

COVER SHEET

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S.E.C Registration Number

G R E E N E R G Y H O L D I N G S
 I N C O R P O R A T E D

(Company's Full Name)

5 4 N A T I O N A L R O A D D A M P O L I I A
 P U L I L A N B U L A C A N

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

KENNETH TAN

Contact Person

02 997-5184

Company Telephone Number

Month Day

Fiscal Year

ACGR

FORM TYPE

Month Day

Annual Meeting

Secondary License Type, if applicable

Dept. Requiring this Doc.

Amended Articles Number/ Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplish by SEC Personnel concerned

File Number

LCU

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GREENERGY
Holdings

GREENERGY HOLDINGS INCORPORATED
(formerly MUSX Corporation)
54 National Road, Dampol II Pulilan, Bulacan
Tel. No. (02) 997-5184

30 May 2017

SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex
Roxas Boulevard, Pasay City, 1307

Attention: **ATTY. JUSTINA F. CALLANGAN**
Director
Corporate Governance and Finance Department

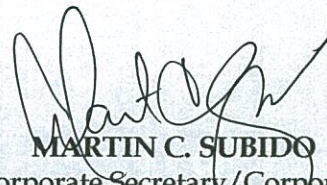
Re: **Annual Corporate Governance Report for 2016**

Gentlemen:

In Compliance with SEC Memorandum Circular No. 12, Series of 2014, Greenergy Holdings Incorporated (the "Company") hereby submits its Annual Corporate Governance Report for the year 2016.

We trust that you will find the foregoing in order.

By:



MARTIN C. SUBIDO

Corporate Secretary/Corporate
Information and Compliance Officer

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 **GREENERGY HOLDINGS INCORPORATED**

3. **54 National Road, Dampol II-A, Pulilan, Bulacan** **3005**
Address of Principal Office Postal Code

4. SEC Identification Number **AS092-000589** 5. (SEC Use Only)
Industry Classification Code

6. BIR Tax Identification Number **001-817-292**

7. **(02) 997-5184**
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) Board of Directors

| | |
|---|----|
| Number of Directors per Articles of Incorporation | 11 |
|---|----|

| | |
|---|----|
| Actual number of Directors for the year | 11 |
|---|----|

(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 |
|--------------------------|---|------------------------------------|---|--------------------|---|--|---------------------------------|
| Antonio Tiu | ED | N/A | Antonio L. Tiu | 23 December 2010 | 15 December 2016 | Annual Meeting | 5.98 |
| Kenneth S. Tan | ED | N/A | Antonio L. Tiu | 16 June 2014 | 15 December 2016 | Annual Meeting | 2.55 |
| Ma. Pamela Grace C. Muhi | ED | N/A | Antonio L. Tiu | 15 December 2016 | 15 December 2016 | Annual Meeting | 0.04 |
| Antonio Peter R. Galvez | NED | N/A | Antonio L. Tiu | 9 December 2015 | 15 December 2016 | Annual Meeting | 1.02 |
| Lisette M. Arboleda | NED | N/A | Antonio L. Tiu | 9 December 2015 | 15 December 2016 | Annual Meeting | 1.02 |
| Yang Chung Ming | NED | N/A | Antonio L. Tiu | 15 December 2016 | 15 December 2016 | Annual Meeting | 0.04 |
| James L. Tiu | NED | N/A | Kenneth S. Tan | 15 December 2016 | 15 December 2016 | Annual Meeting | 0.04 |
| Martin Subido | ED | N/A | Antonio L. Tiu | 23 December 2010 | 15 December 2016 | Annual Meeting | 5.98 |
| Paula Katrina L. Nora | ED | N/A | Antonio L. Tiu | 16 June 2014 | 15 December 2016 | Annual Meeting | 2.55 |
| Honorio T. Tan | ID | N/A | Antonio L. Tiu (No relationship with nominator) | 15 December 2016 | 15 December 2016 | Annual Meeting | 0.04 |
| Maylyn Z. Dy | ID | N/A | Antonio L. Tiu (No relationship with nominator) | 15 December 2016 | 15 December 2016 | Annual Meeting | 0.04 |

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

The Board of Directors (the "Board") of Greenergy Holdings Incorporated (the "Company") follows the following policies embodied in Articles 7 to 11 of the Company's Revised Manual on Corporate Governance:

Article 7: 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 requires their consent or approval;
- (ii) Right to inspect corporate books and records;

- (iii) Right to information;
- (iv) Right to dividends; and
- (v) Appraisal right.

B) The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the Company. 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, and without prejudice to compliance with the provisions of the Corporation Code, the Securities Regulation Code and all relevant rules and regulations, 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 Company.

Article 8: Governance Self-Rating System

The Board may create an internal self-rating system that can measure the performance of the Board and Management in accordance with the criteria provided for in the Revised Code on Corporate Governance.

The creation and implementation of such self-rating system, including its salient features, may be disclosed in the Company's annual report.

Article 9: 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 Company which could adversely affect its viability or the interests of the stockholders and other stakeholders 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 and Management. All such information should be disclosed through the appropriate Exchange mechanisms and submissions to the Commission.

The Board shall therefore commit at all times to full disclosure of material information dealings. It shall cause the filing of all required information through the appropriate Exchange mechanisms for listed companies and submissions to the Commission for the interest of its stockholders and other stakeholders.

Article 10: Commitment to Good Corporate Governance

The Company shall exert its best efforts to implement the corporate governance rules embodied in this Manual.

This Manual shall be made available for inspection by any shareholder at reasonable hours of the business day.

Article 11: Regular Review of the Code and the Scorecard

The Company undertakes to accomplish annually a scorecard that the Commission may require in order to monitor the scope, nature and extent of the actions the Company has taken to meet the objectives of the Revised Code on Corporate Governance.

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

The Board reviews and approves the vision and mission as often as necessary.

(d) Directorship in Other Companies

(i) Directorship in the Company's Group¹

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. |
|--------------------------|---|--|
| Antonio L. Tiu | 1. Total Waste Management Recovery System, Inc. 2. Winsun Green Ventures, Inc. 3. Isabela Alcogas Corporation 4. Sunchamp Real Estate Development Corp. 5. Agrinurture Development Holdings, Inc. 6. Lite Speed Technologies, Inc. 7. AgriNurture, Inc. | 1. Non-Executive, Chairman 2. Executive, Chairman 3. Executive, Chairman 4. Executive, Chairman 5. Executive, Chairman 6. Non-Executive, Chairman 7. Executive, Chairman |
| Martin C. Subido | 1. Total Waste Management Recovery System, Inc. 2. Winsun Green Ventures, Inc. 3. Isabela Alcogas Corporation 4. Sunchamp Real Estate Development Corp. 5. Agrinurture Development Holdings, Inc. 6. Lite Speed Technologies, Inc. 7. AgriNurture, Inc. | 1. Executive 2. Executive 3. Executive 4. Executive 5. Executive 6. Executive 7. Non-Executive |
| Kenneth S. Tan | 1. Total Waste Management Recovery System, Inc. 2. Winsun Green Ventures, Inc. 3. Sunchamp Real Estate Development Corp. 4. Agrinurture Development Holdings, Inc. 5. Lite Speed Technologies, Inc. 6. AgriNurture, Inc. | 1. Non-Executive 2. Non-Executive 3. Executive 4. Executive 5. Executive 6. Executive |
| Paula Katrina L. Nora | 1. Winsun Green Ventures, Inc. 2. Sunchamp Real Estate Development Corp. 3. Agrinurture Development Holdings, Inc. | 1. Executive 2. Executive 3. Executive |
| Lisette M. Arboleda | 1. Agrinurture Development Holdings, Inc. 2. AgriNurture, Inc. | 1. Non-Executive 2. Executive |
| Ma. Pamela Grace C. Muhi | Isabela Alcogas Corporation | Executive |
| Antonio R. Galvez | AgriNurture, Inc. | Non-Executive |
| Yang Chung Ming | AgriNurture, Inc. | Non-Executive |
| James L. Tiu | AgriNurture, Inc. | Non-Executive |

¹ The Group is composed of the parent, subsidiaries, associates and joint ventures of the Company.

(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. |
|-----------------|------------------------|--|
| None. | | |

(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 |
|-----------------|-------------------------------------|--|
| Antonio L. Tiu | Earthright Holdings, Inc. | Business. Antonio Tiu is a majority stockholder, director, President and Chairman of Earthright Holdings, Inc. |
| Antonio L. Tiu | Three Star Capital Limited (BVI) | Business. Antonio Tiu is the sole director of Three Star Capital Limited (BVI). |
| James L. Tiu | Antonio L. Tiu | Family. James L. Tiu is the brother of Antonio L. Tiu |

(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?

No.

In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

No. Under the Company's Revised Manual on Corporate Governance, the Board may consider the adoption of guidelines on the number of directorships that 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.

The Chief Executive Officer ("CEO") and other executive directors may be covered by a lower indicative limit for membership in other corporations' boards. A similar limit may apply to independent or non-executive directors who, at the same time, serve as full-time executives in other corporations. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised.

| | Guidelines | Maximum Number of Directorships in other companies |
|--------------------|---|--|
| Executive Director | The CEO and other executive directors may be covered by a lower indicative limit for membership in other corporations' boards. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised. | No specific limit is explicitly set because we believe that all our directors have the capacity and ability to serve without compromising their diligence and efficiency and this is supported by their high attendance turnout during the regular monthly board meetings. |

| | | |
|------------------------|--|--|
| Non-Executive Director | A similar limit may apply to independent or non-executive directors who, at the same time, serve as full-time executives in other corporations. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised. | No specific limit is explicitly set because we believe that all our directors have the capacity and ability to serve without compromising their diligence and efficiency and this is supported by their high attendance turnout during the regular monthly board meetings. |
| CEO | The CEO and other executive directors may be covered by a lower indicative limit for membership in other corporations' boards. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised. | No specific limit is explicitly set because we believe that all our directors have the capacity and ability to serve without compromising their diligence and efficiency and this is supported by their high attendance turnout during the regular monthly board meetings. |

At present, the Board is evaluating the adoption of an indicative limit for membership in other corporation's boards.

(e) **Shareholding in the Company**

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

| Name of Director | Number of Direct shares | Number of Indirect shares / Through (name of record owner) | % of Capital Stock ² |
|--------------------------|-------------------------|--|---------------------------------|
| Antonio L. Tiu | 10,000 | 297,500,000 | 16.52% |
| Martin C. Subido | 1,000 | 1,000 | 0.00% |
| Kenneth S. Tan | 0 | 10,000 | 0.00% |
| Yang Chung Ming | 1 | 0 | 0.00% |
| Paula Katrina L. Nora | 1 | 0 | 0.00% |
| Lisette M. Arboleda | 1 | 0 | 0.00% |
| Antonio Peter R. Galvez | 1 | 0 | 0.00% |
| James L. Tiu | 30,000,000 | 0 | 1.67% |
| Honorio T. Tan | 1 | 6,000,000 | 0.33% |
| Maylyn Z. Dy | 1 | 0 | 0.00% |
| Ma. Pamela Grace C. Muhi | 1 | 0 | 0.00% |
| TOTAL | 30,011,007 | 303,511,000 | 18.52% |

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 | Antonio L. Tiu |
| CEO/President | Antonio L. Tiu |

In order to maintain independent views, the Company's Articles of Incorporation requires that the Company shall have two (2) independent directors. Moreover, the Company's Revised Manual on Corporate Governance allows the appointment of a lead director among the independent directors. The lead director has sufficient authority to lead the Board in cases where Management has clear conflicts of interest.

² Based on a total of 1,800,778,572 common outstanding shares.

