accordance with existing laws, rules and regulations.
- m.) Appoint a Compliance Officer who shall have the rank of at least vice president. In the absence of such appointment, the Corporate Secretary, preferably a lawyer, shall act as Compliance Officer.

#### **Stockholders' Rights and Protection of Minority Stockholders' Interests**

- A.) The Board shall respect the rights of the stockholders as provided for in the Corporation Code, namely:
- (i) Right to vote on all matters that require their consent or approval;
  - (ii) Pre-emptive right to all stock issuances of the Corporation;
  - (iii) Right to inspect corporate books and records;
  - (iv) Right to information;



- (v) Right to dividends; and
- (vi) Appraisal right.

B.) The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the corporation. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the by-laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.

It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights.

The Board should take the appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether in person or by proxy. Accurate and timely information should be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.

Although all stockholders should be treated equally or without discrimination, the Board should give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Corporation.

#### Disclosure and Transparency

The essence of corporate governance is transparency. 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.

It is therefore essential that all material information about the Corporation which could adversely affect its viability or the interests of the stockholders should be publicly and timely disclosed. Such information should include, among others, earnings results, acquisition or disposition of assets, off balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board of Management. All such information should be disclosed through the appropriate Exchange mechanisms and submissions to the Commission.

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

The Company's vision and mission statement is reviewed and approved as often as necessary.

#### (d) Directorship in Other Companies

##### (i) Directorship in the Company's Group<sup>3</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.
Mariano D. Martinez, Jr.	(1) Fug Horn, Inc. (2) Bon Giorno Homes, Inc. (3) Modernland Corporation (4) 8990 Commercial Management Corporation (5) 8990 Leisure and Resorts Corporation (6) 8990 Housing Development Corporation (7) 8990 Luzon Housing Development Corporation (8) 8990 Visayas Housing Development Corporation (9) 8990 Mindanao Housing Development Corporation (10) 8990 Cebu Housing Development Corporation (11) 8990 Iloilo Housing Development Corporation (12) 8990 Davao Housing Development Corporation	Executive Executive Executive Executive Executive Non-Executive Non-Executive Executive Non-Executive Executive Executive Executive

<sup>3</sup> The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Januario Jesus Gregorio III B. Atencio	(1) Bon Giorno Homes, Inc. (2) Modernland Corporation (3) 8990 Commercial Management Corporation (4) 8990 Leisure and Resorts Corporation (5) 8990 Housing Development Corporation (6) 8990 Luzon Housing Development Corporation (7) 8990 Visayas Housing Development Corporation (8) 8990 Mindanao Housing Development Corporation (9) 8990 Cebu Housing Development Corporation (10) 8990 Davao Housing Development Corporation (11) 8990 Iloilo Housing Development Corporation	Executive Executive Executive Non-Executive Executive Executive Executive Executive Executive Executive Executive
Luis N. Yu, Jr.	(1) Fog Horn, Inc. (2) Bon Giorno Homes, Inc. (3) Modernland Corporation (4) 8990 Commercial Management Corporation (5) 8990 Leisure and Resorts Corporation (6) 8990 Housing Development Corporation (7) 8990 Luzon Housing Development Corporation (8) 8990 Visayas Housing Development Corporation (9) 8990 Mindanao Housing Development Corporation (10) 8990 Cebu Housing Development Corporation (11) 8990 Davao Housing Development Corporation (12) 8990 Iloilo Housing Development Corporation	Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive

(ii) Directorship in Other Listed Companies

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

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Mariano D. Martinez, Jr.		
Luis N. Yu, Jr.	LBC Express Holdings, Inc.	Independent
Januario Jesus Gregorio III B. Atencio		-
Willibaldo J. Uy		
Manuel C. Crisostomo		
Arlene C. Keh		
Richard L. Haosen		
Ian Norman E. Dato		
Lowell L. Yu	Pacifica, Inc.	ED
Manuel S. Delfin, Jr.	LBC Express Holdings, Inc.	NED
Raul Fortunato R. Rocha		
Dominic J. Picone		
Ben Chan Wei Beng		

(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
Luis N. Yu, Jr.	Lowell L. Yu	Father
Lowell L. Yu	Luis N. Yu, Jr.	Son



- (iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	No Limits Placed	Not Applicable
Non-Executive Director	No Limits Placed	Not Applicable
CEO	No Limits Placed	Not Applicable

The Board may consider the adoption of guidelines on the number of directorships its members can hold in stock and non-stock corporations. The optimum number should take into consideration the capacity of a director to diligently and efficiently perform his duties and responsibilities.

