COVER SHEET

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S.E.C. Registration Number

8990 HOLDINGS, INC.

(Company's Full Name)

11F LIBERTY CENTER, 104 HV DELA COSTA, SALCEDO VILLAGE, MAKATI

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

Teresa C. Secuya
Compliance Officer
Contact Person/s

(632) 4789659/5333915/5333917
Company Telephone Number

1	2		3	1

Month Day
Calendar Year

ACGR
December 31, 2016
FORM TYPE

0	7		2	7

Month 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

LCU

Document I.D.

Cashier

STAMPS

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

Actual number of Directors for the year	13

(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[1]	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 2016	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 S. Sotto[2]	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

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[1] 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.

[2] 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. **<u>General Responsibility</u>**

   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. **<u>Duties and Functions</u>**

   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 al 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[3]

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) 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 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

[3] 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
TOTAL	**470,441,888**	**662,245**	**8.53%**

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

	Chairman	Chief Executive Officer/President
	such duties as the Board of Directors may assign to him. (iii) Ensure that the meetings of the Board are held in accordance with the by-laws or as the Chairman may deem necessary; (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 (v) Maintain qualitative and timely lines of communication and information between the Board and Management.	Chairman of the Board of Directors; (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; (iii) Have general supervision and management of the business affairs and property of the Corporation; (iv) Ensure that the administrative and operational policies of the Corporation are carried out under his supervision and control; (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; (vi) Oversee the preparation of the budgets and the statements of accounts of the corporation; (vii) Prepare such statements and report of the Corporation as may be required by law; (viii) Represent the Corporation at all functions and proceedings; (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; (x) Make reports to the Board of Directors and stockholders; (xi) Sign certificates of stock, and (xii) Perform such other duties as are incidental to his office or are entrusted to him by the Board of Directors. 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.
Accountabilities	• Ensure that proper notice is given to stockholders before the holding of meetings; • Preside at all meetings of the Board of Directors and the stockholders; • Appoint a secretary for meetings of the Board of Directors, in the absence of the Corporate Secretary; • Countersign the certificate of increase or decrease in capital stock, or any bonded indebtedness to be incurred, created, or	• Ensure faithful execution of the duties and responsibilities vested in the Directors and upper management; • Call for special meetings of the Board of Directors as well as of the stockholders; • preside at all meetings of the Board of Directors or stockholders, in the absence of the Chairman; Upon authority granted by the

	Chairman	Chief Executive Officer/President
	increased; • Maintain qualitative and timely lines of communication and information between the Board and Management; • Hold board meetings in accordance with the by-laws or as he may deem necessary.	Board of Directors, the President may: • sign deeds, bonds, contracts, or other instruments; • authorize the purchase or acquisition of personal properties, furniture, fixtures, or other office equipment; • approve all expenses or disbursements authorized in the budget of the Corporation; • represent the Corporation in any negotiation which may be necessary to make in the usual course of business; • represent the Corporation in any judicial or administrative proceedings; • appoint and discharge employees occupying the positions authorized by the Board of Director; and • perform all other duties customarily incident to his office and as may be prescribed by the Board from time to time.
Deliverables	• preparation of the information statements for purposes of the annual shareholders' meetings; • timely report of the directors' and stockholders' meetings to those entitled to receive such information; • Meeting agenda prepared by the Corporate Secretary considers suggestions of the President, Management and the directors.	• Report the names, nationalities and residences of the directors and officers elected; • Statements and reports of the corporation as may be required by him by law; • 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.

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:

	Executive	Non-Executive	Independent Director
Role	(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
Accountabilities	• Ensure faithful execution of the	He shall observe the following norms of conduct:	

	Executive	Non-Executive	Independent Director
	duties and responsibilities vested in the Directors and upper management; • Call for special meetings of the Board of Directors as well as of the stockholders; • preside at all meetings of the Board of Directors or stockholders, in the absence of the Chairman; Upon authority granted by the Board of Directors, an executive director can: • sign deeds, bonds, contracts, or other instruments; • authorize the purchase or acquisition of properties, furniture, fixtures, or other office equipment within his unit/department • approve all expenses or disbursements authorized in the budget of the Corporation • represent the Corporation in any negotiation which may be necessary to make in the usual course of business • represent the Corporation in any judicial or administrative proceedings • appoint and discharges employees occupying the positions authorized by the Board of Director • perform all other duties customarily incident to his office and as may be prescribed by the Board from time to time.	□ Conduct fair business transactions with the corporation and ensure that personal interest does not prejudice Board decisions; □ Devotes time and attention necessary to properly discharge his duties and responsibilities; □ Acts judiciously; □ Exercises independent judgment; □ Have working knowledge of the statutory and regulatory requirements affecting the Corporation.	
Deliverables	• timely report of the directors' and stockholders' meetings to those entitled to receive such; • Meeting the agenda prepared by the Corporate Secretary	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: □ Formulate company's vision and mission; □ Approve and confirm management's corporate strategies, major plans of actions, risk policy, annual budget and business plan; □ Adopt a succession plan; □ Review annually the Company's compliance with its Code of Corporate Governance; □ Approve corporate policies on major areas of operations, including Underwriting, Investments, Reinsurance Claims management and risk management; □ Ensure the adequacy and effectiveness of the Company's internal control and management information systems; □ Approve annual budget and general	

	Executive	Non-Executive	Independent Director
		expenses upon recommendation of the President; and, □ 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 of 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 arms 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
a. Selection/Appointment		
(i) Executive Directors	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. 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 33333stockholder 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.	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.' Qualifications of Directors: 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: (i) College education or equivalent academic degree; (ii) Practical understanding of the business of the corporation; (iii) Membership in good standing in relevant industry, business or professional organizations; and (iv) Previous business experience.
(ii) Non-Executive Directors	Same as above.	Same as above.
(iii) Independent Directors	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. 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	Qualifications of an Independent Director Any person who: (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); (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

Procedure	Process Adopted	Criteria
	Director(s). After the nomination, the Nomination Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for Independent Director (as required under Part IV [A] and [C] of Annex "C" of SRC Rule 12 of the Implementing Rules and Regulations of the Securities Regulation Code), including, but not limited to the following information: (a) Name, age and citizenship; (b) List of the positions and offices that each such nominee held, or will hold, if known, with the Corporation; (c) Business experience during the past five (5) years; (d) Directorship held in other companies; (e) Involvement in legal proceedings; and (f) Security ownership. The list shall be made available to the Securities and Exchange Commission and to all stockholders through the filing and distribution of the Information Statement or in such other reports required by the Securities and Exchange Commission. The name of the person or group of persons who recommended the nomination of the Independent Director shall be identified in such report including any relationship with the nominee. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Director/s. No other nominations shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting. The Chairman of the stockholders' meeting has the responsibility to inform all stockholders in attendance of the mandatory requirement of electing Independent Directors and to ensure that the Independent Directors are elected during the stockholders' meeting. Specific slot/s for Independent Directors shall not be filled-up by unqualified nominees. In case of failure of election for	purpose, relatives includes spouse, parent, child, brother, sister, and the spouse of such child, brother or sister; (c) 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; (d) 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; (e) 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 of through his firm; (f) 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 arms length and are immaterial or insignificant. When used in relation to a company subject to the requirements above, "related company" shall mean another company which is (i) its holding company, (ii) its subsidiary, or (iii) a subsidiary of its holding company; and "substantial shareholder" shall mean any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security. The Independent Director shall have the following qualifications: (a) He shall have at least one (1) share of stock of the Corporation; (b) He shall be at least a college graduate or he shall have been engaged or have experience in the same line of business as the Corporation for at least five (5)

Procedure	Process Adopted	Criteria
	Independent Director/s, the chairman of the meeting shall call a separate election during the same meeting to fill up the vacancy. Any controversy or issue arising from the selection, nomination or election of Independent Directors shall be resolved by the Securities and Exchange Commission by appointing Independent Directors from the list of nominees submitted by the stockholders.	years; (c) He shall possess integrity/probity; and (d) He shall be assiduous.
b. Re-appointment		
(i) Executive Directors	Any vacancy occurring in the board of directors other than by removal by the stockholders or members or by expiration of term, may be filled. A directorship to be filled by reason of an increase in the number of directors shall be filled only by an election at a regular or at a special meeting of stockholders or members duly called for the purpose, or in the same meeting authorizing the increase of directors if so stated in the notice of the meeting. Any vacancy occurring in the Board of Directors other than by removal by the stockholders or by expiration of term, may be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum; otherwise, the vacancy must be filled by the stockholders at a regular or special meeting of stockholders called for the purpose. A director so elected to fill a vacancy shall be elected only for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors shall be filled only by an election at a regular or at a special meeting of the stockholders duly called for the purpose, or in the same meeting authorizing the increase of directors if so stated in the notice of the meeting. The vacancy resulting from the removal of a director by the stockholders in the manner provided by law may be filled by election at the same meeting of stockholders without further notice, or at any regular or at any special meeting or stockholders called for the purpose, after giving notice as prescribed by	By the vote of at least a majority of the remaining directors, if still constituting a quorum; otherwise, said vacancies must be filled by the stockholders in a regular or special meeting called for that purpose. A director so elected to fill a vacancy shall be elected only or the unexpired term of his predecessor in office.

Procedure	Process Adopted	Criteria
	these by-laws.	
(ii) Non-Executive Directors	Same as above.	Same as above.
(iii) Independent Directors	Same as above, with the observance of the limitation of five (5) years for independent directors.	Same as above.
c. Permanent Disqualification		
(i) Executive Directors	General procedure as prescribed by law Proceedings for the permanent disqualification of a member may be called by any member of the board of directors.	The following shall be grounds for the permanent disqualifications of a director: (i) Any person by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them; (ii) Any person who, by reason of misconduct , after hearing, is permanently enjoined by a final judgment or order of the Securities and Exchange Commission (the "Commission") or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities. The disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying,

Procedure	Process Adopted	Criteria
		revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or Bangko Sentral ng Pilipinas ("BSP"), or under anu rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation of the organization; (iii) Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts; (iv) any person who has been adjudged by final judgment or order of the Commission, court or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law administered by the Commission or BSP, or any of its rule, regulation or order; (v) Any person earlier elected as independent director who becomes an officer, employee or consultant of the same corporation; (vi) Any person judicially declared as insolvent; (vii) Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in sub-paragraphs (i) to (v) above; (viii) Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.
(ii) Non-Executive Directors	Same as above.	Same as above.