(b) Roles, Accountabilities and Deliverables

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

| | Chairman | Chief Executive Officer |
|-------------------------|--|--|
| Role | <p>The Chairman effectively manages the affairs of the Board.</p> <p>He exercises such powers which are given him by the Company's By-Laws and such other duties customarily incidental to the said office and those which may be prescribed by the Board from time to time.</p> <p>Generally, he ensures that the Board is effective in its tasks of setting and implementing the Company's direction and strategy.</p> | <p>Generally, the Chief Executive Officer of the Company has control over the administration and direction of the over-all objectives, policies and projects of the Company.</p> <p>He represents the Corporation at all functions and proceedings.</p> <p>He executes, on behalf of the Company, all contracts, agreements and other instruments affecting the interests of the Company which require the approval of the Board, except as otherwise directed by the Board.</p> |
| Accountabilities | <p>The accountabilities of the Chairman are as follows:</p> <p>a) preside over the meetings of the Board and the stockholders, and ensure that the meetings are held in accordance with the By-Laws or as the Chairman may deem necessary;</p> <p>b) supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management and the directors; and</p> <p>c) maintain qualitative and timely lines of communication and information between the Board and Management.</p> | <p>The accountabilities of the CEO are as follows:</p> <p>a) initiate and develop corporate objectives and policies and formulate long-range projects, plans and programs for the approval of the Board, including those for executive training, development and compensation;</p> <p>b) execute, on behalf of the Company, all contracts, agreements and other instruments affecting the interests of the corporation which require the approval of the Board, except as otherwise directed by the Board;</p> <p>c) sign certificates of stock;</p> <p>d) communicate and implement the Company's vision, mission, values and overall strategy and promote any organization and stakeholder change in relation to the same;</p> <p>e) oversee the operations of the Company and manage human and financial resources in accordance with the strategic plan;</p> <p>f) direct, evaluate and guide the work of key officers of the Company;</p> <p>g) manage the Company's resources prudently and ensure a proper balance of the same;</p> <p>h) build the Company culture and motivate the employees of the Company;</p> <p>i) serve as the link between internal operations and external stakeholders; and</p> <p>j) perform such other duties as are incidental to his office or are entrusted to him by the Board.</p> |

| | | |
|--------------|---|---|
| Deliverables | <p>The deliverables of the Chairman are as follows:</p> <p>a) submit comments on the meeting agenda prepared by the Corporate Secretary (considers suggestions of the President, Management and the directors).</p> <p>b) submit recommendations regarding the business of the Company for consideration of the Board of Directors.</p> <p>c) cast the deciding vote in case of a tie in the Stockholders or in the Board of Directors' meetings.</p> | <p>The CEO submits the following for Board discussion/approval:</p> <p>a) corporate objectives and policies;</p> <p>b) short and long range projects, plans and programs for the Company;</p> <p>c) evaluation of the work of the key officers of the Company; and</p> <p>d) timely information and interfaces between the employees and the Company.</p> |
|--------------|---|---|

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

Under the Company's Revised Manual on Corporate Governance, the Board is tasked to adopt an effective successive planning program for Management as part of management succession and to promote dynamism in the Company. Moreover, the Board of Directors, through its Nomination and Compensation 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, the President and the top key management positions, to ensure that only qualified, competent, honest and highly motivated officials are appointed.

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.

Does it ensure that at least one (1) non-executive director has an experience in the sector or industry the Company belongs to? Please explain.

Yes. Under the Company's Revised Manual on Corporate Governance, the Board shall adopt a policy on board diversity which shall take into consideration not just gender but age, ethnicity, culture, skills, competence and knowledge. Furthermore, 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 such as:

- (i) College education or equivalent academic degree;
- (ii) Practical understanding of the business of the Company;
- (iii) Membership in good standing in relevant industry, business or professional organizations; and
- (iv) Previous business experience.

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

| | Executive | Non-Executive | Independent Director |
|------|---|--|----------------------|
| Role | <p>Generally, the Chief Executive Officer of the Company is responsible for the administration and direction of the over-all objectives, policies and projects of the Company.</p> <p>The President of the Company, on the other hand, is responsible for the administration and direction of the</p> | <p>A director's office is one of trust and confidence. Directors should act in the best interest of the Company in a manner characterized by transparency, accountability and fairness.</p> <p>A director should also exercise leadership, prudence and integrity in directing the Company towards sustained progress.</p> | |

| | | |
|------------------|--|--|
| | <p>day-to-day operations and management of the Company.</p> <p>He shall supervise and manage the internal organization and business affairs of the Corporation and ensure that the administrative and operational policies of the Corporation are carried out under his supervision and control.</p> | <p>In addition, an independent director identifies the most critical issues for the Board to deal with and assist the Board in achieving consensus on important issues.</p> |
| Accountabilities | <p>Upon authority granted by the Board of Directors, the President shall:</p> <ul style="list-style-type: none"> a) sign deeds, bonds, contracts, or other instruments; b) authorize the purchase or acquisition of personal properties, furniture, fixtures, or other office equipment; c) approve all expenses or disbursements authorized in the budget of the Company; d) represent the Company in any negotiation which is necessary in the usual course of business; e) represent the Company in any judicial or administrative proceedings; f) appoint and discharges employees occupying the positions authorized by the Board; and g) perform all other duties customarily incidental to his office and as may be prescribed by the Board from time to time. | <p>A director shall observe the following norms of conduct:</p> <ul style="list-style-type: none"> a) conduct fair business transactions with the corporation and ensure that personal interest does not prejudice Board decisions; b) devotes time and attention necessary to properly discharge his duties and responsibilities; c) acts judiciously; d) exercises independent judgment; e) have working knowledge of the statutory and regulatory requirements affecting the Company, including the contents of its Articles of Incorporation, By-Laws, the requirements of the SEC, and, where applicable, the requirements of other government agencies f) observes confidentiality; and g) ensures the continuing soundness, effectiveness and adequacy of the Company's internal control system. <p>Directors shall have the duty of preparing and actively participating in board meetings.</p> <p>Independent directors should always attend board meetings.</p> |
| Deliverables | <p>The executive directors of the Company submit and recommend for Board discussion/approval:</p> <ul style="list-style-type: none"> a) corporate objectives and policies; b) short and long range projects, plans and programs for the Company; c) timely information and interfaces between the employees and the Company; d) balance sheet, profit and loss statement, budget of administration expenses; and | <p>The Board establishes the general policies and guidelines which will enable Management to render an effective management of the Company and as part of which undertakes to:</p> <ul style="list-style-type: none"> a) formulate the Company's vision and mission; b) approve and confirm management's corporate strategies, major plans of actions, risk policy, annual budget and business plan; c) adopt a succession plan; d) review annually the Company's compliance with its Revised Manual on Corporate Governance; e) approve corporate policies on major areas of |

| | | |
|--|--|--|
| | <p>e) annual report on the operation and condition of the Company;</p> <p>They also execute all resolutions of the stockholders and the Board of directors when authorized by the Board and/or the stockholders.</p> | <p>operations;</p> <p>f) ensure the adequacy and effectiveness of the Company's internal control and management information systems;</p> <p>g) approve annual budget and general expenses upon recommendation of the President; and</p> <p>h) submit annually at regular General Meeting of Stockholders the balance sheet, profit and loss statement and annual report on the condition of the Company.</p> |
|--|--|--|

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

Under the Company's By-Laws, the independent directors shall have all the qualifications and none of the disqualifications set forth in Section 38 of the Securities Regulation Code ("SRC") and its implementing Rules and Regulations, as the same may be amended from time to time. Thus, the Company follows the following definition of "independent director" under Rule 38 of the Implementing Rules and Regulations of the SRC:

"As used in Section 38 of the Code, 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 covered company and includes, among others, any person who:

A. is not a director or officer of the covered company or of its related companies or any of its substantial shareholders except when the same shall be an independent director of any of the foregoing;

B. does not own more than two percent (2%) of the shares of the covered company and/or its related companies or any of its substantial shareholders;

C. is not related to any director, officer or substantial shareholder of the covered company, any of its related companies or any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;

D. is not acting as a nominee or representative of any director or substantial shareholder of the covered company, and/or any of its related companies and/or any of its substantial shareholders, pursuant to a Deed of Trust or under any contract or arrangement;

E. has not been employed in any executive capacity by the covered company, any of its related companies and/or by any of its substantial shareholders within the last two (2) years;

F. is not retained, either personally or through his firm or any similar entity, as professional adviser, by that covered company, any of its related companies and/or any of its substantial shareholders, within the last two (2) years; or

G. has not engaged and does not engage in any transaction with the covered company and/or with any of its related companies and/or with any of its substantial shareholders, whether by himself and/or with other persons and/or through a firm of which he is a partner and/or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm's length and are immaterial."

Does the Company have a term limit of five (5) consecutive years for independent directors? If after two years, the Company wishes to bring back an independent director who had served for five (5) years, does it limit the term for no more than four (4) additional years? Please explain.

No. The Company follows the term limits under SEC Memorandum Circular No. 19, Series of 2016 which provides:

"The Board's independent director should serve for a maximum cumulative term of nine (9) years. After which, the independent director shall be perpetually barred from re-election as such in the same company, but may continue to qualify for nomination and election as a non-independent director. In the instance that a company wants to retain an

independent director who has served nine (9) years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting.

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

(a) Resignation/Death/Removal

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

| Name | Position | Date of Cessation | Reason |
|-------------------|----------------------|-------------------|------------------|
| Leonor M. Briones | Independent Director | 31 May 2016 | Personal reasons |

(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 | Under the Company's By-Laws, all nominees for election of Directors by the stockholders shall be submitted in writing to the Board and be received at the Company's principal place of business at least thirty (30) working days before the date of the regular or special meeting of stockholders for the purpose of electing directors. Further, the Nomination Committee shall have the following functions: (a) formulate screening policies to enable the Committee to effectively review the qualification of the nominees for independent directors; and (b) conduct nominations for independent directors prior to the stockholders' meeting in accordance with the procedure set forth in Rule 38 of the Amended Implementing Rules and Regulations of the SRC, as the same may be amended from time to time. | Under the Company's By-Laws, any person having at least one (1) share of stock registered in his name in the books of the Corporation may be nominated and elected to the Board provided, however, that no person shall qualify or be eligible for nomination or election to the Board if he is engaged in any business which competes with or is antagonistic to that of the Company or any of its subsidiaries or affiliates. Without limiting the generality of the foregoing, a person shall be deemed to be so engaged: If he is an office, manager or controlling person of, or the owner (either of record or beneficial) of twenty percent (20%) or more of any outstanding class of shares of any corporation (other than one in which this Company owns at least thirty percent [30%] of the capital stock) engaged in business which the Board, by at least two-thirds (2/3) vote, determines to be competitive or antagonistic to that of the Company or any of its subsidiaries or affiliates: If he is an officer, manager or controlling person of, or the owner (either of records or beneficial) of twenty percent (20%) or more of any outstanding class of shares of, any corporation or entity engaged in any line of business of the Company or of any of its subsidiaries or affiliates, when in the judgment of the Board, by at least a two-thirds (2/3) vote, the law against combinations in restraint of trade shall be violated by such person's membership in the Board; or If the Board, in the exercise of its judgment in good faith, determines by at a least two-thirds |
| (ii) Non-Executive Directors | | |
| (iii) Independent Directors | | |