(e) Shareholding in the Company

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

Name of Director	Number of Direct Shares	Number of Indirect Shares /Through (Name of Record Owner)	Percentage of Ownership
Mariano D. Martinez, Jr.	168,916,767	None	3.06%
Januario Jesus Gregorio III B. Atencio	43,420,491	162,146	0.78%
Luis N. Yu, Jr.	258,099,322	None	4.68%
Willibaldo J. Uy	1	None	Nil
Manuel C. Crisostomo	100	None	Nil
Arlene C. Keh	1	None	Nil
Richard L. Haosen	1	None	Nil
Ian Norman E. Dato	5,001	None	Nil
Lowell L. Yu	1	None	Nil
Manuel S. Delfin, Jr.	1	None	Nil
Raul Fortunato R. Rocha	101	500,000	Nil
Dominic J. Picone	1	99	Nil
Ben Chan Wei Beng	100	None	Nil
<b>TOTAL</b>	<b>470,441,888</b>	<b>662,245</b>	<b>8.53%</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	Mariano D. Martinez, Jr.
CEO/President	Januario Jesus Gregorio III B. Atencio

The roles of the Chairman and CEO should, as much as practicable, be separate to foster an appropriate balance of power, increased accountability and better capacity for independent decision-making by the Board. A clear delineation of functions should be made between the Chairman and CEO upon their election.

(b) Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer/President
Role	(i) Preside at the meetings of the directors and the stockholders.  (ii) Exercise such powers and perform	(i) Preside at the meetings of the Board of Directors and of the stockholders in the absence of the

	<b>Chairman</b>	<b>Chief Executive Officer/President</b>
	<p>such duties as the Board of Directors may assign to him.</p> <p>(iii) Ensure that the meetings of the Board are held in accordance with the by-laws or as the Chairman may deem necessary;</p> <p>(iv) Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management and the directors; and</p> <p>(v) Maintain qualitative and timely lines of communication and information between the Board and Management.</p>	<p>Chairman of the Board of Directors;</p> <p>(ii) Initiate and develop corporate objectives and policies and formulate long range projects, plans and programs for the approval of the Board of Directors, including those for executive training, development and compensation;</p> <p>(iii) Have general supervision and management of the business affairs and property of the Corporation;</p> <p>(iv) Ensure that the administrative and operational policies of the Corporation are carried out under his supervision and control;</p> <p>(v) Subject to guidelines prescribed by law, and by the Board of Directors, the President can appoint, remove, suspend or discipline employees of the Corporation, prescribe their duties, and determine their salaries;</p> <p>(vi) Oversee the preparation of the budgets and the statements of accounts of the corporation;</p> <p>(vii) Prepare such statements and report of the Corporation as may be required by law;</p> <p>(viii) Represent the Corporation at all functions and proceedings;</p> <p>(ix) Execute on behalf of the Corporation all contracts, agreements and other instruments affecting the interests of the Corporation which require the approval of the Board of Directors, except as otherwise directed by the Board of Directors;</p> <p>(x) Make reports to the Board of Directors and stockholders;</p> <p>(xi) Sign certificates of stock, and</p> <p>(xii) Perform such other duties as are incidental to his office or are entrusted to him by the Board of Directors.</p> <p>The President may assign the exercise or performance of any of the foregoing powers, duties and functions to any other officer(s), subject always to his supervision and control.</p>
<b>Accountabilities</b>	<ul style="list-style-type: none"> <li>• Ensure that proper notice is given to stockholders before the holding of meetings;</li> <li>• Preside at all meetings of the Board of Directors and the stockholders;</li> <li>• Appoint a secretary for meetings of the Board of Directors, in the absence of the Corporate Secretary;</li> <li>• Countersign the certificate of increase or decrease in capital stock, or any bonded indebtedness</li> </ul> <p>to be incurred, created, or</p>	<ul style="list-style-type: none"> <li>• Ensure faithful execution of the duties and responsibilities vested in the Directors and upper management;</li> <li>• Call for special meetings of the Board of Directors as well as of the stockholders;</li> <li>• preside at all meetings of the Board of Directors or stockholders, in the absence of the Chairman;</li> </ul> <p>Upon authority granted by the</p>