Procedure	Process Adopted	Criteria
(iii) Independent Directors	Same as above.	Same as above.
d. Temporary Disqualification		
(i) Executive Directors	Proceedings for the permanent disqualification of a member may be called by any member of the board of directors.	The Board may provide for the temporary disqualification of a director for any of the following reasons: (i) Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists. (ii) Absence in more than fifty (50%) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election. (iii)Dismissal or termination for cause as director of any corporation covered by this Code. This disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination. (iv) If the beneficial equity ownership of an independent director in the corporation or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with. (v) If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final. A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.
(ii) Non-Executive Directors	Same as above.	Same as above.
(iii) Independent Directors	Same as above.	Same as above.
e. Removal		
(i) Executive Directors	Any director of a corporation may be	Same criteria for permanent

Procedure	Process Adopted	Criteria
	removed from office by a vote. Provided, That such removal shall take place either at a regular meeting of the corporation or at a special meeting called for the purpose, and in either case, after previous notice to stockholders or members of the corporation of the intention to propose such removal at the meeting. A special meeting of the stockholders or members of a corporation for the purpose of removal of directors must be called by the secretary on order of the president or on the written demand of the stockholders representing or holding at least a majority of the outstanding capital stock. Should the secretary fail or refuse to call the special meeting upon such demand or fail or refuse to give the notice, or if there is no secretary, the call for the meeting may be addressed directly to the stockholders or members by any stockholder or member of the corporation signing the demand. Notice of the time and place of such meeting, as well as of the intention to propose such removal, must be given by publication or by written notice prescribed in the corporation code. Removal may be with or without cause: Provided, That removal without cause may not be used to deprive minority stockholders or members of the right of representation to which they may be entitled under Section 24 of the corporation code.	disqualifications, as stated above. Removal of directors – Any director of a corporation may be removed from office by a vote of the stockholders holding or representing at least two-thirds (2/3) of the outstanding capital stock, or if the corporation be a non-stock corporation, by a vote of at least two-thirds (2/3) of the members entitled to vote: Provided, That such removal shall take place either at a regular meeting of the corporation or at a special meeting called for the purpose, and in either case, after previous notice to stockholders or members of the corporation of the intention to propose such removal at the meeting. *(The Corporation Code of the Philippines, Title III, Section 28)*
(ii) Non-Executive Directors	Same as above.	Same as above.
(iii) Independent Directors	Same as above.	Same as above.
f. Re-instatement		
(i) Executive Directors	The policy adopted is the same as in original selection/appointment described above	The criteria adopted is the same as in original selection/appointment described above.
(ii) Non-Executive Directors	The policy adopted is the same as in original selection/appointment described above	The criteria adopted is the same as in original selection/appointment described above.
(iii) Independent Directors	The policy adopted is the same as in original selection/appointment described above	The criteria adopted is the same as in original selection/appointment described above.

Procedure	Process Adopted	Criteria
g. Suspension		
(i) Executive Directors	Upon call to vote by the president or a majority of the directors. Suspension of directors is upon the affirmative vote of 3/4s of the directors and limited to the term of thirty (30) days. With respect to temporary disqualification, A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall be permanent.	Same criteria for temporary disqualifications, as stated above.
(ii) Non-Executive Directors	Same as above.	Same as above
(iii) Independent Directors	Same as above.	Same as above

Voting Result of the 2016 Annual Stockholders' Meeting

Name of Director	Votes Received
Mariano D. Martinez, Jr.	5,140,102,582
Januario Jesus Gregorio III B. Atencio	5,140,102,582
Luis N. Yu, Jr.	5,140,102,582
Willibaldo J. Uy	5,140,102,582
Manuel C. Crisostomo	5,140,102,582
Arlene C. Keh	5,140,102,582
Richard L. Haosen	5,140,102,582
Ian Norman E. Dato	5,140,102,582
Lowell L. Yu	5,140,102,582
Manuel S. Delfin, Jr	5,140,102,582
Raul Fortunato R. Rocha	5,140,102,582
Dominic J. Picone	5,140,102,582
Ben Chan Wei Beng	5,140,102,582

6) **Orientation and Education Program**

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

At present, the Corporation does not have a formal orientation program. The Chairman simply conducts an informal training/orientation for new directors to provide them an overview of the business. This orientation is done after the first board meeting attended by the new director. To better familiarize themselves to the business, the new directors are also given copies of the corporate records and files.

(b) State any in-house training and external courses attended by Directors and Senior Management[4] for the past three (3) years:

ASEAN Corporate Governance Scorecard (ACGS) Seminar organized by the Institute of Corporate Directors – attended by all of the Board of Directors and Officers last May 8, 2017.

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

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Mariano D. Martinez, Jr.	May 8, 2017	ASEAN Corporate Governance Seminar	Institute of Corporate Directors
Januario Jesus Gregorio III B. Atencio	May 8, 2017	ASEAN Corporate Governance Seminar	Institute of Corporate Directors
Luis N. Yu, Jr.	May 8, 2017	ASEAN Corporate Governance Seminar	Institute of Corporate Directors
Willibaldo J. Uy	May 8, 2017	ASEAN Corporate Governance Seminar	Institute of Corporate Directors
Manuel C. Crisostomo	May 8, 2017	ASEAN Corporate Governance Seminar	Institute of Corporate Directors
Arlene C. Keh	May 8, 2017	ASEAN Corporate Governance Seminar	Institute of Corporate Directors
Richard L. Haosen	May 8, 2017	ASEAN Corporate Governance Seminar	Institute of Corporate Directors
Ian Norman E. Dato	May 8, 2017	ASEAN Corporate Governance Seminar	Institute of Corporate Directors
Lowell L. Yu	May 8, 2017	ASEAN Corporate Governance Seminar	Institute of Corporate Directors
Manuel S. Delfin, Jr.	May 8, 2017	ASEAN Corporate Governance Seminar	Institute of Corporate Directors
Raul Fortunato R. Rocha	May 8, 2017	ASEAN Corporate Governance Seminar	Institute of Corporate Directors
Dominic J. Picone	May 8, 2017	ASEAN Corporate Governance Seminar	Institute of Corporate Directors

Ben Chan Wei Beng	May 8, 2017	ASEAN Corporate Governance Seminar	Institute of Corporate Directors
Anthony Vincent S. Sotto*	May 8, 2017	ASEAN Corporate Governance Seminar	Institute of Corporate Directors
Patricia Victoria G. Ilagan	May 8, 2017	ASEAN Corporate Governance Seminar	Institute of Corporate Directors
Teresa C. Secuya	May 8, 2017	ASEAN Corporate Governance Seminar	Institute of Corporate Directors
Christina Palma Gil	May 8, 2017	ASEAN Corporate Governance Seminar	Institute of Corporate Directors
Maureen Christine O. Lizarondo	May 8, 2017	ASEAN Corporate Governance Seminar	Institute of Corporate Directors

*Mr. Sotto has resigned as Director effective on January 26, 2016

(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
		None	

The Corporation does not provide continuing programs for its directors, but is contemplating of having a formal training in the future.

B. CODE OF BUSINESS CONDUCT & ETHICS

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

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	Directors are required to disclose all reasonably expected conflicts of interests and dealings with third parties on behalf of the corporation.	Senior Management is required to disclose all reasonably expected conflicts of interests and dealings with third parties on behalf of the corporation.	Employees are not permitted to engage in competing industries.
(b) Conduct of Business and Fair Dealings	Directors are required to disclose all reasonably expected conflicts of interests and dealings with third	Senior Management is required to disclose all reasonably expected conflicts of interests and dealings with third parties on behalf of the	Employees are monitored by the management.

	parties on behalf of the corporation.	corporation.	
(c) Receipt of gifts from third parties	Gifts received on behalf of the corporation shall be turned over to the corporation.		
(d) Compliance with Laws & Regulations	Review at the regular directors' meetings.	Senior management is subject to review by the directors.	Employees are monitored by management
(e) Respect for Trade Secrets/Use of Non-public Information	Directors are bound by corporate confidentiality agreements	Senior Management is bound by corporate confidentiality agreements	Employees are bound by corporate confidentiality agreements
(f) Use of Company Funds, Assets and Information	Directors are subject to the supervision of the other directors.	Senior Management must act in a fiduciary capacity with the corporation in all dealings	Employees are monitored by management
(g) Employment & Labor Laws & Policies	Not Applicable	Senior Management accepts complaints and has a Labor Relations Committee.	All employees are under employment contracts and may bring complaints to management.
(h) Disciplinary action	Directors are subject to the disciplinary actions/proceedings to be conducted by the other directors.	Senior management is subject to disciplinary action the directors.	Employees are subject to the disciplinary action of the senior management.
(i) Whistle Blower	Whistle blowers are encouraged for the proper functioning of the corporation.		
(j) Conflict Resolution	Directors are advised to settle disputes amongst themselves	Senior management may subject themselves to various modes of dispute resolution within the corporation.	Employees may subject themselves to various modes of dispute resolution within the corporation.

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

Yes, all directors, senior management and employees are aware of the Corporation's Code of Ethics, which sets out how the Management and employees can achieve and maintain ethical standards in the Corporation's day-to-day operations and summarizes the Corporation's fundamental policies and directives. Senior management is responsible for disclosing and disseminating the Code of Ethics and is tasked with the periodic review of its implementation. The detailed implementation of the Code is also delegated to the various departments of the Corporation.

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

The Code of Ethics is communicated to, and understood by, the Board, senior management and staff. There are appropriate policies and procedures necessary to identify any potential conflicts of interests. There are also adequate policies and procedures that deal with potential conflicts of interests.