| | | |
|--------------------------------------|--|---|
| | | <p>(2/3) vote that he is to nominee of any person set forth in (i) or (ii) above.</p> <p>In determining whether or not a person is a controlling person, beneficial owner or the nominee of another, the Board may take into account such factors as business and family relationships.</p> <p>Further, under the Company's Revised Manual on Corporate Governance, in addition to the qualifications for membership in the Board provided for in the Corporation Code, SRC and other relevant laws, the Board may provide for additional qualifications such as:</p> <p>(i) College education or equivalent academic degree; (ii) Practical understanding of the business of the Company; (iii) Membership in good standing in relevant industry, business or professional organizations; and (iv) Previous business experience.</p> |
| b. Re-appointment | | |
| (i) Executive Directors | Same as above under "Selection/Appointment". | Same as above under "Selection/Appointment". |
| (ii) Non-Executive Directors | | |
| (iii) Independent Directors | | |
| c. Permanent Disqualification | | |
| (i) Executive Directors | Same as above under "Selection/Appointment". | <p>Under the Company's Revised Manual on Corporate Governance, the following shall be grounds for the permanent disqualification of a director:</p> <p>(i) any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the SRC; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;</p> <p>(ii) any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the SEC 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</p> |
| (ii) Non-Executive Directors | | |
| (iii) Independent Directors | | |

| | | |
|--|--|--|
| | | <p>merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.</p> <p>The disqualification shall also apply if such person is currently the subject of an order of the SEC or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, SRC or any other law administered by the SEC or Bangko Sentral ng Pilipinas ("BSP"), or under any rule or regulation issued by the SEC or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;</p> <p>(iii) any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;</p> <p>(iv) any person who has been adjudged by final judgment or order of the SEC, 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, SRC or any other law administered by the SEC or BSP, or any of its rule, regulation or order;</p> <p>(v) any person earlier elected as independent director who becomes an officer, employee or consultant of the same corporation;</p> <p>(vi) any person judicially declared as insolvent;</p> <p>(vii) any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in sub-paragraphs (i) to (v) above; and</p> |
|--|--|--|

| | | |
|--------------------------------------|--|---|
| | | (viii) conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment. |
| d. Temporary Disqualification | | |
| (i) Executive Directors | Same as above under "Selection/Appointment". | <p>Under the Company's Revised Manual on Corporate Governance, the Board may provide for the temporary disqualification of a director for any of the following reasons:</p> <p>(i) refusal to comply with the disclosure requirements of the SRC and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists;</p> <p>(ii) absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election;</p> <p>(iii) dismissal or termination for cause as director of any corporation covered by the Revised Code on Corporate Governance. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination;</p> <p>(iv) if the beneficial equity ownership of an independent director in the Company or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with; and</p> <p>(v) If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.</p> <p>A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.</p> |
| (ii) Non-Executive Directors | | |
| (iii) Independent Directors | | |
| e. Removal | | |
| (i) Executive Directors | Under the Company's Revised Manual on Corporate Governance, to strictly observe and implement the provisions of said Manual, the | If the director possesses any of the grounds for permanent disqualification under the Company's Revised Manual on Corporate Governance, the Corporation Code and the SRC. |
| (ii) Non-Executive Directors | | |
| (iii) Independent Directors | | |

| | | |
|------------------------------|---|--|
| | <p>following penalties shall be imposed, after notice and hearing, on the Company's directors, officers, staff, subsidiaries and affiliates and their respective directors, officers and staff in case of violation of any provision of the Manual:</p> <p>a. In the case of a first violation, the subject person shall be reprimanded.</p> <p>b. Suspension from office shall be imposed in the case of a second violation. The duration of the suspension shall depend on the gravity of the violation.</p> <p>c. For a third violation, the maximum penalty of removal from office shall be imposed. The commission of a third violation of this Manual by any member of the Board or its subsidiaries and affiliates shall be a sufficient cause for removal from directorship.</p> <p>The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend the imposable penalty for such violation to the Chairman of the Board, for further review and approval of the Board.</p> | |
| f. Re-instatement | | |
| (i) Executive Directors | Same as above under "Selection/Appointment". | Same as above under "Selection/Appointment". |
| (ii) Non-Executive Directors | | |
| (iii) Independent Directors | | |
| g. Suspension | | |
| (i) Executive Directors | Same as above under "Removal". | If the director possesses any of the grounds for temporary disqualification under the Company's Revised Manual on Corporate Governance, the Corporation Code and the Securities Regulation Code. |
| (ii) Non-Executive Directors | | |
| (iii) Independent Directors | | |

Voting Result of the last Annual General Meeting

| Name of Director | Votes Received ³ |
|--------------------------|-----------------------------|
| Antonio Tiu | 2,151,186,701 |
| Kenneth S. Tan | 2,151,186,701 |
| Ma. Pamela Grace C. Muhi | 2,151,186,701 |
| Antonio Peter R. Galvez | 2,151,186,701 |
| Lisette M. Arboleda | 2,151,186,701 |
| Yang Chung Ming | 2,151,186,701 |
| James L. Tiu | 2,151,186,701 |
| Martin Subido | 2,151,186,701 |
| Paula Katrina L. Nora | 2,151,186,701 |
| Honorio T. Tan | 2,151,186,701 |
| Maylyn Z. Dy | 2,151,186,701 |

6) Orientation and Education Program

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

The Company does not have a formal orientation program however, new directors are provided with reference reading materials to assist them in understanding better the business and operations of the Company. Among the reading materials provided are: (1) Audited Financial Statements, (2) SEC Form 20-IS Information Statement/ Annual Report, (3) Revised Manual of Corporate Governance, (4) Amended Articles of Incorporation, (5) Amended By-laws, (6) Definitive Information Statement, (7) Minutes of Annual Stockholders' Meeting, (8) Charters of Committees, and (9) Other relevant write-ups, references or industry reports.

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

The directors and senior management of the Company attended a seminar on corporate governance on 5 December 2014. In addition, the corporate secretary and assistant corporate secretary of the Company attended the mandatory continuing legal education in February 2015.

(c) Continuing education programs for directors: programs and seminars and roundtables attended.

| Name of Director/Officer | Date of Training | Program | Name of Training Institution |
|--------------------------|------------------|------------------------------|--|
| Antonio L. Tiu | 5 December 2014 | Corporate Governance Seminar | Risks, Opportunities, Assessment and Management (ROAM), Inc. |
| Kenneth S. Tan | 5 December 2014 | Corporate Governance Seminar | Risks, Opportunities, Assessment and Management (ROAM), Inc. |
| Yang Chung Ming | 5 December 2014 | Corporate Governance Seminar | Risks, Opportunities, Assessment and Management (ROAM), Inc. |
| Antonio Peter R. Galvez | 5 December 2014 | Corporate Governance Seminar | Risks, Opportunities, Assessment and Management (ROAM), Inc. |
| Ma. Pamela Grace C. Muhi | 5 December 2014 | Corporate Governance Seminar | Risks, Opportunities, Assessment and Management (ROAM), Inc. |

³ Composed of 1,151,186,701 common shares and 1,000,000,000 preferred voting shares. The Company is still in the process of implementing the change in par value of its common shares as approved by the SEC.

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

| | | | |
|-----------------------------|---------------|--|--|
| Lisette M. Arboleda | March 2017 | Mandatory Continuing Legal Education for Lawyers | University of the Philippines Law Center Institute for the Administration of Justice |
| Martin C. Subido | February 2015 | Mandatory Continuing Legal Education for Lawyers | Legal Management Council of the Philippines (LMCP) |
| Paula Katrina L. Nora | February 2015 | Mandatory Continuing Legal Education for Lawyers | Legal Management Council of the Philippines (LMCP) |
| James L. Tiu ⁵ | N/A | Please see note below | N/A |
| Honorio T. Tan ⁶ | N/A | Please see note below | N/A |
| Maylyn Z. Dy ⁷ | N/A | Please see note below | N/A |

B. CODE OF BUSINESS CONDUCT & ETHICS

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

| Business Conduct & Ethics | Directors | Senior Management | Employees |
|---|--|-------------------|-----------|
| (a) Conflict of Interest | The basic principle to be observed is that a director, key officer or employee 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, key officer or employee, he should fully and immediately disclose it and should not participate in the decision-making process. A director, key officer or employee 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/key officer's/employee's personal or business interest is antagonistic to that of the Company, or stands to acquire or gain financial advantage at the expense of the Company. | | |
| (b) Conduct of Business and Fair Dealings | The basic principle to be observed is that a director, key officer or employee 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. A director should devote sufficient time to familiarize himself with the Company's business. He should be constantly aware of and knowledgeable with the Company's operations to enable him to meaningfully contribute to the Board's work. He should attend and actively participate in Board and committee meetings, review meeting materials and, if called for, ask questions or seek explanation. | | |
| (c) Receipt of gifts from third parties | Everybody is enjoined to avoid the receipt from and giving of gifts of unusually high value to persons or entities with whom the Company relates. | | |
| (d) Compliance with Laws & Regulations | Everybody is enjoined to avoid the receipt from and giving of gifts of unusually high value to persons or entities with whom the Company relates. Further, he should have a working knowledge of the statutory and regulatory requirements that affect the Company, including its Articles of Incorporation and By-Laws, the rules and regulations of the SEC and, where applicable, the requirements of relevant regulatory agencies. A director should also keep abreast with industry developments and business trends in order to promote the Company's competitiveness. | | |
| (e) Respect for Trade Secrets/Use of Non-public Information | A director or key officer should keep secure and confidential all non-public information he may acquire or learn by reason of his position as director or key officer. He should not reveal confidential information to unauthorized persons without the authority of the Board. | | |
| (f) Use of Company | Directors, key officers and employees shall use Company property and resources | | |

⁵ Mr. James L. Tiu was elected director on 15 December 2016. The Company is still finalizing the schedule for their seminar.

⁶ Mr. Honorio T. Tan was elected director on 15 December 2016. The Company is still finalizing the schedule for their seminar.

⁷ Ms. Maylyn Z. Dy was elected director on 15 December 2016. The Company is still finalizing the schedule for their seminar.

| | |
|--|---|
| Funds, Assets and Information | including Company time, supplies and software, efficiently, responsibly and only for legitimate business purposes only. They shall safeguard company assets from loss, damage, misuse or theft and shall respect intellectual property rights. |
| (g) Employment & Labor Laws & Policies | <p>Employment in the Company signifies willingness and commitment to perform according to standards set by Management and to abide by all the policies and procedures as well as rules and regulations of the Company.</p> <p>The Company has an Employees' Manual of Policies and Procedures which provides for employee rights, obligations and sets policies on employee-related matters to ensure uniformity and consistency in the interpretation and implementation of Human Resources Policies and Programs, which are consistent with and in accordance with relevant provisions of the Labor Code.</p> |
| (h) Disciplinary action | <p>To strictly observe and implement the provisions of the Company's Revised Manual on Corporate Governance, the following penalties shall be imposed, after notice and hearing, on the Company's directors, officers, staff, subsidiaries and affiliates and their respective directors, officers and staff in case of violation of any provision of the said Manual:</p> <p>a. In the case of a first violation, the subject person shall be reprimanded.</p> <p>b. In the case of a second violation, suspension from office shall be imposed. The duration of the suspension shall depend on the gravity of the violation.</p> <p>c. For a third violation, the maximum penalty of removal from office shall be imposed. The commission of a third violation by any member of the Board or its subsidiaries and affiliates shall be a sufficient cause for removal from directorship.</p> <p>The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend the imposable penalty for such violation to the Chairman, for further review and approval of the Board.</p> |
| (i) Whistle Blower | Illegal or unethical behavior by a colleague or co-employee, regardless of his or her level of authority, should not be condoned. It is the responsibility of each employee to report legitimate concerns so that problems can be properly resolved and corrective measures instituted. An officer or employee who becomes aware of any violation should immediately notify his superior. The superior officer shall in turn immediately inform the Human Resources Department ("HRD"). HRD shall conduct or manage the necessary actions or investigation of any reported violations of this Code. In case senior management or any Board member is involved, the same shall be referred to the Audit Committee. |
| (j) Conflict Resolution | The Audit Committee will handle resolution of reported illegal or unethical behaviour involving senior management or any Board member. The Audit Committee may ask assistance from HRD to conduct investigation of subject illegal acts or activities to further support subject reports and findings. |

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

The Company does not have a formal code of ethics but its policy is to strictly follow the provisions of its Revised Manual on Corporate Governance and the provisions of the Corporation Code, SRC, Labor Code, and other applicable laws and regulations.