	<b>Chairman</b>	<b>Chief Executive Officer/President</b>
	<p>increased;</p> <ul style="list-style-type: none"> <li>• Maintain qualitative and timely lines of communication and information between the Board and Management,</li> <li>• Hold board meetings in accordance with the by-laws or as he may deem necessary.</li> </ul>	<p>Board of Directors, the President may:</p> <ul style="list-style-type: none"> <li>• sign checks, bonds, contracts, or other instruments;</li> <li>• authorize the purchase or acquisition of personal properties, furniture, fixtures, or other office equipment;</li> <li>• approve all expenses or disbursements authorized in the budget of the Corporation;</li> <li>• represent the Corporation in any negotiation which may be necessary to make in the usual course of business;</li> <li>• represent the Corporation in any judicial or administrative proceedings;</li> <li>• appoint and discharge employees occupying the positions authorized by the Board of Director; and</li> <li>• perform all other duties customarily incident to his office and as may be prescribed by the Board from time to time.</li> </ul>
<b>Deliverables</b>	<ul style="list-style-type: none"> <li>• preparation of the information statements for purposes of the annual shareholders' meetings;</li> <li>• timely report of the directors' and stockholders' meetings to those entitled to receive such information;</li> <li>• Meeting agenda prepared by the Corporate Secretary considers suggestions of the President, Management and the directors.</li> </ul>	<ul style="list-style-type: none"> <li>• Report the names, nationalities and residences of the directors and officers elected;</li> <li>• Statements and reports of the corporation as may be required by him by law;</li> <li>• Submits and recommends for Board approval: (1) short and long range plans for the Corporation; (02) Balance Sheet, Profit and Loss Statement, Budget of administration expenses; and, (3) Annual Report on the operation and condition of the Corporation; and, Execution and implementation of all resolutions of the stockholders and the Board of directors.</li> </ul>

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

To ensure the uninterrupted operation of the corporation in the event of planned or unplanned change in executive leadership, the board will appoint interim executive who shall ensure that the organization continues to operate without disruptions until such time a permanent executive is installed.

Further, the Board of Directors, through its Nomination Committee, reviews and evaluates the qualifications of all persons nominated to the Board as well as those nominated to other positions which includes the CEO/President and the top key management positions to ensure that only qualified, competent, honest and highly motivated officials are appointed. The Corporation may also engage services of professional recruitment or reputable job placement agencies or organizations to source candidates for management and executive level jobs.

**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.**

Yes, the elected directors come from various backgrounds related to their respective roles within the corporation. There is a process of selection to ensure a mix of competent directors as well as qualified CEO and senior officers. The Nomination Committee reviews and evaluates the qualifications of all persons nominated to the Board as well as those nominated to other positions which include the CEO/President and the top key management positions. The said committee ensures that only qualified, competent, honest and highly motivated officials are appointed. The qualifications used by the committee are based upon merit as demonstrated by their education attainment, training, and work experience.

**Based on the Corporation's Manual on Corporate Governance, the Board may provide for additional qualifications which include, among others, the following:** (i) Must be at least a graduate of a four-year college degree or equivalent academic degree; (ii) Must possess practical understanding of the business of the corporation; (iii) Must be a member in good standing in relevant industry, business or professional organizations; (iv) Must have previous business experience; (v) Must be at least thirty (30) years of age; (vi) Must be a Filipino citizen; and (vii) Must be a holder or owner of at least one (1) share of the outstanding capital stock of the corporation.

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

Yes, the Corporation has non-executive directors who possess the competence and experience in the related business.