Senior management is responsible for disclosing the Code of Ethics and is tasked with the periodic review of its implementation. The detailed implementation of the Code is also delegated to the various departments of the Corporation.
All employees have an individual responsibility to ensure that business practices adhere to the rules of the Code. Generally, no employee or officer seeks or has sought exemptions from the application of the corporate governance rules and guidelines of the Company.

4) **Related Party Transactions**

(a) **Policies and Procedures**

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

Related Party Transactions	Policies and Procedures
(1) Parent Company	Related party transactions shall be conducted at arm's length, i.e., in terms that are at least comparable to normal commercial practices to safeguard the best interest of the Corporation, its stockholders, creditors, policyholders and claimants. Overlapping interests in the company shall be disclosed to the Board and any material transaction involving such interests shall be similarly disclosed. Related party transactions shall be disclosed fully to the Board. Prior board approval shall be obtained for related party transactions. Any member of the board who has an interest in the transaction under discussion shall not participate in the deliberations and voting on the approval of the Related Party Transaction.
(2) Joint Ventures	Same as above.
(3) Subsidiaries	Same as above.
(4) Entities Under Common Control	Same as above
(5) Substantial Stockholders	Same as above.
(6) Officers including spouse/children/siblings/parents	Same as above.
(7) Directors including spouse/children/siblings/parents	Same as above.
(8) Interlocking director relationship of Board of Directors	Same as above.

(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.

The Corporation is not aware of any actual or probable conflict of interest involving directors/officers or shareholders owning more than 5% of the outstanding capital stock.

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

(ii) Mechanism

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

	Directors/Officers/Significant Shareholders
Company	General company oversight and disclosure requirements Directors/officers/significant shareholders shall conduct fair business transactions with the corporation and shall ensure that his personal interest does not conflict with the interests of the corporation. A director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process. A director who has a continuing material conflict of interest should seriously consider resigning from his position. A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the Corporation, or the director stands to acquire or gain financial advantage at the expense of the Corporation.
Group	General company oversight and disclosure requirements Directors/officers/significant shareholders shall conduct fair business transactions with the corporation and shall ensure that his personal interest does not conflict with the interests of the corporation. A director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process. A director who has a continuing material conflict of interest should seriously consider resigning from his position. A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the Corporation, or the director stands to acquire or gain financial advantage at the expense of the Corporation.

5) Family, Commercial and Contractual Relations

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

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

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
Luis N. Yu, Jr. & Lowell L. Yu	Father-Son Relationship	Luis N. Yu is the father of Lowell L. Yu.

(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:

The Corporation is not aware of any relation, whether commercial, contractual or business nature, that exists between the holders of significant equity and the Corporation.

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:

The Corporation is not aware of any person holding more than 5% of the shares of the Corporation under a voting trust or similar shareholders' agreement that may result in a change in control of the Corporation.

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
	None	

6) Alternative Dispute Resolution

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

	Alternative Dispute Resolution System
Corporation & Stockholders	None in place
Corporation & Third Parties	None in place
Corporation & Regulatory Authorities	None in place

C. BOARD MEETINGS & ATTENDANCE

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

Board of Directors' are held as needed but in practice, at least quarterly. The Company decides on these meetings a few weeks in advance of the date, always complying with the minimum notice requirement under the By-Laws.

2) Attendance of Directors

Board	Name	Date of Election	Number of Meetings Held During the Year*	Number of Meetings Attended	Percentage of Attendance
Chairman	Mariano D. Martinez, Jr.	25 July 2016	10	10	100%
President/CEO	Januario Jesus Gregorio III B. Atencio	25 July 2016	10	10	100%
Director	Luis N. Yu, Jr.	25 July 2016	10	10	100%
Director	Willibaldo J. Uy	25 July 2016[6]	10	10	100%
Independent	Manuel C. Crisostomo	01 Feb 2016[7]	9	9	100%

[6] Mr. Willibaldo J. Uy resigned as Independent director of the Company on 29 January 2016. He was appointed as Chief Operating Officer of the company and elected as Director to replace Atty. Anthony Vincent S. Sotto. Mr. Uy was then re-elected as Director in the 25 July 2016 Annual Stockholders' Meeting of the Company.

[7] Mr. Manuel C. Crisostomo was elected as Independent Director on 29 January 2016 and continued the term of Mr. Uy.

Board	Name	Date of Election	Number of Meetings Held During the Year*	Number of Meetings Attended	Percentage of Attendance
Independent	Arlene C. Keh	25 July 2016	10	10	100%
Treasurer	Richard L. Hansen	25 July 2016	10	10	100%
Director	Ian Norman E. Dato	25 July 2016	10	10	100%
Director	Lowell L. Yu	25 July 2016	10	10	100%
Director	Manuel S. Delfin	25 July 2016	10	8	80%
Director	Raul Fortunato R. Rocha	25 July 2016	10	6	60%
Director	Dominic J. Picone	25 July 2016	10	10	100%
Director	Ben Chan Wei Beng	25 July 2016	10	10	100%
Director	Anthony Vincent S. Sotto	27 July 2015[8]	1	1	100%

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

Generally, although non-executive directors are not required to hold a separate meeting, nothing prevents them from holding a separate meeting if deemed necessary, provided that there is a quorum. It is not a common corporate practice to have a separate meeting for non-executive directors. Directors – executive, non-executive and independent directors – are all required to attend board meetings.

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

Based on the Corporation's Amended By-Laws, a majority of the number of directors as fixed by the Articles of Incorporation shall constitute a quorum for the transaction of corporate business, and every decision of at least a majority of the directors present at the 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[9] for board of directors meetings provided to the board?

To enable the members of the Board to properly fulfill their duties and responsibilities, the management should provide them with complete, adequate and timely information about the matters to be taken in their meetings. The information may include background or explanation on matters brought before the Board, disclosures, budgets, forecasts, and internal financial documents.

Notice of regular or special meetings stating the date, time, and place of the meeting must be sent to every director at least one (1) day prior to the scheduled meeting, unless otherwise provided for in the By-Laws. A director may also waive this requirement, either expressly or impliedly. Accordingly, if the board meeting is a regular board meeting, notice may be dispensed with unless it will be held in a place other than that stated in the By-Laws. If it is a special board meeting, notice must be sent to every director at least 1 day prior to the scheduled meeting, unless waived by the directors [Section 53, Corporation Code].

Under the Corporation's Amended By-Laws, note that notice of a regular or special meeting of the Board, specifying the date, time, place and purpose or agenda of the meeting, shall be communicated by the Secretary to each director personally, or by telephone, telex, telegram, e-mail or by written or oral message.

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

Yes. Reliance on information volunteered by Management would not be sufficient in all circumstances and further inquiries may have to be made by a member of the Board to enable him to properly perform his duties and responsibilities. Hence, the members should be given independent access to Management and the Corporate Secretary.

(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?

Mr. Crisostomo was then re-elected as Director in the 25 July 2016 Annual Stockholders' Meeting of the Company.

[8] Atty. Anthony Vincent Sotto resigned from the Board of Directors of the Company on 29 January 2016. He was replaced by r. Uy who continued the remainder of his term until 25 July 2016.

[9] 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 Corporate Secretary is the custodian of corporate books and records. In general, the Corporate Secretary's role also includes assisting the Chairman in preparing board agenda, facilitating training of directors, and keeping directors updated regarding any relevant statutory and regulatory change.

The Corporate Secretary, who should be a Filipino citizen and a resident of the Philippines, is an officer of the corporation. He must – (i) be responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its committees, as well as the other official records of the corporation; (ii) be loyal to the mission, vision and objectives of the corporation; (iii) work fairly and objectively with the Board, Management and stockholders; (iv) have appropriate administrative and interpersonal skills; (v) be aware of the laws, rules and regulations necessary in the performance of his duties and responsibilities; (vi) have a working knowledge of the operations of the corporation; (vii) inform the members of the Board, in accordance with the by-laws, of the agenda of their meetings and ensure that the members have before them accurate information that will enable them to arrive at intelligent decision on matters that require their approval; (viii) attend all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him from doing so; (ix) ensure that all Board procedures, rules and regulations are strictly followed by the members; and (x) perform all the duties and responsibilities of the said officer as provided for in the Manual of Corporate Governance.

He shall have the following specific powers and duties: (a) to record or see the proper recording of the minutes and transactions of all meetings of the directors and the stockholders and to maintain minute books of such meeting in the form or manner required by law; (b) to keep or cause to be kept record books showing the details required by law with respect to the stock certificates of the corporation, including ledgers and transfer books showing all shares that are subscribed, issued and transferred; (c) to keep the corporate seal and affix it to all papers and documents requiring a seal, and to attest by his signature all corporate documents requiring the same; (d) to attend to the giving and serving of all notices of the corporation required by law or the by-laws; (e) to certify to such corporate acts, countersign corporate documents or certificates, and make reports or statements as may be required of him by law or by government rules and regulations; (f) to act as the inspector at the election of directors and, as such, to determine the number of shares of stock outstanding and entitled to vote, the shares of stock represented at the meeting, the existence of a quorum, the validity and effect of proxies, and to receive votes, ballots or consents, bear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots and consents, determine the results and do such acts as proper to conduct the election or vote. The Corporate Secretary may assign the exercise or performance of any or all the foregoing duties, powers and functions to any other person or persons, subject always to his supervision and control; (g) to perform such other duties as are incident to his office or as may be assigned to him by the Board of Directors of the President.

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

Yes.