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

Not applicable.

4) Related Party Transactions

(a) Policies and Procedures

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

| Related Party Transactions | Policies and Procedures |
|--|---|
| 1. Parent Company | <p>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 Company or misappropriate its assets.</p> <p>It is therefore essential that all material information about the Company 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 and Management. All such information should be disclosed through the appropriate Exchange mechanisms and submissions to the SEC.</p> <p>The Board shall therefore commit at all times to full disclosure of material information dealings. It shall cause the filing of all required information through the appropriate Exchange mechanisms for listed companies and submissions to the SEC for the interest of its stockholders and other stakeholders.</p> <p>Clearly define the thresholds for disclosure and approval for related party transactions ("RPTs") and categorize such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPT within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p> <p>Establish a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions in shareholders meetings.</p> <p>Have its independent directors or audit committee play an important role in reviewing significant RPTs.</p> <p>Be transparent and consistent in reporting its RPTs. A summary of such transactions shall be published in the Company's annual report.</p> <p>Have a clear policy in dealing with material non-public information by Company insiders.</p> <p>Have a clear policy and practice of full and timely disclosure to shareholders of all material transactions with affiliates of the controlling shareholders, directors or management.</p> |
| 2. Joint Ventures | |
| 3. Subsidiaries | |
| 4. Entities Under Common Control | |
| 5. Substantial Stockholders | |
| 6. Officers including | |
| 7. spouse/children/siblings/parents | |
| 8. Directors including | |
| 9. spouse/children/siblings/parents | |
| 10. Interlocking director relationship of Board of Directors | |

(b) Conflict of Interest

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

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

| Details of Conflict of Interest (Actual or Probable) | |
|--|--|
| Name of Director/s | There is no actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved. |
| Name of Officer/s | There is no actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved. |
| Name of Significant Shareholders | There is no actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved. |

(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 | The Company promotes a culture of good corporate governance by formally adopting a policy that is founded on the Company's core business principles of fairness, accountability, integrity, transparency and honesty. |
| Group | In compliance with disclosure requirements of related accounting standards and the SRC reporting requirements, we promptly and properly disclose to the public all material information, including all RPTs through detailed disclosures provided in the related Notes to financial statements (Note 19. Related Party Transactions), SEC Form 17-A (Annual Report), and SEC Form 20-IS (Definitive Information Statement). |

5) Family, Commercial and Contractual Relations

(a) Indicate, if applicable, any relation of a family,⁸ commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the Company:

| Names of Related Significant Shareholders | Type of Relationship | Brief Description of the Relationship |
|---|----------------------|---------------------------------------|
| None. | | |

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

| Names of Related Significant Shareholders | Type of Relationship | Brief Description |
|---|----------------------|-------------------|
| None. | | |

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

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

⁸ Family relationship up to the fourth civil degree either by consanguinity or affinity.

6) Alternative Dispute Resolution

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

| Alternative Dispute Resolution System | |
|---------------------------------------|---|
| Corporation & Stockholders | Under the Company's Revised Manual on Corporate Governance, the Board shall establish and maintain, as far as practicable, an alternative dispute resolution system in the Company that can amicably settle conflicts or differences between the Company and its stockholders, and the Company and third parties, including the regulatory authorities. |
| Corporation & Third Parties | |
| Corporation & Regulatory Authorities | |

C. BOARD MEETINGS & ATTENDANCE

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

No, but the Company ensures that each of the members of the Board receives the notice and agenda of the meeting within the period required by relevant laws and the rules and regulations.

2) Attendance of Directors

| Board | Name | Date of Election | No. of Meetings Held during the year | No. of Meetings Attended | % |
|-------------|--|------------------|--------------------------------------|--------------------------|---------|
| Chairman | Antonio L. Tiu ⁹ | 15 December 2016 | 7 | 7 | 100.00% |
| Member | Martin C. Subido ¹⁰ | 15 December 2016 | 7 | 7 | 100.00% |
| Member | Kenneth S. Tan ¹¹ | 15 December 2016 | 7 | 7 | 100.00% |
| Member | Paula Katrina L. Nora ¹² | 15 December 2016 | 7 | 7 | 100.00% |
| Member | Lisette M. Arboleda ¹³ | 15 December 2016 | 7 | 7 | 100.00% |
| Member | Antonio R. Galvez ¹⁴ | 15 December 2016 | 7 | 6 | 85.71% |
| Member | Ma. Pamela Grace C. Muhi ¹⁵ | 15 December 2016 | 7 | 1 | 14.29% |
| Member | James L. Tiu ¹⁶ | 15 December 2016 | 7 | 0 | 0.00% |
| Member | Yang Chung Ming ¹⁷ | 15 December 2016 | 7 | 0 | 0.00% |
| Independent | Honorio T. Tan ¹⁸ | 15 December 2016 | 7 | 0 | 0.00% |
| Independent | Maylyn Z. Dy ¹⁹ | 15 December 2016 | 7 | 0 | 0.00% |

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

No. However, moving forward, non-executive directors elected in the last Annual Stockholders' Meeting shall endeavor to hold separate meeting/s as often as necessary without the presence of any executive director.

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

The minimum quorum requirement for Board decisions followed by the Company is a majority of the Board of Directors, as required under the Corporation Code and the Company's By-Laws.

⁹ Mr. Antonio L. Tiu was a member of the Board since 23 December 2010.

¹⁰ Atty. Martin C. Subido was a member of the Board since 23 December 2010.

¹¹ Mr. Kenneth S. Tan was a member of the Board since 16 June 2014.

¹² Atty. Paula Katrina L. Nora was a member of the Board since 16 June 2014.

¹³ Atty. Arboleda was elected on 9 December 2015 as replacement of Dr. Que and was re-elected on 15 December 2016.

¹⁴ Mr. Galvez was elected on 9 December 2015 as replacement of Mr. Uy and was re-elected on 15 December 2016.

¹⁵ Ms. Ma Pamela Grace C. Muhi was elected as member of the Board only on 15 December 2016.

¹⁶ Mr. James L. Tiu was elected as member of the Board only on 15 December 2016.

¹⁷ Mr. Yang Chung Ming was elected as member of the Board only on 15 December 2016.

¹⁸ Mr. Honorio T. Tan was elected as member of the Board only on 15 December 2016.

¹⁹ Ms. Maylyn Z. Dy was elected as member of the Board only on 15 December 2016.

5) Access to Information

(a) How many days in advance are Board papers²⁰ for Board meetings provided to the Board?

The Company ensures that each of the members of the Board receives the notice and agenda of the meeting within the period required by relevant laws and the rules and regulations.

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

Yes.

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

Yes. Under the Company's By-Laws, the Corporate Secretary of the Company is the custodian of and shall maintain the corporate books and records and shall be the recorder of the corporation's formal actions and transactions. He shall have the following specific powers and duties:

- a. to record the minutes and transactions of all meetings of the directors and the stockholders and to maintain minute books of such meetings in the form and manner required by law;
- b. to keep 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 of the corporation 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 these by-laws to be given;
- 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, hear and determine questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote. The Secretary may assign the exercise or performance of any or all of the foregoing duties, powers and functions to any other person or persons, subject always to his supervision and control; and
- g. to perform such other duties as are incidental to his office or as may be assigned to him by the Board of Directors or the President.

In addition to these functions and duties, the Board of Directors has assigned to the Corporate Secretary the task of assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes.

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

Yes. The current Corporate Secretary is Atty. Martin C. Subido. Atty. Subido is a Certified Public Accountant and a member of the Integrated Bar of the Philippines. He graduated with a B.S. Accountancy degree from De La Salle University and obtained his Juris Doctor degree, with honors, from the School of Law of the Ateneo

²⁰ 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.

de Manila University. He was a Senior Associate of the Villaraza & Angangco Law Offices before becoming managing partner of SPCMB Law Offices. Atty. Subido is currently a Senior Partner at SPCMB Law Offices.

(a) 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 |
|--------------|---|
| Audit | The Notice and Agenda of the pertinent meeting, and the supporting documents for the matters included in the agenda, are given to the directors within the period required by relevant laws and rules and regulations via email and/or personal service. In the event that any director has clarifications or requests for additional information or documents, said director can directly contact the Corporate Secretary regarding said clarification or request. |
| Nomination | |
| Remuneration | |

6) External Advice

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

| Procedures | Details |
|--|--|
| Seeking legal advice or opinion | Directors can contact the Corporate Secretary or legal counsel |
| Seeking independent opinion on financial matters and related regulatory concerns | Directors can contact external auditors |

7) Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board (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:

In compliance with SEC Memorandum Circular No. 19, Series of 2016, the Management introduced revisions on the Company's Revised Manual on Corporate Governance. Once finalized, the Revised Manual on Corporate Governance will be submitted to the Board for approval.

| Existing Policies | Changes | Reason |
|-------------------|---------|--------|
| None. | | |

D. REMUNERATION MATTERS

1) Remuneration Process

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

The Company has a Compensation and Remuneration Committee, which shall be composed of at least three (3) members and one of whom should be an independent director, to establish a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the Company's culture, strategy and the business environment in which it operates.

The levels of remuneration of the Company should be sufficient to be able to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors may be structured or be based on corporate and individual performance.

The Company may establish formal and transparent procedures for the development of a policy on executive remuneration or determination of remuneration levels for individual directors and officers depending on the particular needs of the Company. No director should participate in deciding on his remuneration.

The Company's annual reports and information and proxy statements shall include a clear, concise and understandable disclosure of all fixed and variable compensation that may be paid, directly or indirectly, to its directors and top four (4) management officers during the preceding fiscal year.

| Process | CEO | Top 4 Highest Paid Management Officers |
|---|--|--|
| (1) Fixed remuneration | Company Salary Structure, market rates used as a guide; salary adjustments based on performance and changes in responsibilities and authorities. | |
| (2) Variable remuneration | None | |
| (3) Per diem allowance | None | |
| (4) Bonus | None | |
| (5) Stock Options and other financial instruments | Subject to the approval of the Board of Directors | |
| (6) Others (specify) | None | |

2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the Company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

| | Remuneration Policy | Structure of Compensation Packages | How Compensation is Calculated |
|-------------------------|---|------------------------------------|--------------------------------|
| Executive Directors | The compensation of directors, which shall not be more than 10% of the net income before income tax of the Company during the preceding year, which shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting. (Amended By-Laws). | | |
| | Also, under Section 9, Article III of the By-Laws of the Company, by resolution of the Board, each director shall receive a reasonable per diem allowance for their attendance at each meeting of the Board. | | |
| Non-Executive Directors | The compensation of directors, which shall not be more than 10% of the net income before income tax of the Company during the preceding year, which shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting. (Amended By-Laws, page). As of this date, no standard or other arrangements have been made in respect of director's compensation. | | |
| | Also, under Section 9, Article III of the By-Laws of the Company, by resolution of the Board, each director shall receive a reasonable per diem allowance for their attendance at each meeting of 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.

The decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of the members of the Board is made by the Board.

| Remuneration Scheme | Date of Stockholders' Approval |
|---------------------|--------------------------------|
| Not applicable. | |

3) Aggregate Remuneration²¹

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

| Remuneration Item | Executive Directors | Non-Executive Directors (other than independent directors) | Independent Directors |
|--|---------------------|--|-----------------------|
| (a) Fixed Remuneration | None | None | None |
| (b) Variable Remuneration | None | None | None |
| (c) Per diem Allowance | None | None | None |
| (d) Bonuses | None | None | None |
| (e) Stock Options and/or other financial instruments | None | None | None |
| (f) Others (Specify) | None | None | None |
| Total | None | None | None |

| Other Benefits | Executive Directors | Non-Executive Director (other than independent directors) | Independent Directors |
|---|---------------------|---|-----------------------|
| (a) Advances | None | None | None |
| (b) Credit granted | None | None | None |
| (c) Pension Plan/s Contributions | None | None | None |
| (d) Pension Plans, Obligations incurred | None | None | None |
| (e) Life Insurance Premium | None | None | None |
| (f) Hospitalization Plan | None | None | None |
| (g) Car Plan | None | None | None |
| (h) Others (Specify) | None | None | None |
| Total | None | None | None |

E. Stock Rights, Options and Warrants

(a) Board of Directors

Complete the following table, on the members of the Company's Board of Directors who own or are entitled to stock rights, options or warrants over the Company's shares:

| Director's Name | Number of Direct Option/Rights/Warrants | Number of Indirect Option/Rights/Warrants | Number of Equivalent Shares | Total % from Capital Stock |
|-----------------|--|---|-----------------------------|----------------------------|
| Antonio Tiu | On 22 February 2012, the Company approved to issue 100 Billion warrants to the Corporation's President and CEO, Mr. Antonio L. Tiu, at the issue price of P0.001/warrant and strike price of P0.01/share with a 5-year term, and under such terms as may further be agreed upon and subject to existing requirements of the SEC and the Philippine Stock Exchange. To date, said warrants have not been formally issued. | | | |

²¹ As of 31 December 2016.

(b) Amendments of Incentive Programs

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

| Incentive Program | Amendments | Date of Stockholders' Approval |
|-------------------|------------|--------------------------------|
| None. | | |

F. 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 |
|--------------------------|--------------------|
| None. | |
| | |
| | |

G. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

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

| Committee | No. of Members | | | Committee Charter | Functions | Key Responsibilities | Power |
|----------------------|-------------------------|------------------------------|---------------------------|--------------------------|---|----------------------|-------|
| | Executive Director (ED) | Non-executive Director (NED) | Independent Director (ID) | | | | |
| Audit and Compliance | 2 | 0 | 1 | Currently being drafted. | <p>The functions, key responsibilities and power of the Audit and Compliance Committee includes:</p> <p>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;</p> <p>b) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company. This function shall include regular receipt from Management of information on risk exposures and risk management activities;</p> <p>c) Perform oversight functions over the Company'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;</p> | | |

| | | | | |
|--|--|--|--|--|
| | | | | <p>d) Review the annual internal audit plan to ensure its conformity with the objectives of the Company. The plan shall include the audit scope, resources and budget necessary to implement it;</p> <p>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;</p> <p>f) Organize an internal audit department, and consider the appointment of an independent Internal Auditor and the terms and conditions of its engagement and removal;</p> <p>g) Monitor and evaluate the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology security;</p> <p>h) Review the reports submitted by the internal and external auditors;</p> <p>i) Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:</p> <ul style="list-style-type: none"> • 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. <p>j) Coordinate, monitor and facilitate compliance with laws, rules and regulations;</p> <p>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 Company's overall consultancy expenses. The Audit 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 Company's annual report; and</p> <p>l) 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.</p> |
|--|--|--|--|--|

| | | | | | |
|-----------------------------|---|---|---|--------------------------|---|
| | | | | | 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. |
| Nomination and Compensation | 2 | 0 | 1 | Currently being drafted. | <p>The functions, key responsibilities and powers of the Nomination and Compensation Committee includes:</p> <p>a) 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; and</p> <p>b) To establish a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the Company's culture, strategy and the business environment in which it operates.</p> |

2) Committee Members

(a) Audit and Compliance Committee

| Office | Name | Date of Appointment | No. of Meetings Held | No. of Meetings Attended | % | Length of Service in the Committee |
|---------------|--------------------------------|---------------------|----------------------|--------------------------|---------|------------------------------------|
| Chairman (ID) | Maylyn Z. Dy | 15 December 2016 | 0 | 0 | N/A | 0.04 |
| Member (ED) | Martin C. Subido ²² | 15 December 2016 | 2 | 2 | 100.00% | 5.98 |
| Member (ED) | Antonio L. Tiu ²³ | 15 December 2016 | 2 | 2 | 100.00% | 2.55 |

Disclose the profile or qualifications of the Audit Committee members.

MAYLYN Z. DY (Independent Director). Ms. Dy is currently the Corporate Secretary of Woodside Properties and Land Corp. and an independent consultant of First Vita Plus Marketing Corporation. She was also the Assistant General Manager of R. Zalaema Pawnshop from 1986-1998. Ms. Dy graduated from Maryknoll College Foundation Inc., with a degree in AB Communication Arts.

MARTIN C. SUBIDO. Atty. Subido is a Certified Public Accountant and a member of the Integrated Bar of the Philippines. He graduated with a B.S. Accountancy degree from De La Salle University and obtained his Juris Doctor degree, with honors, from the School of Law of the Ateneo de Manila University. He was a Senior Associate of the Villaraza & Angangco Law Offices before becoming managing partner of SPCMB Law Offices. Atty. Subido is currently a Senior Partner at SPCMB Law Offices.

ANTONIO L. TIU. Mr. Tiu is the President/CEO and Chairman of Earthright Holdings, Inc., Chairman of the Big Chill, Inc., President/CEO of Beidahuang Philippines Inc., and Greenery Holdings Incorporated. Mr. Tiu also serves as director and Chairman of Agrinurture, Inc., Sunchamp Real Estate Development Co, First Class Agriculture Corporation, Fresh & Green Harvest Agricultural Company Inc., Best Choice Harvest Agricultural Corp., Lucky Fruits & Vegetable Products Inc., M2000 IMEX Company Inc., Fruitilicious Company Inc., Ocean Biotech Inc., and Fresh and Green Palawan Agri Ventures.

²² Mr. Antonio L. Tiu was a member of the Board since 23 December 2010.

²³ Atty. Martin C. Subido was a member of the Board since 23 December 2010.

He was a part-time lecturer in International Finance at DLSU Graduate School from 1999 to 2001 and currently the board adviser of DLSU School of Management. Mr. Tiu has a Master's degree in Commerce specializing in International Finance from University of New South Wales, Sydney Australia and BS Commerce major in Management from De La Salle University, Manila. He was awarded the Ernst and Young Emerging Entrepreneur of the Year (2009). He is an active member of the Integrated Food Manufacturer Association of the Philippines, PHILEXPORT, PHILFOODEX, Chinese Filipino Business Club, and Philippine Chamber of Agriculture and Food Industries.

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

The Audit and Compliance Committee shall 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 Company's overall consultancy expenses. The Audit and Compliance 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 Company's annual report.

Management should formulate, under the supervision of the Audit and Compliance Committee, the rules and procedures on financial reporting and internal control in accordance with the following guidelines:

(i) The extent of its responsibility in the preparation of the financial statements of the Company, with the corresponding delineation of the responsibilities that pertain to the external auditor, should be clearly explained;

(ii) An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the Company should be maintained;

(iii) On the basis of the approved audit plans, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the Company's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules and regulations;

(iv) The Company should consistently comply with the financial reporting requirements of the SEC;

(v) The external auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Company, should be changed with the same frequency. The Internal Auditor should submit to the Audit and Compliance 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 and Compliance Committee. The annual report should include 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.

B) The Board, after consultations with the Audit and Compliance Committee, shall recommend to the stockholders an external auditor duly accredited by the SEC who shall undertake an independent audit of the Company, and shall provide an objective assurance on the manner by which the financial statements shall be prepared and presented to the stockholders. The external auditor shall not, at the same time, provide internal audit services to the Company. Non-audit work may be given to the external auditor, provided it does not conflict with his duties as an independent auditor, or does not pose a threat to his independence.

If the external auditor resigns, is dismissed or ceases to perform his services, the reason/s for and the date of effectivity of such action shall be reported in the Company's annual and current reports. The report shall include a discussion of any disagreement between him and the Company on accounting principles or practices, financial disclosures or audit procedures which the former auditor and the Company failed to resolve satisfactorily. A preliminary copy of the said report shall be given by the Company to the external auditor before its submission.

If the external auditor believes that any statement made in an annual report, information statement or any report filed with the SEC or any regulatory body during the period of his engagement is incorrect or incomplete, he shall give his comments or views on the matter in the said reports.

(b) **Nomination and Compensation Committee**

| Office | Name | Date of Appointment | No. of Meetings Held | No. of Meetings Attended | % | Length of Service in the Committee |
|----------------|-----------------------------|---------------------|----------------------|--------------------------|---------|------------------------------------|
| Chairman (NED) | Antonio Peter R. Galvez | 15 December 2016 | 0 | 0 | N/A | 0.04 |
| Member (ID) | Honorio T. Tan | 15 December 2016 | 0 | 0 | N/A | 0.04 |
| Member (ED) | Kenneth S.Tan ²⁴ | 15 December 2016 | 1 | 1 | 100.00% | 2.55 |

ANTONIO PETER R. GALVEZ. Mr. Galvez is a holder of an Executive Master's in Business Administration from the Asian Institute of Management. He graduated from the Ateneo de Manila University with a Bachelor's Degree in Economics. At present, he is an Executive and Leadership Coach, Business Coach with the University of Asia and Pacific. He is also a licensed facilitator of Get Clients Now, licensed instructor of GRID International and Director of Pastra.Net. His previous employments include various stints with the Securities Transfer Services, Inc., First Philippine Holdings Corporation and its subsidiaries, Department of Trade and Industry and Board of Investments.

HONORIO T. TAN. Mr. Tan is the Chairman, President and owner of Beam Marketing Enterprise, Inc., a health food and herbal medicine manufacturing company. Mr. Tan is also an inventor of a number of herbal and naturopathic medicines. He served as President of Manila Downtown YMCA from 2005-2010 and from 2015-2016. He also served as President of Moringaling Philippines Foundation, Inc. in 2011. He was with the Bank of Asia for more than nine years before the bank was sold and merged with then the Bank of America. Mr. Tan holds a Master's degree in Business Administration from the De La Salle University and a Bachelor of Arts in Economics from the University of the East.

KENNETH S. TAN. Mr. Tan serves as the Chief Financial Officer of Greenergy Holdings Incorporated and has been its Treasurer since June 2013; Mr. Tan also concurrently serves as the Treasurer and Chief Financial Officer of AgriNurture Inc. Previously, Mr. Tan served as Alternate Corporate Information and Compliance Officer at Greenergy Holdings Incorporated since December 23, 2010. Mr. Tan served as the Vice President for Administration/ Information Officer and Compliance Officer of AgriNurture, Inc. He served as an Officer of Citibank and Manulife Financial and was a Part-Time Lecturer in Economics at an international school in Manila. Mr. Tan has a degree in AB Developmental Studies from the Ateneo de Manila University.

(c) **Others (Specify)**

None.