**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>	(i) Have general supervision and management of the business affairs and property of the Corporation; (ii) Ensure that the administrative and operational policies of the Corporation are carried out under his supervision and control; (iii) Oversee the preparation of the budgets and the statements of accounts of the unit or department he is handling; (iv) Head and supervise a unit or a department; (iv) Part of the team that implements the corporate acts approved by the Board; (v) Attend and participate in all board meetings	(i) attends and participates in all board meetings; (ii) has no participation in the management and operation of the Corporation; (iii) is not involved in day-to-day operations and does not handle, head, or supervise a unit or department but monitors the executive activity and contributes to the development of strategy; (iv) scrutinizes the performance of management in meeting agreed goals and objectives and monitoring and where necessary removing senior management; (v) responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing and where necessary removing senior management; (vi) the custodians of the governance process.	(i) he is independent of the management and does not have any interest, whether pecuniary or material, in the Corporation; (ii) Identify the most critical issues for the board to deal with and assist the board in achieving consensus on these important issues; (iii) Assist the board in achieving consensus on important issues; (iv) Play the role of a facilitator outside the board room especially on contentious issues; (v) Provide candid feedback to CEO, CFO post an executive session
<b>Accountabilities</b>	<ul style="list-style-type: none"> <li>Ensure faithful execution of the</li> </ul>	He shall observe the following norms of conduct:	

	Executive	Non-Executive	Independent Director
	<p>duties and responsibilities vested in the Directors and upper management;</p> <ul style="list-style-type: none"> <li>• Call for special meetings of the Board of Directors as well as of the stockholders;</li> <li>• preside at all meetings of the Board of Directors or stockholders, in the absence of the Chairman;</li> </ul> <p>Upon authority granted by the Board of Directors, an executive director can:</p> <ul style="list-style-type: none"> <li>• sign deeds, bonds, contracts, or other instruments;</li> <li>• authorize the purchase or acquisition of properties, furniture, fixtures, or other office equipment within his unit/department</li> <li>• approve all expenses or disbursements authorized in the budget of the Corporation</li> <li>• represent the Corporation in any negotiation which may be necessary to make in the usual course of business</li> <li>• represent the Corporation in any judicial or administrative proceedings</li> <li>• appoint and discharges employees occupying the positions authorized by the Board of Director</li> <li>• perform all other duties customarily incident to his office and as may be prescribed by the Board from time to time.</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Conduct fair business transactions with the corporation and ensure that personal interest does not prejudice Board decisions;</li> <li><input type="checkbox"/> Devotes time and attention necessary to properly discharge his duties and responsibilities;</li> <li><input type="checkbox"/> Acts judiciously;</li> <li><input type="checkbox"/> Exercises independent judgment;</li> <li><input type="checkbox"/> Have working knowledge of the statutory and regulatory requirements affecting the Corporation.</li> </ul>	
Deliverables	<ul style="list-style-type: none"> <li>• timely report of the directors' and stockholders' meetings to those entitled to receive such;</li> <li>• Meeting the agenda prepared by the Corporate Secretary</li> </ul>	<p>The Board establishes the general policies and guidelines which will enable Management to render an effective management of the Company and, as part of which, all directors, undertake to:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Formulate company's vision and mission;</li> <li><input type="checkbox"/> Approve and confirm management's corporate strategies, major plans of actions, risk policy, annual budget and business plan;</li> <li><input type="checkbox"/> Adopt a succession plan;</li> <li><input type="checkbox"/> Review annually the Company's compliance with its Code of Corporate Governance;</li> <li><input type="checkbox"/> Approve corporate policies on major areas of operations, including Underwriting, Investments, Reinsurance Claims management and risk management;</li> <li><input type="checkbox"/> Ensure the adequacy and effectiveness of the Company's internal control and management information systems;</li> <li><input type="checkbox"/> Approve annual budget and general</li> </ul>	



	Executive	Non-Executive	Independent Director
		expenses upon recommendation of the President; and, <input type="checkbox"/> Submit annually at regular General Meeting of Stockholders the Balance Sheet, Profit and Loss Statement and Annual Report on the condition of the Corporation.	