(e) Committee Procedures

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

Yes ■ No ☐

Committee	Details of the procedures
Executive	All committee meetings are recorded, and minutes of all meetings are forwarded to the Corporate Secretary. Request shall first be made to the Corporate Secretary, who is primarily responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Executive Committee as well as the other official records of the Corporation, or, in the absence of the Corporate Secretary, to the Chairman of the Executive Committee.
Audit and Risk Management	All committee meetings are recorded, and minutes of all meetings are forwarded to the Corporate Secretary. Request shall first be made to the Corporate Secretary, who isprimarily responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Audit Committee as well as the other official records of the Corporation, or, in the

Committee	Details of the procedures
	absence of the Corporate Secretary, to the Chairman of the Audit Committee.
Nomination	All committee meetings are recorded, and minutes of all meetings are forwarded to the Corporate Secretary. Directors shall be provided with reports, which disclose personal and professional information about the nominated individuals and certain other matters such as their holdings of the company's shares at least three (3) days before the screening process. The results of the screening and the election shall be recorded, and the minutes thereof shall be forwarded to the Corporate Secretary.
Remuneration	All committee meetings are recorded, and minutes of all meetings are forwarded to the Corporate Secretary. Request shall first be made to the Corporate Secretary, who is primarily responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Remuneration Committee as well as the other official records of the Corporation, or, in the absence of the Corporate Secretary, to the Chairman of the Remuneration Committee.
Others (specify)	--

6) External Advice

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

Since a director is expected to actively participate in Board and committee meetings and, if called for, to ask questions or seek explanation, he must have complete, adequate and timely information about the matters to be taken in these meetings. In case he finds the information (which includes the background or explanation on matters brought before the Board, disclosures, budgets, forecast and internal financial documents) given by the management to be insufficient, he shall have access to independent professional advice at the Corporation's expense.

7) Change/s in existing policies

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

The Board of Directors did not introduce any change on existing policies pertaining to Board meetings and attendance that may have an effect on the business of the Corporation.

Existing Policies	Changes	Reason
____________________	____________________	____________________

D. REMUNERATION MATTERS

1) Remuneration Process

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

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	The Remuneration Committee plans to establish a formal and transparent procedure for developing a policy on executive packages of corporate officers. The Committee ensures that any compensation given to CEO is consistent with the Corporation's culture, strategy, and control environment. The following are also taken into consideration: (1) company salary structure; (2) market rates; (3) salary adjustments based on performance; (4) responsibilities and functions. Specifically, the compensation of CEO is based on the standard hiring rate of the Corporation where standard monthly salary and 13th month pay are given in accordance with the provisions of the Labor Code. [Corporation's SEC – 17-A, Item 10]	The Remuneration Committee plans to establish a formal and transparent procedure for developing a policy on executive packages of corporate officers. The Committee ensures that any compensation given to senior management is consistent with the Corporation's culture, strategy, and control environment. The following are also taken into consideration: (1) company salary structure; (2) market rates; (3) salary adjustments based on performance; (4) responsibilities and functions. Specifically, the compensation of a senior manager is based on the standard hiring rate of the Corporation where standard monthly salary and 13th month pay are given in accordance with the provisions of the Labor Code. [Corporation's SEC – 17-A, Item 10]
(2) Variable remuneration	None. There are no special arrangements extended to any of the officers, whether directly or indirectly, except for allowances required for the usual course of doing business.	None. There are no special arrangements extended to any of the officers, whether directly or indirectly, except for allowances required for the usual course of doing business.
(3) Per diem allowance	Per diem allowance is given by the management, but the same must be accounted for.	Per diem allowance is given by the management, but the same must be accounted for.
(4) Bonus	Shall receive remuneration as the Board of Directors may determine upon recommendation of the President/CEO.	Shall receive remuneration as the Board of Directors may determine upon recommendation of the President/CEO/HR Head.
(5) Stock Options and other financial instruments	Not Applicable	Not Applicable
(6) Others (specify)	Not Applicable	Not Applicable

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.

By resolution of the Board, each director shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than ten (10%) percent of the net income before income tax of the Corporation during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders. Members of committees may, upon resolution of the Board, be allowed similar compensation for attending committee meetings as may be determined by the Board.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	Shall receive remunerations as the Board of Directors may determine	Basic pay plus incentive bonuses as approved by the Board	Basic pay is fixed by the Board, while bonuses are percentages of net profit
Non-Executive Directors	Same as above	Incentive bonuses as approved by the Board	Incentive bonuses as approved by the Board

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

Not Applicable

3) **Aggregate Remuneration**

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

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration			
(b) Variable Remuneration			
(c) Per diem Allowance	40,000	160,000	80,000
(d) Bonuses			
(e) Stock Options and/or other financial instruments			
(f) Others (Specify)			
Total	**40,000**	**160,000**	**80,000**

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

Nothing has been set up yet for the directors, except for per diem in during the meetings.

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
(g) Car Plan			
(h) Others (Specify)			
Total			

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:

There are no outstanding shares that are subject to outstanding options or warrants to purchase or other securities.

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:

No amendment or discontinuance of any incentive program was introduced.

Incentive Program	Amendments	Date of Stockholders' Approval
______________	______________	______________

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
Richard L. Haosen - Treasurer	Php300,000.00

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

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

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	4	----	----	Committee Charter is still being formalized	• To assist the Board in the performance of its duties and responsibilities • To act on such specific matters within the competence of the Board except with respect to: (1) approval of any action for which shareholders' approval is also required; (2) the filling of vacancies in the Board; (3) the amendment or repeal of By-Laws or the adoption of new By-Laws; (4) the amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable; and (5) distribution of cash dividends to shareholders.	The Executive Committee has the same responsibilities as that of the Board on specific matters within the competence of the Board, subject to the limitations provided by the Corporation Code of the Philippines.	* The Committee has the power to function as the Board itself.
Audit and Risk Management	2	2	1		a) Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations; b) Provide oversight over Management's activities in managing credit, market, liquidity,	Its key responsibilities focus on areas pertaining to: (1) financial statements (generally reviews significant accounting and financial reporting issues and understands its impacts on the financial statements); (2) internal control (considers effectiveness of the corporation's internal control system; (3)	It has the authority to: (1) recommend the appointment and compensation of the independent external auditor; (2) resolve any disagreements between management and the auditor regarding financial reporting; (3) recommend approval of all auditing and

					operational, legal and other risks of the corporation; c) Perform oversight functions over the corporation's internal and external auditors. It should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions; d) Review the annual internal audit plan to ensure its conformity with the objectives of the corporation. The plan shall include the audit scope, resources and budget necessary to implement it; e) Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts; f) Organize an internal audit department, and consider the appointment of an independent internal auditor	Internal Audit (reviews the effectiveness of the internal audit control); and (4) External Audit (reviews and confirms independence of the external auditors)	audit-related services; (4) conduct or authorize investigations into any matters within its scope of responsibility; (5) retain independent counsels; (6) seek any information it requires from the Corporation's officers and employees; (7) meet with the Corporation's officers, external auditors or outside counsel as necessary.

					and the terms and conditions of its engagement and removal; g) Monitor and evaluate the adequacy and effectiveness of the corporation's internal control system, including financial reporting control and information technology security; h) Review the reports submitted by the internal and external auditors; i) Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters: • Any change/s in accounting policies and practices • Major judgmental areas • Significant adjustments resulting from the audit • Going concern assumptions • Compliance with accounting standards • Compliance with tax, legal and regulatory Requirements; j) Coordinate, monitor and facilitate compliance with laws, rules and regulations; k) Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees		

					paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the corporation's overall consultancy expenses.		
Nomination and Compensation Committee	1	1	1	The Committee Charter still to be formalized.	* pre-screens and shortlists all candidates nominated to become a member of the Board of directors in accordance with the guidelines under the Revised Manual on Corporate Governance *Promulgates the guidelines or criteria to govern the conduct of its nominations, provided that any such promulgated guidelines or criteria governing the conduct of the nomination of independent directors shall be properly disclosed in the Corporation's information or proxy statement or such other reports required by the SEC.	* in charge of the nomination and appointment process * supervise and conduct elections of the Board * hear and decide election-related controversies, including, but not limited to, validation of proxies, appreciation of ballots, and election protests	* It has the power to enforce and administer the Corporation's election rules. * It has the power to disqualify an individual from the Board.
Others (specify)	------------	-----------	---------------	--------------	----------------------	--------------------	-----------------

2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Member (ED)	Mariano D. Martinez, Jr.	July 2012	-	-	-	4 years
Member (ED)	Luis N Yu, Jr.	July 2012	-	-	-	4 years
Member (ED)	Januario Jesus Gregorio	July 2012	-	-	-	4 years

Ben Chan Wei Beng

Mr. Chan, is currently an Executive Director of Investments in Khazanah Nasional Berhad ("Khazanah"). He joined Khazanah in June 2005 and was appointed an Executive Director in April 2008. Mr. Chan oversees Khazanah's investments in Greater China, Vietnam, Korea and Philippines as well as the reinsurance sector. He also serve on boards of some the investee companies. Prior to joining Khazanah, Mr. Chan was the Director of Research at several investment houses covering both the China and Southeast Asian markets. Mr. Chan is a member of the Institute of Chartered Accountants in England and Wales and holds a Bachelor of Commerce (with merit) from the University of New South Wales, Australia.

Dominic J. Picone

Mr. Picone, is a Principal and Head of Asia Financial Services (ex. India) at TPG Capital, based in Singapore. In addition to 8990 Holdings, he has been involved with current and past TPG portfolio companies including BFI Finance, Masan Group, Fairmont Raffles Hotels, Bank BTPN, United Test & Assembly Center (UTAC), and CIMB. He is an alternate board member of UTAC Holdings, and serves on the audit, risk, and compensation committees of BFI Finance. Prior to joining TPG in 2005, Mr. Picone worked in the Investment Banking Division of Credit Suisse First Boston in Melbourne, primarily focused on mergers and acquisitions in Australia and New Zealand. A native of Australia, he received a Bachelor of Commerce (Honours – Finance) and a Bachelor of Laws from the University of Melbourne.

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

The Audit Committee shall have the following functions:

1) Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;

2) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the corporation. This function shall include regular receipt from Management of information on risk exposures and risk management activities;

3) Perform oversight functions over the Corporation's internal and external auditors. It should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;

4) Review the annual internal audit plan to ensure its conformity with the objectives of the Corporation. The plan shall include the audit scope, resources and budget necessary to implement it;

5) Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;

6) Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;

7) Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, including financial reporting control and information technology security;

8) Review the reports submitted by the internal and external auditors;

9) Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:

- Any change/s in accounting policies and practices
- Major judgmental areas
- Significant adjustments resulting from the audit
- Going concern assumptions
- Compliance with accounting standards
- Compliance with tax, legal and regulatory requirements;

10) Coordinate, monitor and facilitate compliance with laws, rules and regulations;

11) Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Corporation's overall consultancy expenses. The Committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Corporation's annual report;

12) Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee.