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

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

3) **Changes in Committee Members**

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

| Name of Committee | Name | Reason |
|-----------------------------|---------------------------------|-------------------------------------|
| Audit and Compliance | Leonor M. Briones ²⁵ | Resignation due to personal reasons |
| Nomination and Compensation | None | None |

²⁴ Mr. Kenneth S. Tan was a member of the Board since 16 June 2014.

²⁵ Ms. Leonor M. Briones resigned on 31 May 2016 due to personal reasons.

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 |
|-----------------------------|--|--|
| Audit and Compliance | Assisted the Board in fulfilling its oversight responsibilities for financial reporting process, system of internal control, audit process and the company's process for monitoring compliance with laws and regulations and the code of conduct. | <p>Reviewed and discussed quarterly unaudited financial statements, audited annual financial statements including Management's Discussion and analysis of financial condition and results of operations, adequacy of the company's enterprise risk management framework, and the effectiveness of the system for monitoring compliance with laws and regulations.</p> <p>Approved the overall scope and audit plans of Internal and external audits, effectiveness of the internal audit function and recommended for approval the re-appointment of the current external auditors.</p> <p>Performed a self-evaluation of the Committee in terms of expectations set out in the Board.</p> |
| Nomination and Compensation | <p>Reviewed and evaluated the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring the appointment by the Board.</p> <p>Provided a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration of corporate officers and directors.</p> | <p>Reviewed the qualifications of all nominees to the Board of directors, taking into consideration the relevant requirements of the SEC and Philippine Stock Exchange relative to qualifications and disqualifications of both regular and independent director nominees.</p> <p>Provided oversight over remuneration of senior management and other key personnel.</p> <p>No other resolution relating to director's remuneration has been adopted by the Board of Directors as the schedule of the amount of per diem for attendance in meetings of the Board of Directors/Committees has remained unchanged since 2009.</p> |

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 |
|-----------------------------|---|--|
| Audit and Compliance | <p>Submit an Audit and Compliance Committee Charter to the Board for approval.</p> <p>Conduct Board self-evaluation of the company's current and potential state of Corporate Governance practices using existing Corporate Governance scorecards and best practice guidelines.</p> <p>Conduct learning sessions for the Company toward improving audit consciousness and compliance awareness throughout the organization.</p> | <p>Review financial reporting process, system of internal control and the Company's process for monitoring compliance with laws and regulations and the code of conduct.</p> <p>A more-focused compliance function will ensure that all regulatory requirements are generally complied as well as internal policies and procedures are implemented accordingly.</p> <p>Corporate Governance practices to evolve from mere compliance to performance improvement and consistent implementation.</p> <p>Better understanding of roles, responsibilities, business policies, processes and procedures as well as laws, rules and good conduct lead to well-informed and more productive work force.</p> |
| Nomination and Compensation | <p>Submit a Nomination and Compensation Committee Charter to the Board for approval.</p> <p>Pre-screen qualifications of all nominees to the Board.</p> | <p>Defines the purpose, roles and responsibilities, membership, authority, frequency of meetings and other matters affecting the committee.</p> <p>Ensures all nominees to the Board, both regular and independent directors, possess all the qualifications and none of the disqualifications enumerated under the SRC</p> <p>Establish and formalize a succession plan for senior management.</p> <p>Provide oversight over remuneration of senior management and other key personnel.</p> <p>Recommend adoption of a formal succession plan for the Company</p> <p>Review/evaluate existing remuneration policy and procedures on executives' compensation and for fixing the remuneration of directors and corporate officers.</p> |

H. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

The risk assessment is based upon a "what if" analysis, judged against the method used to include the particular item in the projection. The analysis could support the projection or require it to be modified. Risks that are manageable, i.e. within the scope of control by the Company, must be managed as a natural course of running the business. When taking decisions, management considers first the effect of those risks that are in any way related to the decision.

The Company's business activities are exposed to a variety of financial risks, which include credit risk, liquidity risk and market risk. Management ensures that it has sound policies and strategies in place to minimize potential adverse effects of these risks on the Company's consolidated financial performance. The Company's Board of Directors is mainly responsible for the overall risk management approach and for the approval of risk strategies and principles of the Company. It has also the overall responsibility for the development of risk strategies, principles, frameworks, policies and limits. It establishes a forum of discussion of the Company's approach to risk issues in order to make relevant decisions.

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

The Management ensures that it has sound policies and strategies in place to minimize potential adverse effects of these risks on the Company's financial performance.

(c) Period covered by the review

2016

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

The risk management system is reviewed as often as necessary.

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

Not applicable.

2) Risk Policy

(a) Company

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

The Company does not have a formal written risk management policy but the Company observes Board directed policies in addressing risk management and compliance processes.

The Company is exposed to variety of financial risks, which resulted from its operating, investing and financing activities. The Company's principal financial instruments comprise of cash, receivables, AFS investment, accounts payable and accrued expenses, loan payable and due to and from related parties. The main purpose of investing these financial instrument (assets) is to maximize interest yield and for capital appreciation. The main purpose of loan is to finance the Company's operations.

The Company's policies and guidelines cover credit risk, liquidity risk, interest rate risk and foreign currency risk. The objective of financial risk management is to contain, where appropriate, exposures in these financial risks to limit any negative impact on the Company's results and financial position. The Company actively measures, monitors and manages its financial risk exposures by various functions pursuant to the segregation of duties principles.

| Risk Exposure | Risk Management Policy | Objective |
|---------------|---|--|
| Credit risk | Credit risk refers to the risk that the counterparty will default and/or fail to honor its financial or contractual obligations, resulting in financial loss to the Company. The group transacts with recognized and creditworthy counterparties, like investing in credit worthy equities. | The Company recognizes impairment losses based on the results of the specific/individual assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by |

| | | |
|------------------------------|---|--|
| | <p>High grade cash are placed, invested, or deposited in local banks belonging to the top 25 banks in the Philippines in terms of resources and profitability, otherwise cash in banks are considered standard.</p> <p>Standard grade accounts consist of receivables from its debtors with good financial condition and with relatively low defaults. Standard grade accounts on the other hand, are receivable from other counterparties with history of defaulted payments. These counterparties include banks, customers and related parties who pay on or before due date.</p> | <p>counterparties, infringement of the original terms of the contract has happened, or when there is inability to pay principal or interest overdue, if any, beyond a certain threshold. These and other factors constitute observable events and/or data that meet the definition of an objective evidence of impairment.</p> <p>The Company applies specific/individual assessment methodology in assessing and measuring impairment.</p> <p>Under specific/individual assessment, the Company assesses each individual significant credit exposure for any objective evidence of impairment, and where such evidence exists, accordingly calculates the required impairment. Among the items and factors considered by the Company when assessing and measuring specific impairment allowances are: (a) the timing of the expected cash flows; (b) the projected receipts or expected cash flows; (c) the going concern of the counterparties' business; (d) the ability of the counterparty to repay its obligations during financial crises; (e) the availability of other sources of financial support; and, (f) the existing realizable value of collateral, if any. The impairment allowances, if any, are evaluated as the need arises, in view of favorable or unfavorable developments.</p> |
| <i>Liquidity risk</i> | The Company seeks to manage its liquidity profile to be able to finance its capital expenditures and cover its operating costs. | The Company's objective is to maintain a balance between continuity of funding and flexibility through valuation of projected and actual cash flow information. Additional short-term funding is obtained from related party advances. |
| <i>Foreign Currency Risk</i> | Currency risk arises when transactions are denominated in foreign currency. | The Company is not exposed to significant foreign currency risk given that the Company's foreign currency denominated financial assets which pertains to cash in bank is not significant in amount. |
| <i>Market Risk</i> | Market risk refers to the risk that changes in market prices, such as interest rates, foreign exchange rates and, agricultural production and prices that will affect the Company's income. | The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. |
| <i>Interest Rate Risk</i> | The Company is exposed to interest rate fluctuations on its cash in banks and loan payable. Other financial assets and liabilities which principally arise in the ordinary course of operations are generally short-term and non-interest bearing. | To mitigate the interest rate risk of the Company |
| <i>Equity Price Risk</i> | Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of equity indices and the value of individual stocks. | Changes in fair value of available-for-sale equity instruments due to a reasonably possible change in equity indices, with all other variables held constant will increase |

| | | |
|---------------------------|---|--|
| | | equity by ₱3,700, if equity prices will increase by 1%. An equal change in the opposite direction would have decreased equity by the same amount. |
| <i>Capital Management</i> | The Company manages capital on the basis of the debt-to-equity ratio which is calculated as total debt divided by total equity. | The primary objective of the Company's capital management is to ensure its ability to continue as a going concern and maintains healthy ratios in order to support its business and maximizes shareholders' value. |

(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 |
|--|------------------------|-----------|
| The same as those indicated above for the Company. | | |

(c) Minority Shareholders

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

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

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) |
|---------------|--|--|
| | Management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition, and liabilities are recognized. The Board reviews the financial statements are approved and submitted to the stockholders of the Company. | |
| | The Board, through its Audit and Compliance Committee, continuously reviews and follow up until closure all action items needed to be in full compliance with the Company's Revised Manual on Corporate Governance and its related documents and policies. | |
| | Continuous training is being under taken by the members of the Board, Management officers and personnel to fully acquaint then with the Company's Revised Manual on Corporate Governance, policies and related matters. | |

(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) |
|--|---|--|
| The same as those indicated above for the Company. | | |

(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 Compliance Committee | Performs oversight responsibilities for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations. | Mainly responsible for recommending the appointment of external auditors whose report they review; monitor the system of internal controls and corporate compliance with laws, regulations and code of ethics; serve as a direct channel of communications to the Board for the internal auditor, compliance officer and the general counsel. |

I. 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;

Management should formulate, under the supervision of the Audit and Compliance Committee, the rules and procedures on financial reporting and internal control in accordance with the following guidelines:

- (i) the extent of its responsibility in the preparation of the financial statements of the Company, with the corresponding delineation of the responsibilities that pertain to the external auditor, should be clearly explained;
- (ii) an effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the Company should be maintained;
- (iii) on the basis of the approved audit plans, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the Company's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules and regulations;
- (iv) the Company should consistently comply with the financial reporting requirements of the Commission; and
- (v) The external auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Company, should be changed with the same frequency. The Internal Auditor should submit to the Audit and Compliance 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 and Compliance Committee. The annual report should include 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.

Internal Control Responsibilities of the Board

The control environment of the Company consists of (a) the Board which ensures that the Company is properly and effectively managed and supervised; (b) a Management that actively manages and operates the Company 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 Company'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.

- (i) The minimum internal control mechanisms for the performance of the Board's oversight responsibility may include:
 - a) Definition of the duties and responsibilities of the President who is ultimately accountable for the Company's organizational and operational controls;
 - b) Selection of the person who possesses the ability, integrity and expertise essential for the position of the CEO, President and other key officers;
 - c) Evaluation of proposed senior management appointments;
 - d) Selection and appointment of qualified and competent management officers; and
 - e) Review of the Company's human resource policies, conflict of interest situations, compensation program for employees, and management succession plan.
- (ii) In determining the scope and particulars of the systems of effective organizational and operational controls, which may differ among corporations, the Company may take into consideration the following factors: (a) nature and complexity of the business and the business culture; (b) volume, size and complexity of transactions; degree of risks involved; degree of centralization and delegation of authority; (c) extent and effectiveness of information technology; and (d) extent of regulatory compliance.
- (iii) The Company may establish an internal audit system that can reasonably assure the Board, the Management and stockholders that its key organizational and operational controls are faithfully complied with. The Board may appoint an Internal Auditor to perform the audit function, and may require him to report to a level in the organization that allows the internal audit activity to fulfill its mandate. The Internal Auditor shall be guided by the International Standards on Professional Practice of Internal Auditing.