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

Independent director means 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 corporation that meets the requirements of Section 17.2 of the Securities Regulation Code and includes, among others, any person who:

- i. Is not a director or officer or substantial stockholder of the corporation or of its related companies or any of its substantial shareholders (other than as an independent director of any of the foregoing);
- ii. Is not a relative of any director, officer or substantial shareholder of the corporation, any of its related companies or any of its substantial shareholders. For this purpose, relatives includes spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
- iii. Is not acting as a nominee or representative of a substantial shareholder of the corporation, any of its related companies or any of its substantial shareholders;
- iv. Has not been employed in any executive capacity by that public company, any of its related companies or by any of its substantial shareholders within the last five (5) years;
- v. Is not retained as professional adviser by that public company, any of its related companies or any of its substantial shareholders within the last five (5) years, either personally or through his firm;
- vi. Has not engaged and does not engage in any transaction with the corporation or with any of its related companies or with any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm's length and are immaterial or insignificant.

**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.**

Yes. The corporation ensures the independence of the independent directors by limiting their tenure to no more than five (5) consecutive years. The Corporation follows the SEC's guidelines on setting the term limit for an Independent Director. The Corporation will formalize its policy consistent with SEC Memorandum Circular 9, Series of 2011 on the Term Limits for Independent Directors, which took effect on January 2, 2012.

**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:**

On 29 January 2016, Mr. Willibaldo J. Uy and Atty. Anthony Vincent S. Sotto resigned as Independent Director and Director, respectively. On the same day, the Board of Directors elected (i) Mr. Manuel C. Crisostomo as Independent Director to replace and serve the unexpired term of Mr. Uy as Independent Director; and (ii) Mr. Uy as a regular director to replace and serve the unexpired term of Atty. Sotto.

**(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	<p>The Board of Directors shall be elected during each regular meeting of stockholders and shall hold office for one (1) year and until their successors are elected and have qualified.</p> <p>All nominations for directors to be elected by the stockholders of the Corporation shall be submitted in writing to the Secretary of the Corporation at the principal place of office of the Corporation not earlier than forty (40) days nor later than twenty (20) days prior to the date of the regular or special meeting of stockholders for the election of directors. Nominations which are not submitted within such nomination period shall not be valid. Only a stockholder of record entitled to notice of and vote at the regular or special meeting of the stockholders for the election of the directors shall be qualified to be nominated and elected a director of the Corporation.</p>	<p>Any registered stockholder may be nominated and elected to the Board of Directors. The Nomination Committee, by majority vote, shall pass upon the qualification of the nominee to the Board. It may also, in the exercise of its discretion and by majority vote of its members, disqualify a nominated shareholder who, in the Nomination Committee's judgment, represents an interest adverse to or in conflict with those of the Corporation. No nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting.</p> <p>Qualifications of Directors:</p> <p>In addition to the qualifications for membership in the Board provided for in the Corporation Code, Securities Regulation Code and other relevant laws, the Board may provide for additional qualifications which include, among others, the following:</p> <ul style="list-style-type: none"> <li>(i) College education or equivalent academic degree;</li> <li>(ii) Practical understanding of the business of the corporation;</li> <li>(iii) Membership in good standing in relevant industry, business or professional organizations; and</li> <li>(iv) Previous business experience.</li> </ul>
(ii) Non-Executive Directors	Same as above.	Same as above.
(iii) Independent Directors	<p>Nomination of Independent Director/s shall be conducted by a Nomination Committee prior to a stockholders' meeting. All nominations of Independent Directors shall be made in writing and signed by the nominating stockholders, and shall include the acceptance and conformity by the would-be nominees.</p> <p>The Nomination Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for Independent</p>	<p>Qualifications of an Independent Director</p> <p>Any person who:</p> <ul style="list-style-type: none"> <li>(a) Is not a director or officer or substantial stockholder of the corporation or of its related companies or any of its substantial shareholders (other than as an independent director of any of the foregoing);</li> <li>(b) Is not a relative of any director, officer or substantial shareholder of the corporation, any of its related companies or any of its substantial shareholders. For this</li> </ul>