The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties.

4.1 On External Auditors:

a) Review and evaluate the qualifications, performance and independence of the external auditors and the lead partner.
b) Select and appoint the external auditors and remove or replace the independent auditors as it may deem necessary.
c) Discuss with the external auditor before the audit commences the nature and scope of the audit.
d) Review and approve the fees charged by the external auditor for audit and non-audit services.
e) Evaluate and determine non-audit work by external auditor and keep under review the non-audit fees paid to the external auditor in relation to their significance to the auditor.
f) Ensure that the external auditor or the lead, engagement, or handling partner having primary responsibility for the audit or review of the Corporation is rotated at least once every five (5) years.

(c) Nomination and Compensation Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Willibaldo J. Uy / Manuel C. Crisostomo[10]	August 2012 / 25 July 2016	-	-	-	3 years / 5 mos.
Member (ED)	Dominic J. Picone	July 2014	-	-	-	2 years
Member (ID)	Januario Jesus Gregorio III B. Atencio	July 2012	-	-	-	4 years

The Nomination Committee shall be composed of at least three (3) members, one of whom should be an independent director, to review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors.

The Nomination Committee shall promulgate the guidelines or criteria to govern the conduct of its nominations; provided, that any such promulgated guidelines or criteria governing the conduct of the nomination of independent directors shall be properly disclosed in the Corporation's information or proxy statement or such other reports required by the Commission.

(d) Governance Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Willibaldo J. Uy / Manuel C. Crisostomo[11]	Aug 2012 / 25 July 2016	-	-	-	3 years / 5 mos.
Member (NED)	Ben Chan Wei Beng	July 2014	-	-	-	2 years
Member (ED)	Januario Jesus Gregorio III B. Atencio	August 2012	-	-	-	4 years

3) Changes in Committee Members

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

[10] Mr. Uy resigned as Independent Director on 29 January 2016. He was replaced as such by Mr. Crisostomo on 29 January 2016. Mr. Crisostomo was then re-elected as Independent Director in the 25 July 2016 Annual Stockholders' Meeting of the Company.

[11] Mr. Uy resigned as Independent Director on 29 January 2016. He was replaced as such by Mr. Crisostomo on 29 January 2016. Mr. Crisostomo was then re-elected as Independent Director in the 25 July 2016 Annual Stockholders' Meeting of the Company.

Name of Committee	Name	Reason
Executive	Not applicable	Not applicable
Audit	Not applicable	Not applicable
Nomination	Appointment of Manuel Crisostomo as Chairman of the Committee	Resignation of Mr. Willibaldo Uy as Independent Director
Remuneration	Appointment of Manuel Crisostomo as Chairman of the Committee	Resignation of Mr. Willibaldo Uy as Independent Director
Others (specify)	Not applicable	Not applicable

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	It assisted the Board in fulfilling its responsibilities.	Issues raised which are within the scope of authority of the Board.
Audit	It assisted the Board in fulfilling its oversight responsibilities for financial reporting process, system of internal control, audit process and company's process and the corporation's process for monitoring compliance with laws and regulations and the Code of Conduct	*Reviewed and discussed quarterly unaudited financial statements, audited financial statements and analysis of financial condition and results or operations, adequacy of the company's enterprise risk management framework and the effectiveness of the system for monitoring compliance with the laws and regulations *Approved the overall scope and audit plans of internal and external audit function and recommend for approval the re- appointment of the current external auditors * Performed a self-evaluation of the Committee in terms of expectations set out in the Audit Committee Charter
Nomination	Reviewed and evaluated the qualifications of all persons nominated to the Board and to the senior management.	• Defined the required qualifications of the Board. • Addressed issues on proxy and voting matters.
Remuneration	Provided a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration of corporate officers and directors.	* Addressed issues on salary structures, per diems allowances and entitlements of directors and senior managers to such compensations
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

Name of Committee	Planned Programs	Issues to be Addressed
Executive	• Draft and formalize Committee Charter that is consistent with other committee charters • Conduct evaluation of the Board's performance and implementation of the corporate governance policy • Formulate and develop ways/procedures to monitor the performance of the Board and individual Board members • Develop an overall organizational plan which is supported by a business plan, budgets and marketing plan • Develop a sound system of procedural and financial delegation and a process governing policy development, implementation and review	• clear delineation of the roles of the CEO/President and the Chairman • additional policies/measures, which deal with possible conflict of interests • propriety of having two individuals acting as CEO/President and Chairman of the Board • constitution of a separate committee on risk and compliance • lack of adequate checks and balances • adoption of Code of Ethics and Conduct
Audit	• Formalize a Committee Charter covering the following: 1. management and financial reporting; 2. compliance with laws and regulations; 3. suitable risk management and internal control frameworks; 4. membership; 5. frequency of meetings; 6. committee authority; and, 7. Board reporting obligations • Conduct evaluation of the Corporation's compliance with the Revised Manual on Corporate Governance • Deliver Internal Audit Work Plan for the year (2013) • Review the status of all internal audit and external audit recommendations and their implementation • Review and approve the audit scope and frequency and the annul internal control system • Perform oversight financial management functions specifically in the areas of managing credit, market liquidity, operational, legal and other risks of the Corporation, and crisis management	• Adequacy and effectiveness of the Corporation's internal control system • Adoption of international standards relative to accounting and auditing processes [timetable] • Compliance with rules, regulations and laws
Nomination	• Formalize a Nomination Committee Charter • Pre-screen and shortlist all candidates nominated to become a member of the Board	• Additional Qualifications of the Directors • Multiple Board Seats • Separation of the Roles of the

Name of Committee	Planned Programs	Issues to be Addressed
		Chairman of the Board and the CEO/President • Adoption of a formal succession plan for the senior management of Corporation
Remuneration	• Formalize a Remuneration Committee Charter • Establish a formal and transparent procedure for developing a policy on executive packages of corporate officers and directors • Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements • Review the existing Human Resources Manual or Personnel Handbook to strengthen provisions on conflicts of interest, salaries and benefits policies, promotion and career advancement directives, and if the existing Manual is insufficient, develop a revised manual covering the same areas/matters stated above.	• Change in existing executive package for executive directors and corporate officers
Others (specify)	--	--

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

Risk management – considered a strategic competitive advantage by the Management -- is an integral part of the Corporation's operation. Likewise, risk management is an essential part of the Company's business strategy in order to meet effective corporate governance and achieve the set goals. Thus, instead of responding to crisis and to need for compliance, the Corporation is evaluating possible risks exposures proactively.

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

The Auditor (SGV & Co.) Report (as of 2011,2012, 2013, 2014 and 2015) states that the Board of Directors reviews and approves the policies regarding risk management that include credit risk, market risk and liquidity risk. SGV & Co. stated that the Company has not identified any risk concentrations as of December 31, 2011 and 2012.

(c) Period covered by the review;

2015

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

Such review is done annually.

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

Again, annual review is conducted

2) **Risk Policy**

(a) **Company**

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

In general, the Corporation intends to implement the following:

1. Create a risk-aware culture throughout the Corporation;
2. Establish risk management objectives that are measurable and establish accountability;
3. Establish an infrastructure for risk management;
4. Empower business areas/departments to be responsible for managing risk;
5. Train management and staff in risk identification and avoidance techniques; and,
6. Continually identify and fill gaps in the risk management process.

Risk Exposure	Risk Management Policy	Objective
1. Economic Risk – Changes in the domestic and regional economic conditions may have a material adverse effect on the Company's financial performance and operations	• Intensify advertising promotions • Develop sales strategies • Implement pricing strategy tool and offer competitive prices to customers	• Improve cash flow, income, and liquidity of the Corporation • Maintain existing market share and capture greater market share
2. Financial Risk – Exposure to credit, market and liquidity risks that may arise in the normal course of the Company's business activities	• enhance revenue management strategies • preserve profit margin • limit expansion financed thru credit • look for lowest interest rates, if debt is unavoidable • * hire good finance manager	• Attain break even income • Enhance revenue • Improve cash flow • Identify and monitor such risks on an ongoing basis • Minimize and mitigate such risks • Provide a degree of certainty about the costs
3. Liquidity risk – is the risks that the Corporation will encounter difficulty in raising funds to meet commitments associated with financial instruments. It may result from either the inability to sell financial assets quickly at their fair values or the counterparty failing on repayment of a contractual obligation; or inability to generate cash inflows as anticipated.	• The Company manages liquidity needs by carefully monitoring scheduled debt servicing payments as well as the cash flows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and a week-to-week basis, as well as on the basis of rolling 30-day projection. Long-term liquidity needs for six months and one-year period are identified monthly.	• To ensure that the Company's operating, investing and financing needs are met
4. Credit Risk is the risk of financial loss to the Corporation of the counterparty to a financial instrument fails to meet its contractual obligation.	• The management has established a credit policy under which each new customer is analyzed individually for its credit worthiness before the Corporation's standard payment terms and	• To avoid or limit financial loss in case the counterparty to a financial instrument fails to meet its contractual obligation

Risk Exposure	Risk Management Policy	Objective
	conditions are offered. The Company's review includes external ratings, when available, and in some cases, bank and industry references. Also, trade receivable balances are being monitored on a regular basis.	
5. Competitive Risk – The Company faces competitive risks in all markets they operate in the domestic and in the regions.	• implement pricing strategy tool and offer competitive prices for customers • develop effective marketing plan • understand strength and weaknesses of the possible competitors • provide high quality standard service to the customer	• Develop good brand image • Maintain market shares and capture new market
6. Operation Risk – arises out of daily operations of the Corporation	• improve technology system • provide training to all employees • comply with rules, regulations and laws	• Improve operational cost efficiency
7. Hazard risks	• implement policies/procedures to minimize possible harm to visitors and employees • draft procedures for evacuation and safety assembly post • * insure company properties against all types of risk	• Limit amount of liability