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

The Management ensures that it has sound policies and strategies in place to minimize potential adverse effects of these risks on the Company's financial performance.

- (c) Period covered by the review**

2016

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

The Audit and Compliance Committee is tasked by the Board to review the internal control system of the Company on a semi-annual basis. Part of their regular meeting is to review the internal control system through the reports of the auditors (internal and external) and representation made by the Management.

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

2) Internal Audit

(a) Role, Scope and Internal Audit Function

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

| Role | Scope | Indicate whether In-house or Outsource Internal Audit Function | Name of Chief Internal Auditor/Auditing Firm | Reporting process |
|--|---|--|--|-------------------|
| 1. Evaluating the reliability and integrity of significant information | All financial, managerial, and operating information and the means used to identify, measure, classify, and report such information is accurate, reliable and timely. | In-house | Ciara Mae Ong-Lim | Quarterly |
| 2. Evaluating the systems established to ensure compliance | Compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the organization. | In-house | Ciara Mae Ong-Lim | Annual |
| 3. Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets. | All Company assets | In-house | Ciara Mae Ong-Lim | Quarterly |
| 4. Evaluating the quality of performance of external auditors and the degree of coordination with internal audit. | Based on the leading practices criteria, as approved by Audit and Compliance Committee | In-house | Ciara Mae Ong-Lim | Annual |
| 5. Reporting periodically on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan. | Based on the leading practices 'criteria, as approved by Audit and Compliance Committee | In-house | Ciara Mae Ong-Lim | Quarter/ Annually |
| 6. Reporting significant risk exposures and control issues. | All risk exposures and issues including fraud risks, governance issues, and other matters needed or requested by the Board. | In-house | Ciara Mae Ong-Lim | As needed |
| 7. Evaluating specific operations at the request of the Board, Audit Committee or Management, as applicable. | Based on the request of the sponsor | In-house | Ciara Mae Ong-Lim | As needed |

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

Yes.

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

The Internal Auditor is directly reporting to the Audit and Compliance Committee and administratively to the President.

- (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 | 97% |
| Issues²⁶ | No critical issues were identified. |
| Findings²⁷ | No critical findings were made. |
| Examination Trends | Lack of updated policy and work procedures documentation |

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

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

- (f) Audit Control Policies and Procedures

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

| Policies & Procedures | Implementation |
|---|----------------|
| Governance frameworks must be established to define the scope of work and policies that will regulate and control internal audit activities. | Implemented. |
| Risk-based plans must be established to determine the priorities of the internal audit activity, consistent with the Company's goals | Implemented. |
| To help ensure the efficient functioning of the people management system, written instructions, guidelines or other communications that deal with policies and procedures regarding leave, attendance reporting and record keeping, and other administrative requirements shall be issued to all employees. | Implemented. |

²⁶ "Issues" are compliance matters that arise from adopting different interpretations.

²⁷ "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 Internal Auditor is not authorized to: 1. Perform any operational duties for the organizations or its affiliates; 2. Initiate or approve accounting transactions external to the Internal Audit Department; and 3. Direct the activities of any organization employee not employed by the Internal Audit Department, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the internal auditors. | There are no independence concerns involving financial analyst, investment banks and rating agencies as there are no material public information being disclosed ahead to any group other than what is disclosed publicly to the regulators within the prescribed time period for reporting. | | |
| The External Auditor is not authorized to: 1. Perform management responsibilities; 2. Provide Financial information systems design and implementation; and 3. Provide Litigation support and legal services. | There are no independence concerns involving financial analyst, investment banks and rating agencies as there are no material public information being disclosed ahead to any group other than what is disclosed publicly to the regulators within the prescribed time period for reporting. | | |

(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.

For 2016, the Company will submit its Revised Manual on Corporate Governance in accordance with the requirements of SEC Memorandum Circular No. 19, Series of 2016. The Revised Manual on Corporate Governance will be signed by the President and the Compliance Officer.

J. ROLE OF STAKEHOLDERS

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

| | Policy | Activities |
|--|---|---|
| Customers' welfare | The Company does not have customers considering that it is a holding company. | |
| Supplier/contractor selection practice | For major suppliers or service providers, a request for proposal is required to be submitted based on an approved term of reference. A separate (board) committee may be designated to review and evaluate proposals submitted and make recommendations for Board consideration. | |
| Environmentally friendly value-chain | The Company practices Corporate Social Responsibility ("CSR") as part of its long-term business strategy for sustainability and continuity by providing basic social services, educational assistance, research and development aid, capability building for indigenous communities and disaster relief operations. | The Company participates in conferences on mitigating consequences of natural catastrophes. It also participates jointly in community related projects undertaken by other entities from time to time through donations, sponsorship and being resource speaker in certain events which aim to raise the insurance awareness of the general public. |
| Community interaction | | |

| | | |
|---|---|--|
| Anti-corruption programs and procedures | <p>The Company does not condone any dishonest, unethical or unprofessional behavior and actions displayed by an employee, regardless of his/her level of authority.</p> <p>It is the responsibility of each employee to report legitimate concerns so that issues can be properly investigated or resolved and corrective measures can be instituted.</p> | <p>Concerns may be raised verbally or in writing to the HRD Head while concerns involving the HRD Head should be raised to the CEO and complaints concerning the CEO should be raised to the Chairman of the Nomination and Compensation Committee of the Company.</p> <p>Management shall maintain the confidentiality of all the concerns or complaints raised and the anonymity of the person making the complaint to the fullest extent reasonably practicable within the legitimate needs of law.</p> |
| Safeguarding creditors' rights | The Company manages its cash and investment position to meet its obligations arising from its business/investment transactions and other financial liabilities. | All valid claims are settled promptly and judiciously, as part of the Company's commitment to its clients. |

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

No.

3) Performance-enhancing mechanisms for employee participation.

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

The Company is committed in providing and maintaining a safe, secure and healthy work environment. In turn, the employee has the responsibility to work safely, to keep work areas and common areas in the Company clean, not just to reduce the chances of injury but also to make the office a more attractive and pleasant place to work in.

Employees are urged to report to their immediate superior accidents or any condition or practice which is unsafe, whether or not these result in personal injury or no matter how minor they might seem to be.

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

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

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

New employees are given orientation on the Company's policies and procedures and made to undergo basic training.

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

The Company adopts a Performance Management System ("PMS") that allows for the objective assessment of an individual's performance and development needs. The PMS shall be conducted regularly and the results of which shall be the basis for the Company's compensation and rewards system, promotions policy, training and development, and succession planning programs.

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

PROCEDURE IN THE DIVISION LEVEL

- a. All violations of the Company policy must be processed and as much as possible, resolved at the division level. The latter may consult with the HRD as regards interpretation of the company policy.
- b. Department head/managers may delegate the investigation and the reception of evidence to the supervisors or team leaders concerned, always taking into consideration the primacy of preserving good industrial relation between management and personnel.
- c. If the discretion of the department head the case is of a grave or serious nature, the same may be forwarded to the Disciplinary Council for further investigation.

PROCEDURE IN THE DISCIPLINARY COUNCIL

- a. Investigation for violation of Company rules and policy that are not settled at the Division Level shall start with filing of proper and duly accomplished complaint form by the Department Head concerned with the HRD.
- b. Contents of the complaint form are as follows:
 - Name of the accused;
 - Designation of the offense as provided in the company policy;
 - Acts or omissions complained of as constituting the offense;
 - Name of the offended party, if any;
 - Approximate date of the commission of the offense;
 - Place where the offense was committed; and
 - Circumstances for mitigation or aggravation of the offense.
- c. The HRD shall forward the complaint to the Disciplinary Council, composed of the Corporate Resource Officer, Division Head, and the Department Manager of concerned employee.
- d. Upon the filing of the complaint, the accused shall be notified in writing and furnished a copy of said complaint in order for him/her to be given a chance to respond within two (2) working days from said notification and receipt.
- e. The Disciplinary Council shall convene to review all evidence, including documents and testimonies of the accused and the witnesses for and against him.
- f. After due consideration of all the evidence presented, the case may be dismissed, suspended or in case of conviction, the necessary penalty be imposed.
- g. The majority vote of the Council shall be required for a valid decision.
- h. All the parties shall be notified of the decision by the council as soon as practicable.
- i. Before the decision of the Disciplinary Council becomes final, it may be appealed to the Office of the President who shall have the power to review, revise or reverse any decision of the Disciplinary Council.
- j. Unless modified by the President, the decision of the Disciplinary Council shall be final and executor after five (5) days from the notice to the parties concerned.

K. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more²⁸

| Shareholder | Number of Shares | Percent | Beneficial Owner |
|---|-------------------------------------|-----------------------------|--|
| PCD Nominee Corp. (Filipino/Others) | 369,172,066 | 20.5007% | PCD Nominee Corporation (No stockholder owns more than 5% of the outstanding capital stock under the PCD Nominee Corp.) |
| ThomasLloyd Cleantech Infrastructure Fund GmbH (formerly, Cleantech Projektgesellschaft mbH) | 207,768,560 | 11.5377% | ThomasLloyd Cleantech Infrastructure Fund GmbH (formerly, Cleantech Projektgesellschaft mbH) |
| Earthright Holdings, Inc. | 187,500,000 (C) 1,000,000,000(P) | 10.4122% (C) 100.00% (P) | Earthright Holdings, Inc. |
| Jian Cheng Cai | 160,000,000 | 8.8850% | Jian Cheng Cai |
| Three Star Capital Limited (BVI) | 110,000,000 | 6.1085% | Three Star Capital Limited (BVI) |

| Name of Senior Management | Number of Direct shares | Number of Indirect shares / Through (name of record owner) | % of Capital Stock |
|---------------------------|-------------------------|--|---|
| Antonio Tiu | 10,000 | 110,000,000 (through Three Star Capital Ltd.) | 6.1085% |
| | | 187,500,000 (C) 1,000,000,000(P) (through Earthright Holdings, Inc.) | 10.4122% (C) 100.00% (P) |
| TOTAL | 10,000 | 297,510,000 (C) 1,000,000,000(P) | 16.52% (C)²⁹ 100.00% (P)³⁰ |

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 |
| 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 |
| Number of board of directors/commissioners meetings held during the year | No |
| Attendance details of each director/commissioner in respect of meetings held | No |
| Details of remuneration of the CEO and each member of the board of directors/commissioners | Yes |

²⁸ Based on total outstanding shares of 1,800,778,572 common shares and 1,000,000,000 preferred shares as of 31 December 2016.

²⁹ Based on the total issued and outstanding common stock of 1,800,778,572 as of 31 December 2016.

³⁰ Based on the total issued and outstanding preferred stock of 1,000,000,000 as of 31 December 2016.

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

The (i) details of whistle-blowing policy, and (ii) training and/or continuing education programs attended by each director/commissioner, are not required to be indicated in SEC Form 17-A, as amended (Annual Report).

3) External Auditor's fee

| Name of auditor | Audit Fee | Non-audit Fee |
|----------------------|-------------|---------------|
| Uy, Singson & Abella | P300,000.00 | N/A |

4) Medium of Communication

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

a) Website: <http://www.ghi.com.ph>

b) Facebook: <https://www.facebook.com/greenergyholdings>

c) Uploading of announcements, disclosures, structured and unstructured reports in the Philippine Stock Exchange portal.

d) Disclosures and reports are also public records which are available in the SEC.

5) Date of release of audited financial report:

To date, the Company has not yet released its audited financial statements for the year ended 2016.