(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
1. Economic Risk – Changes in the domestic and regional economic conditions may have a material adverse effect on the demand for Group's products, and hence, the Company's financial performance and operations.	• Intensify advertising promotions • Develop sales strategies • Implement pricing strategy tool and offer competitive prices to customers	• Improve cash flow, income, and liquidity of the Group • Maintain existing market share and capture greater market share
2. Financial Risk – Exposure to credit, market and liquidity risks	• enhance revenue management strategies • preserve profit margin	• Attain break-even income • Enhance revenue • Improve cash flow

that may arise in the normal course of the Group's business activities.	• limit expansion financed thru credit • look for lowest interest rates, if debt is unavoidable • hire good finance manager	• Invest in balanced portfolio
3. Competitive Risk – The Group may face competitive risks in all markets they operate in the domestic and in the regions.	• implement pricing strategy tool and offer competitive prices for customers • develop effective marketing plan • understand strength and weaknesses of the possible competitors • provide high quality standard service to the customer	• Develop good brand image • Maintain market shares and capture new market

(c) Minority Shareholders

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

Risk to Minority Shareholders
Admittedly, the interests of minority shareholders may be made virtually worthless by the machinations of those in control of the Corporation in the event that the latter exercise their voting power. Minority shareholders may also be deprived of any income from the corporation either in the form of dividends or salary. There is also a possibility that they are not allowed any effective voice in the business decisions and they are denied any information about corporate affairs. Often, they are eventually eliminated from the corporation at a fraction of the real value of their interests. However, the Board, in its commitment to practice good governance, is committed to respect the rights of the shareholders as provided in the Corporation Code. A minority stockholder has the right to vote on all matters that require their consent or approval. Further, a director shall not be removed without cause if such removal will deny minority shareholders representation in the Board. The Board also gives minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that directly affect their interest in the Corporation.

3) Control System Set Up

(a) Company

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

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
1. Economic Risk – Changes in the domestic and regional economic conditions may have a material adverse effect on the Company's financial performance and operations.	• regularly review and evaluate company's financial capacity, payment history and other customer-related information • *review market financial capacity	* The risk management system is regularly monitored.
		• render report on the following:

2. Financial Risk – Exposure to credit, market and liquidity risks that may arise in the normal course of the Company's business activities.	• hire good finance people to oversee financial performance of the Corporation • prepare an annual budget • all capital expenditures and loans shall be approved by the Board	1. actual results vs. budgeted figures 2. monitoring of cash flow 3. maintain credit limits
3. Competitive Risk – The Company faces competitive risks in all markets they operate in the domestic and in the regions.	• *review revenues and sales of the Corporation • check industry standards • * compare present market share with that of previous year	* Regular monitoring/review is conducted.
4. Operation Risk – arises out of daily operations of the Corporation.	• strictly implement existing company rules and regulations • * conduct regular trainings and seminars	* review operational expenses
5. Hazard risk	• implement policies/procedures to minimize possible harm to visitors and employees • draft procedures for evacuation and safety assembly post • insure the premises (Hotel)	• Regular monitoring of insurance coverage is conducted. • Regular monitoring of the policies aimed to minimize possible harm is conducted.

(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)
	Not Applicable – No identified group	

(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
Audit and Risk Management Committee	Assist the Board in fulfilling its oversight responsibilities for financial reporting process, system of internal control, audit process and the Corporation's process for monitoring compliance with the laws and regulations. Oversees the implementation of risk management program of the Company.	The Committee monitors the system of internal controls and corporate compliances with laws and regulations. It also guides the management in the development, implementation and maintenance of the risk management program. It also provides guidance in the establishment of system internal controls and

	Oversees the internal audit function	procedures; compliance with the laws and regulations; compliance with the corporate good governance procedures; management reporting process; selection of external auditors.

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

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

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

Based on the Corporate Governance Manual, the control environment of the corporation consists of (a) the Board which ensures that the corporation is properly and effectively managed and supervised; (b) a Management that actively manages and operates the corporation in a sound and prudent manner; (c) the organizational and procedural controls supported by effective management information and risk management reporting systems; and (d) an independent audit mechanism to monitor the adequacy and effectiveness of the corporation's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts.

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

The internal auditor issues a report that the Corporation's key organizational and operational controls are faithfully complied with. The foregoing report is presented to the Board, who in turn reviews and analyzes the same. The board constantly revisits and evaluates the existing organizational and procedural controls and the risk management system of the Corporation. Adjustments are made when necessary to ensure effectiveness, relevance and adequacy of the control system.

(c) Period covered by the review;

For the period covered December 31, 2015

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

The Board is primarily accountable to the stockholders. It should provide them with a balanced and comprehensible assessment of the corporation's performance, position and prospects on **a quarterly basis**, including interim and other reports that could adversely affect its business, as well as reports to regulators that are required by law.

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

Not Applicable

2) Internal Audit

(a) Role, Scope and Internal Audit Function

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

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
1. Evaluate the adequacy and compliance with the established control policies and	All departments - compliance with the established control policies and procedures	In-house	Juliet Valerio	Annual

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
procedure				
2. Evaluate the reliability of financial and management reports	All reports to the Board, management, Audit Committee and other stakeholders - accurate, complete and timely reports	In_house	Juliet Valerio	Annual
3. Evaluate the effective and efficient use of resources	All company resources	In-house	Juliet Valerio	As necessary
4. Ensure that company assets are safeguarded and protected from all types of risks	All company assets	In-house	Juliet Valerio	Monthly
5. Conduct special audit	All fraud and other risk exposures	In-house	Juliet Valerio	Upon the request of the Board, Audit Committee or Management
6. Determine compliance with laws, government rules and regulations	All departments – strict compliance	In-house	Juliet Valerio	Quarterly or as needed
7. Evaluate compliance with the set corporate governance procedures	Entire organization – compliance with procedures as set in the corporate governance manual	In-house	Juliet Valerio	Annual
8. Evaluate the quality of performance of external auditors	Audit performance in accordance with the acceptable audit standards	In-house	Juliet Valerio	Annual

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

Yes, all matters involving auditors are handled by the Audit Committee. Specifically, the appointment and removal of the internal auditor are within the scope of Audit Committee's responsibility.

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

The Internal Auditor reports directly to the Audit Committee of the Board. She has free access to all the records and resources of the company.

Further, the Internal Auditor should submit to the Audit Committee and Management an annual report on the internal audit department's activities, responsibilities and performance relative to the audit plans and strategies as approved by the Audit Committee. The annual report includes significant risk exposures, control issues and such other matters as may be needed or requested by the Board and Management. The Internal Auditor should certify that he conducts his activities in accordance with the International Standards on the Professional Practice of Internal Auditing. If he does not, he shall disclose to the Board and Management the reasons why he has not fully complied with the said standards.

(d) Resignation, Re-assignment and Reasons

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

Name of Audit Staff	Reason
	None

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

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

Progress Against Plans	Comparison of progress against plans, etc. cannot be made as Internal Audit was just formed in June 2013.
Issues[12]	
Findings[13]	
Examination Trends	

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

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

(f) Audit Control Policies and Procedures

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

Policies & Procedures	Implementation
Governance frameworks must be established to define the scope of work policies that will regulate and control the unit's activities.	Implemented
Unit must effectively communicate the results of its works.	Implemented

12 "Issues" are compliance matters that arise from adopting different interpretations.
13 "Findings" are those with concrete basis under the company's policies and rules.

(g) **Mechanisms and Safeguards**

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

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
The External Auditor of the Corporation does not at the same time provide the services of an internal auditor. The handling audit partner or auditing firm is rotated every 5 years The External Auditor does not render management or legal services, nor prepare accounting records for the company.	There are no independence concerns involving financial analysts, investment banks and rating agencies as there are no material public information being disclosed ahead to any group other than what is disclosed publicly to the regulators.		
The Internal Auditor is independent of the company's management and has no approving authority over the operations of the Corporation. The Internal Auditor reports only to the Audit Committee of the Board.	There are no independence concerns involving financial analysts, investment banks and rating agencies.		

(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.

On 17 January 2013, the Compliance Officer issued a certification on the Corporation's compliance with the Manual on Corporate Governance.

II. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' welfare	Customer welfare is of utmost importance.	Customer feedback is encouraged to continually provide the public a superior product.
Supplier/contractor selection practice	The corporation seeks the highest quality products.	Management selects suppliers/ based on their proposal/offer
Environmentally friendly value-chain	Implementing environmentally friendly practice is good for corporate image.	Environmentally friendly value-chains are a management prerogative.

Community interaction	Community interaction is vital to maintaining a positive corporate image.	Community interaction is carried out by management.
Anti-corruption programmes and procedures?	Corruption is viewed as a hindrance to effective business practice. The Corporation does not condone any dishonest, unethical or unprofessional behavior and actions displayed by a director/officer /employee.	Not Applicable
Safeguarding creditors' rights	Creditors' rights are protected for the continuation of the business. The Corporation manages its cash and financial condition to meet its obligations.	Payments to creditors are timely made.

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.**

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

Company policy is outlined in employment contracts.

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

All benefits required by the law are provided to employees in their respective employment contracts.

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

New employees are given orientation on the Corporation's policies and procedures. Some employees are sent to specialized training course as needed by the corporation's operation.

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

All bonuses, quarterly, mid-year and year end, are based on employee and company performance.

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

The Corporation encourages complaints from employees concerning illegal (including corruption) and unethical behavior. All complaints are reviewed and investigated Personnel Department for appropriate action.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) **Holding 5% shareholding or more**

Shareholder	Number of Shares	Percent	Beneficial Owner
Iholdings, Inc.	2,183,082,107 Direct – 2,179,035,107 Indirect – 4,047,000 (Lodged with PDTC)	39.56%	Iholdings, Inc.
PCD Nominee Corporation (Non-Filipino)	1,351,559,095	24.49%	PDTC Participants
Kwantlen Development	927,313,018	16.81%	Kwantlen Development

Corporation	Direct – 925-325,018 Indirect – 1,988,000 (Lodged with PDTC)		Corporation
Januarius Holdings, Inc.	544,859,584 Direct – 543,794,584 Indirect – 1,065,000 (Lodged with PDTC)	9.87%	Januarius Holdings, Inc.

Below is the list of senior officers holding shares in the Corporation

Name of Senior Management	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 (Lodged with PDTC)	0.79%
Roan Buenaventura - Torregoza	0	1,500 (Lodged with PDTC)	Nil
Richard L. Haosen	1	None	Nil
TOTAL	**212,337,259**	**163,646**	**3.85%**

2) Does the Annual Report disclose the following:

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	Yes
Dividend policy	Yes
Details of whistle-blowing policy	No (The Corporation has no formal whistle-blowing policy.)
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 programs attended by each director/commissioner	No (The Corporation did not incur substantial amount on trainings and/or continuing education programs.)
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.	Php10,500,000 plus out-of-pocket expenses	Php 1,450,000-

4) Medium of Communication

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

The Corporation disseminates information to shareholders through Email, Telephone, Facsimile, and reports filed with the Securities and Exchange Commission and with the Philippine Stock Exchange.

5) Date of release of audited financial report:

April 15, 2016

6) **Company Website**

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

1. Business operations
2. Financial statements/reports (current and prior years)
3. Materials provided in briefings to analysts and media
4. Shareholding structure
5. Group corporate structure
6. Downloadable annual report
7. Notice of AGM and/or EGM
8. Company's constitution (company's by-laws, memorandum and articles of association)

Yes, the Company has a website under URL: www.8990holdings.com. The Company is currently working on making available the foregoing information (which are contained in the periodic reports submitted to the SEC and PSE) on the Company website. Nonetheless, these periodic reports containing the foregoing information can also be obtained from the websites of the Securities and Exchange Commission and the Philippine Stock Exchange. In compliance with the requirements of the SEC, this Report shall be uploaded to the website. Furthermore, the Company's Prospectus containing some of the foregoing information may also be accessed at such website.

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

Disclosed through the SEC website

7) **Disclosure of RPT**

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?

RPT	Relationship	Nature	Value
At present, there are no related party transactions that need to be fully disclosed herein.			

J. RIGHTS OF STOCKHOLDERS

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

(a) **Quorum**

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

Quorum Required	A majority of the number of directors as fixed in the Articles of Incorporation 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. The Independent Directors should always be in attendance. However,

	the absence of an independent director may not affect the quorum requirements if he is duly notified of the meeting but deliberately and without justifiable cause fails to attend the meeting.

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	Those corporate acts required by law to be approved by stockholders shall be subject to such approval.
Description	The laws of the Corporation Code of the Philippines shall govern the approval of corporate acts by shareholders.

(c) Stockholders' Rights

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

Stockholders' Rights under The Corporation Code	Stockholders' Rights <u>not</u> in The Corporation Code
Right to attend and vote in person or in proxy.	

Dividends

Amount of Dividends	Declaration Date	Record Date	Payment Date
Five Centavos (Php.05)	November 4, 2014	November 18, 2014	December 12, 2014
Eighteen Centavos (Php0.18)	February 17, 2015	March 4, 2015	March 30, 2015
Five Centavos (Php.05)	July 27, 2015	August 10, 2015	September 7, 2015
Twenty Five Centavos (Php0.25)	February 1, 2016	February 16, 2016	February 19, 2016
Five Centavos (Php.05)	November 7, 2016	November 21, 2016	November 28, 2016

(d) Stockholders' Participation

1. **State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.**

Measures Adopted	Communication Procedure
Everyone is given equal representation and voice during the annual stockholders' meetings.	Concerns may be brought up orally before all the stockholders present.

2. **State the company policy of asking shareholders to actively participate in corporate decisions regarding:**
   a. **Amendments to the company's constitution.**

This is subject to approval by the shareholders according to the provisions of the Corporation Code of the Philippines.

This is subject to approval by the shareholders according to the provisions of the Corporation Code of the Philippines.[14]

b. **Authorization of additional shares**

This is subject to approval by the board of directors according to the provisions of the Corporation Code of the Philippines, subject to pre-emptive rights of the existing shareholders.

c. **Transfer of all or substantially all assets, which in effect results in the sale of the company**

No modifications in the regulations or policies adopted by the Corporation.

ation Code of the Philippines.[15]

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?**

No, but the Definitive Information Statement is distributed fifteen (15) business days prior to the meeting.

a. **Date of sending out notices:**

July 1, 2016

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

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[14] Section 16. *Amendment of Articles of Incorporation.* - Unless otherwise prescribed by this Code or by special law, and for legitimate purposes, any provision or matter stated in the articles of incorporation may be amended by a majority vote of the board of directors or trustees and the vote or written assent of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock, without prejudice to the appraisal right of dissenting stockholders in accordance with the provisions of this Code, or the vote or written assent of at least two-thirds (2/3) of the members if it be a non-stock corporation.

The original and amended articles together shall contain all provisions required by law to be set out in the articles of incorporation. Such articles, as amended shall be indicated by underscoring the change or changes made, and a copy thereof duly certified under oath by the corporate secretary and a majority of the directors or trustees stating the fact that said amendment or amendments have been duly approved by the required vote of the stockholders or members, shall be submitted to the Securities and Exchange Commission.

The amendments shall take effect upon their approval by the Securities and Exchange Commission or from the date of filing with the said Commission if not acted upon within six (6) months from the date of filing for a cause not attributable to the corporation.

[15] Section 40. *Sale or other disposition of assets.* - Subject to the provisions of existing laws on illegal combinations and monopolies, a corporation may, by a majority vote of its board of directors or trustees, sell, lease, exchange, mortgage, pledge or otherwise dispose of all or substantially all of its property and assets, including its goodwill, upon such terms and conditions and for such consideration, which may be money, stocks, bonds or other instruments for the payment of money or other property or consideration, as its board of directors or trustees may deem expedient, when authorized by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock, or in case of non-stock corporation, by the vote of at least to two-thirds (2/3) of the members, in a stockholder's or member's meeting duly called for the purpose. Written notice of the proposed action and of the time and place of the meeting shall be addressed to each stockholder or member at his place of residence as shown on the books of the corporation and deposited to the addressee in the post office with postage prepaid, or served personally: Provided, That any dissenting stockholder may exercise his appraisal right under the conditions provided in this Code.

A sale or other disposition shall be deemed to cover substantially all the corporate property and assets if thereby the corporation would be rendered incapable of continuing the business or accomplishing the purpose for which it was incorporated.

After such authorization or approval by the stockholders or members, the board of directors or trustees may, nevertheless, in its discretion, abandon such sale, lease, exchange, mortgage, pledge or other disposition of property and assets, subject to the rights of third parties under any contract relating thereto, without further action or approval by the stockholders or members.

Nothing in this section is intended to restrict the power of any corporation, without the authorization by the stockholders or members, to sell, lease, exchange, mortgage, pledge or otherwise dispose of any of its property and assets if the same is necessary in the usual and regular course of business of said corporation or if the proceeds of the sale or other disposition of such property and assets be appropriated for the conduct of its remaining business.

In non-stock corporations where there are no members with voting rights, the vote of at least a majority of the trustees in office will be sufficient authorization for the corporation to enter into any transaction authorized by this section.

Last Monday of July each year – July 25, 2016

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

There were questions regarding the future of the Company as a holding company and as part of the 8990 Group which was answered sufficiently by the President and the Chairman of the Board of the Company.

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

Resolution	Approving	Dissenting	Abstaining
Delegation of authority to the Board of Directors to appoint the external auditors for the fiscal year 2016.	5,140,102,582		

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

The results of the votes taken were published on the same date as the annual meeting.

(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

(f) Stockholders' Attendance

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

Type of Meeting	Name of Board of Directors/Officers Present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH Attendance
Annual	Mariano D. Martinez Januario Jesus Gregorio III B. Atencio Luis N. Yu Willibaldo J. Uy Arlene C. Keh Manuel C. Crisostomo Richard L. Haosen Ian Norman E. Dato Lowell L. Yu Manuel S. Delfin, Jr. Raul Fortunato R. Rocha Dominic J. Picone Ben Chan Wei Beng Teresa C. Secuya Cristina S. Palma Gil Fernandez Maureen Christine O. Lizarondo Roan Buenaventura - Torregoza Mohammad Taha S. Basman II	25 July 2016	by show of hands	8.52%	79.54%	88.06%

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

Yes. The Company appoints the external auditors who are expected to attend the ASMs and SSMs (as necessary) to count the votes.

(iii) Do the company's common shares carry one vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.

Yes, there is only one class of shares, and each share entitles the holder to one vote.

(g) Proxy Voting Policies

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

	Company's Policies
Execution and acceptance of proxies	Proxies shall be in writing and must be submitted to the Corporate Secretary at least five (5) days before the meeting.
Notary	Proxies must be notarized
Submission of Proxy	Proxies shall be in writing and must be submitted to the Corporate Secretary at least five (5) days before the meeting.
Several Proxies	Not Applicable
Validity of Proxy	The Corporation Code shall govern the validity of proxies shall be governed by
Proxies executed abroad	Proxies executed abroad shall be duly authenticated by the Philippine Embassy or Consular Office.
Invalidated Proxy	Determined by the Corporate Secretary. Note that there shall be a presumption of regularity in the execution of proxies, and the proxies shall be accepted if the same have the appearance of prima facie authenticity in the absence of a timely and valid challenge.
Validation of Proxy	Determined by the corporate secretary
Violation of Proxy	Determined by the corporate secretary. Note that any violation of proxy rules shall be subject to the administrative sanctions provided for under Section 144 of the Corporation Code.

(h) Sending of Notices

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

Policies	Procedure
Written or printed notice of every annual meeting or special meeting of stockholders (stating the place, day and hour of the meeting and the purposes for which the meeting is called for) shall be transmitted through personal delivery, telefax, electronic mail, or by mail to each stockholder at least two (2) weeks.	The corporate secretary shall be responsible for the sending of notices. The printed copy of the Definitive Information Statement, which includes the Notice of Annual Meeting of Stockholders, shall be sent to all stockholders of record at least 15 business days before the date of the stockholders' meeting. Distribution is done through courier services.

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	37 (as of record date of annual stockholders' meeting for the year 2016)
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	1 July 2016 (for the annual stockholders' meeting for the year 2016)
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	1 July 2016 (for the annual stockholders' meeting for the year 2016)

State whether CD format or hard copies were distributed	CD Copies were distributed
If yes, indicate whether requesting stockholders were provided hard copies	Yes

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

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

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

Dividend Policy is not stated in the Notice but is discussed in the Definitive Information Statement.

2) Treatment of Minority Stockholders

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

Policies	Implementation
Minority stockholders are given the same protections and rights under the Corporation Code of the Philippines	Implementation is carried out according to the provisions of the Corporation Code of the Philippines, such as, but not limited to, voting rights, nomination rights, etc.

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

Yes, the procedure is the same as outlined in the Corporation Code of the Philippines.

K. INVESTORS RELATIONS PROGRAM

1) Discuss the company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.

The Investor Relations Office is tasked with (a) the creation and implementation of an investor relations program that reaches out to all shareholders and informs them of corporate activities and (b) the formulation of a clear policy for accurately, effectively and sufficiently communicating and relating relevant information to the Company's stakeholders as well as to the broader investor community.

Mr. Mohammad Taha S. Basman II, the Company's Investor Relations Officer ("IRO"), serves as the Company's designated investor relations manager and heads the Company's Investor Relations Office. The IRO is responsible for ensuring that Company's shareholders have timely and uniform access to official announcements, disclosures and market-sensitive information relating to the Company. As the Company's officially designated spokesperson, the IRO is responsible for receiving and responding to investor and shareholder queries. In addition, the IRO oversees most aspects of the Company's shareholder meetings, press conferences, investor briefings, management of the investor relations portion of the Company's website and the preparation of its annual reports. The IRO is also responsible for conveying information such as the Company's policy on corporate governance and corporate social responsibility, as well as other qualitative aspects of the Company's operations and performance.

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.**

All investors participate directly in the oversight of the company. Lines of communication are always open between management and stockholders. Public inquiries are made though the customer relations/sales departments of the company.

	Details
(1) Objectives	To build better understanding and cultivate a relationship of trust with stakeholders
(2) Principles	Stakeholders' issues and concerns are top-most priority of the Corporation.
(3) Modes of Communications	telephone, fax and email
(4) Investors Relations Officer	Mohammad Taha S. Basman II

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 Corporation's existing rules and procedures on the foregoing matters are similar to those found in the Corporation Code of the Philippines.[16]

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

None. The Corporation does not have any transaction of this nature.

[16] Sec. 40. Sale or other disposition of assets. - Subject to the provisions of existing laws on illegal combinations and monopolies, a corporation may, by a majority vote of its board of directors or trustees, sell, lease, exchange, mortgage, pledge or otherwise dispose of all or substantially all of its property and assets, including its goodwill, upon such terms and conditions and for such consideration, which may be money, stocks, bonds or other instruments for the payment of money or other property or consideration, as its board of directors or trustees may deem expedient, when authorized by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock, or in case of non-stock corporation, by the vote of at least to two-thirds (2/3) of the members, in a stockholder's or member's meeting duly called for the purpose. Written notice of the proposed action and of the time and place of the meeting shall be addressed to each stockholder or member at his place of residence as shown on the books of the corporation and deposited to the addressee in the post office with postage prepaid, or served personally: Provided, That any dissenting stockholder may exercise his appraisal right under the conditions provided in this Code.
A sale or other disposition shall be deemed to cover substantially all the corporate property and assets if thereby the corporation would be rendered incapable of continuing the business or accomplishing the purpose for which it was incorporated.
After such authorization or approval by the stockholders or members, the board of directors or trustees may, nevertheless, in its discretion, abandon such sale, lease, exchange, mortgage, pledge or other disposition of property and assets, subject to the rights of third parties under any contract relating thereto, without further action or approval by the stockholders or members.
Nothing in this section is intended to restrict the power of any corporation, without the authorization by the stockholders or members, to sell, lease, exchange, mortgage, pledge or otherwise dispose of any of its property and assets if the same is necessary in the usual and regular course of business of said corporation or if the proceeds of the sale or other disposition of such property and assets be appropriated for the conduct of its remaining business.
In non-stock corporations where there are no members with voting rights, the vote of at least a majority of the trustees in office will be sufficient authorization for the corporation to enter into any transaction authorized by this section. (28 1/2a)
Sec. 42. Power to invest corporate funds in another corporation or business or for any other purpose. - Subject to the provisions of this Code, a private corporation may invest its funds in any other corporation or business or for any purpose other than the primary purpose for which it was organized when approved by a majority of the board of directors or trustees and ratified by the stockholders representing at least two-thirds (2/3) of the outstanding capital stock, or by at least two thirds (2/3) of the members in the case of non-stock corporations, at a stockholder's or member's meeting duly called for the purpose. Written notice of the proposed investment and the time and place of the meeting shall be addressed to each stockholder or member at his place of residence as shown on the books of the corporation and deposited to the addressee in the post office with postage prepaid, or served personally: Provided, That any dissenting stockholder shall have appraisal right as provided in this Code: Provided, however, That where the investment by the corporation is reasonably necessary to accomplish its primary purpose as stated in the articles of incorporation, the approval of the stockholders or members shall not be necessary. (17 1/2a)

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiative	Beneficiary
The Corporation is presently studying plans to incorporate social responsibility programs in its operation. The Corporation intends to sponsor outreach programs and to donate to foundations and institutions involved in socio-civic activities.	

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

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

	Process	Criteria
Board of Directors	No formal performance evaluation is in place. However, the Board, through its Audit Committee, performs an informal evaluation based on SEC's best practices guidelines.	
Board Committees	Audit Committee conducts annual performance evaluation.	
Individual Directors	No formal evaluation is in place.	
CEO/President	The Nomination Committee and Remuneration Committee conduct a performance evaluation of the CEO/President. This evaluation is the basis for CEO's renewal and compensation.	

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.

To monitor the compliance by the Corporation with the Code of Corporate Governance, the Commission may require the Corporation to accomplish annually a scorecard on the scope, nature and extent of the actions they have taken to meet the objectives of the Code.

The Commission shall periodically review the Manual to ensure it meets its objectives.

A fine of not more than Two Hundred Thousand Pesos (P200,000.00) shall, after due notice and hearing, be imposed for every year that the Corporation violates the provisions of the Code of Corporate Governance, without prejudice to other sanctions that the Commission may be authorized to impose under the law; provided, however, that any violation of the Securities Regulation Code punishable by a specific penalty shall be assessed separately and shall not be covered by the aforementioned fine.

Violations	Sanctions
First Violation	Violator shall be reprimanded.
Second Violation	Violator shall be suspended from office depending on the gravity of the violation.
Third Violation	Violator shall be removed from office and from directorship (if he is a director)

30 May 2017

UNDERTAKING

SECURITIES EXCHANGE COMMISSION
Secretariat Building, PICC Complex
Pasay City, Metro Manila

Re: **8990 Holdings, Inc. – 2016 Annual Corporate Governance Report**

Gentlemen:

We submit herewith the 2016 Annual Corporate Governance Report ("**2016 ACGR**") of 8990 Holdings, Inc. (the "**Company**")

Please be advised that Mr. Manuel C. Crisostomo, one of the Independent Directors is currently in Cagayan de Oro City. As such, we are unable submit today the signature page of the 2016 ACGR which he signed. In this regard, we hereby request the Securities and Exchange Commission to accept the 2016 ACGR of the Company with the electronic copy of his signature page. I hereby undertake to promptly submit the 2016 ACGR with Mr. Crisostomo's signature within five (5) working days upon the receipt thereof.

Very truly yours,

8990 Holdings, Inc.
By:

PATRICIA G. ILAGAN
Investor Relations Officer

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 MANDALUYONG CITY MAY 3 0 2017 May 2017.

SIGNATURES

Mariano D. Martinez
Chairman of the Board

for **Januario Jesus Gregorio III. Atencio**
Chief Executive Officer

Manuel C. Crisostomo
Independent Director

Arlene C. Keh
Independent Director

Teresa C. Secuya
Compliance Officer

SUBSCRIBED AND SWORN to before me this MAY 3 0 2017 day of May 2017, affiant(s) exhibiting to me their ________________, as follows:

NAME	Number	DATE OF ISSUE	PLACE OF ISSUE
Mariano D. Martinez	Postal ID#3123313	Jan. 31, 2013	Mandaluyong CPO
Januario Jesus Gregorio III B. Atencio	Passport#PO326206A	21 Sep 2016	DFA Manila
Manuel C. Crisostomo	Passport#EC0846558	14 Apr 2014	DFA Cagayan de Oro
Arlene C. Keh	Passport#		
Teresa C. Secuya	Postal ID#1661392	03 Feb 2012	Makati City Hall

NOTARY PUBLIC

JOVEN G. SEVILLANO
NOTARY PUBLIC FOR CITY OF MANDALUYONG
COMMISSION NO. 0285-17 UNTIL DECEMBER 31, 2018
ROLL NO. 53970
IBP LIFETIME NO. 011302 RIZAL
PTR NO. 3019108 ; 1-3-17; MANDALUYONG
MCLE COMPLIANCE NO. IV - 0014673 14 APRIL 2019
METRO MART COMPLEX, MANDALUYONG CITY

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Book No. 30
Series of 2017

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 MANDALUYONG CITY MAY 3 0 2017 May 2017.

SIGNATURES

Mariano D. Martinez **Chairman of the Board**	**Januario Jesus Gregorio III. Atencio** **Chief Executive Officer**
Manuel C. Crisostomo **Independent Director**	**Arlene C. Keh** **Independent Director**
Teresa C. Secuya **Compliance Officer**	

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Teresa C. Secuya	Postal ID#1661302	03 Feb 2012	Makati City Hall

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