6) Company Website

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

| | |
|--|-----|
| Business operations | Yes |
| Financial statements/reports (current and prior years) | Yes |
| Materials provided in briefings to analysts and media | Yes |
| Shareholding structure | Yes |
| Company corporate structure | Yes |
| Downloadable annual report | Yes |
| Notice of AGM and/or EGM | Yes |
| Company's constitution (company's by-laws, memorandum and articles of association) | Yes |

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

7) Disclosure of RPT

| RPT | Relationship | Nature | Value |
|----------|---|--------------------------|----------------------------|
| Due from | Stockholders, Associates and Affiliates | Due from Related Parties | ₱800,704,464 ³¹ |
| Due to | Stockholders and Associates | Due to Related Parties | ₱5,221,883 ³² |

³¹ As of 31 December 2015.

³² As of 31 December 2015.

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?

All RPTs are fully disclosed to the Board, done in the regular course of business, conducted on an arm's length basis, and negotiated based on prevailing competitive commercial terms. None of the Company's directors, officers and shareholders are granted special privileges or concessions.

L. 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 | Unless otherwise provided by law, in all regular or special meeting of stockholders, a majority of the outstanding capital stock must be present or represented in order to constitute a quorum. If no quorum is constituted, the meeting shall be adjourned until the requisite amount of stock shall be present. |
|------------------------|--|

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

| | |
|--------------------|--|
| System Used | For the ratification of the acts of the Board of Directors and Officers, the vote required is a majority of the outstanding common stock present in person or by proxy, provided constituting a quorum. |
| Description | The method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The votes shall be counted by a show of hands or, upon motion duly made and seconded, by secret ballot. |

(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 not in The Corporation Code |
|---|--|
| All stockholders' rights are in accordance with the Corporation Code. | None. |

Dividends

| Declaration Date | Record Date | Payment Date |
|------------------|-------------|--------------|
| None | None | None |

(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 |
|---|--|
| <p>The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the Company. 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.</p> <p>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.</p> <p>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.</p> <p>Although all stockholders should be treated equally or without discrimination, and without prejudice to compliance with the provisions of the Corporation Code, the SRC and all relevant rules and regulations, 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 Company.</p> | <ol style="list-style-type: none"> 1. Shareholders are provided through public records, communication media, and the Company's website, the disclosures, announcements and reports filed with the SEC, PSE, Insurance Commission and other regulating agencies. 2. Shareholders are allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code. 3. Shareholders, upon request, are provided with periodic reports which disclose personal and professional information about the directors, officers and certain other matters such as their shareholdings, dealings with the Company, relationships among directors and key officers, and the aggregate compensation of directors and officers. 4. Stockholders are informed at least 15 business days before the scheduled date of the Annual Stockholders' Meeting. The Notice of Meeting includes the date, time, venue and agenda of the meeting, the record date of stockholders entitled to vote, and the date and place of proxy validation. 5. Each share entitles the holder to one vote that may be exercised in person or by proxy at shareholder meetings, including the Annual Stockholders' Meeting. Shareholders have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code. 6. Voting procedures on matters presented for approval to the stockholders in the Annual Stockholders' Meeting are set out in the Definitive Information Statement, which is sent to all stockholders of record at least 15 days before the date of meeting. 7. The Company has also designated relations officers to handle investor and shareholder queries and requests, and their contact information can easily be accessed through the Company's website. 8. The Company continues to actively maintain its website to provide timely information updates on its governance, operational, and financial performance. |

2. State the Company policy of asking shareholders to actively participate in corporate decisions regarding:

- a. **Amendments to the Company's constitution**
- b. **Authorization of additional shares**
- c. **Transfer of all or substantially all assets, which in effect results in the sale of the company**

Shareholders have the right to actively participate in the above corporate decisions (i.e., items a, b, and c above) through shares held as each share entitles the holder to one (1) vote that may be exercised in person or by proxy at shareholder meetings, including the Annual Stockholders' Meeting. Shareholders

have the right to elect, remove and replace directors and vote on certain corporate acts (which also includes the above corporate decision matters) in accordance with the Corporation Code.

Voting procedures on matters presented for approval to the shareholders in the Annual Stockholders' Meeting are set out in the Definitive Information Statement, which is sent to all stockholders of record at least fifteen (15) days before the date of meeting.

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. The Company observes the minimum 15 business days requirement under Rule 20 of the 2015 Implementing Rules and Regulations of the SRC.

a. **Date of sending out notices:** A disclosure was made through the EDGE System of the PSE on 18 November 2016 and the DIS with Notice/Agenda was distributed on 23 November 2016.

b. **Date of the Annual/Special Stockholders' Meeting:** 15 December 2016.

4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting. None.

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

| Resolution | Approving | Dissenting | Abstaining |
|--|------------------------------|------------|------------|
| 1. Approved the Minutes of the Annual Meeting of Stockholders held last 16 June 2014 | 2,151,186,701* (76.8063%) | None. | None. |
| 2. Approved the Annual Report for the years 2014 and 2015 and Financial Statements for the year ended 31 December 2015 | 2,151,186,701* (76.8063%) | None. | None. |
| 3. Approved the issuance and listing of the P250 million worth of primary common shares to be issued by the Company to Earthright Holdings Inc. subject to the approval by the SEC of the proposed increase in authorized capital stock of the Company, in compliance with the PSE Revised Listing Rules | 2,151,186,701* (76.8063%) | None. | None. |
| 4. Waiver by the minority stockholders of the right to conduct a public offering in relation to item 5, in compliance with the PSE Revised Listing Rules | 963,686,701* (59.7347%) | None. | None. |
| 5. Ratified all acts, resolutions and decisions of the Board of Directors and Management for the previous year | 2,151,186,701* (76.8063%) | None. | None. |
| 6. Election of Directors | 2,151,186,701* (76.8063%) | None. | None. |
| 7. Approved the delegation of the appointment of External Auditor for the year 2016 to the Board upon recommendation of the Audit and Compliance Committee | 2,151,186,701* (76.8063%) | None. | None. |

*The Company is still in the process of implementing the change in par value of its common shares as approved by the SEC.

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

The results of the Annual Stockholders' Meeting were disclosed to the PSE on 16 December 2016 and to the SEC on 19 December 2016.

(e) Modifications

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

| Modifications | Reason for Modification |
|---------------|-------------------------|
| None. | |

(f) Stockholders' Attendance

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

| Type of Meeting | Names of Board members / Officers present | Date of Meeting | Voting Procedure (by poll, show of hands, etc.) | % of SH Attending in Person | % of SH in Proxy | Total % of SH attendance |
|-----------------|---|------------------|---|-----------------------------|------------------|--------------------------|
| Annual | Antonio L. Tiu Martin C. Subido Kenneth S. Tan Lisette M. Arboleda Ma. Pamela Grace C. Muhi | 15 December 2016 | Show of hands | 76.8063% | 0.0003% | 76.8063% |
| Special | N/A | N/A | N/A | N/A | N/A | N/A |

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

Yes. The stock transfer agent in coordination with the Corporate Secretary of the Company.

(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.

(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 | All stockholders who will not, are unable, or do not expect to attend the meeting in person are urged to fill out, date, sign and send the proxy enclosed in the Notice to the Company not later than 5 December 2016 (for the 15 December 2016 Annual Meeting). |
| Notary | The proxy need not be notarized. The By-Laws of the Company does not require notarization. |
| Submission of Proxy | At least ten (10) days prior to the date of the meeting as provided in the By-Laws. |

| | |
|-------------------------|---|
| Several Proxies | <p>Where the Company receives more than one (1) proxy from the same stockholder and they are all undated, the postmark dates shall be considered. If the proxies are mailed on the same date, the one bearing the latest time of day of postmark is counted. If the proxies are not mailed, then the time of their actual presentation is considered. That which is presented last will be recognized.</p> <p>Where a proxy is given to two (2) or more persons in the alternative in one (1) instrument, the proxy designated as an alternative can only act as proxy in the event of non-attendance designated person.</p> <p>Where the same stockholder gives two (2) or more proxies, the latest one given is to be deemed to revoke all former proxies.</p> <p>If the stockholder intends to designate several proxies, the number of shares of stock to be represented by each proxy shall be specifically indicated in the proxy form. If some of the proxy forms do not indicate the number of shares, the total shareholding of the stockholder shall be tallied and the balance thereof, if any, shall be allotted to the holder of the proxy form without the number of shares. If all are in blank, the stocks shall be distributed equally among the proxies. The number of persons to be designated as proxies may be limited by the By-laws.</p> |
| Validity of Proxy | Unless stated otherwise, a proxy shall be valid only for the meeting for which it is intended. No proxy shall be valid for more than five (5) years. |
| Proxies executed abroad | Proxies executed abroad shall be duly authenticated by the Philippine Embassy or Consular Office. |
| Invalidated Proxy | Not counted in the determination of the no. of shares represented in the meeting. |
| Validation of Proxy | All proxies must be at the hands of the Corporate Secretary at least ten (10) days prior to the time set for the meeting, or on 5 December 2016 (for the 15 December 2016 Annual Meeting). |
| Violation of Proxy | Any violation shall be subject to the administrative sanctions provided for under Section 144 of the Corporation Code and Section 56 of the Revised Securities Act and PD 902-A, as amended. |

(h) Sending of Notices

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

| Policies | Procedure |
|---|---|
| Notices for regular or special stockholders' meetings may be sent by the Secretary by personal delivery, or by mail or facsimile transmission to each stockholders of record at his last known post office address or facsimile number, or by publication in a newspaper of general circulation within such period as may from time to time be required by law or regulation. | The CD format of the Definitive Information Statement, together with the hard copy of the Agenda and proxy form, is sent out via courier and postal service, and in coordination with the stock transfer agent. |

(i) Definitive Information Statements and Management Report

| | |
|--|------------------|
| Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials | 1,035 |
| Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners | 23 November 2016 |

| | |
|---|------------------|
| Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders | 23 November 2016 |
| State whether CD format or hard copies were distributed | CD format |
| 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. | N/A |
| An explanation of the dividend policy, if any dividend is to be declared. | N/A |
| The amount payable for final dividends. | N/A |
| Documents required for proxy vote. | Yes* |

*Provided in the Definitive Information Statement (SEC Form 20-IS) which is sent/disseminated together with the Notice of Annual Stockholders' Meeting.

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

The Notice of Annual Stockholders' Meeting did not indicate the auditor to be appointed or re-appointed during the Annual Stockholders' Meeting. Instead, the stockholders approved the delegation of the appointment of External Auditor for the year 2016 to the Board upon recommendation of the Audit and Compliance Committee.

The Notice of Annual Stockholders' Meeting did not indicate an explanation of the dividend policy or the amount payable for final dividends, as there were no dividends declared for the year 2016.

2) Treatment of Minority Stockholders

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

| Policies | Implementation |
|--|--|
| <p>The Board shall respect the rights of the stockholders as provided for in the Corporation Code, namely:</p> <p>(i) Right to vote on all matters that require their consent or approval;</p> <p>(ii) Right to inspect corporate books and records;</p> <p>(iii) Right to information;</p> <p>(iv) Right to dividends; and</p> <p>(v) Appraisal right.</p> <p>The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the Company. 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-</p> | <p>1. Shareholders are informed at least fifteen (15) business days before the scheduled date of the Annual Stockholders' Meeting.</p> <p>2. Each share entitles the holder to one (1) vote that may be exercised in person or by proxy at shareholders meeting, including the Annual Stockholders' Meeting.</p> <p>3. Voting procedures on matters presented for approval to the stockholders in the Annual Stockholders' meeting are set out in the Definitive Information Statement, which is sent to all stockholders of record at least fifteen (15) days before the date of meeting.</p> |

| | |
|--|--|
| 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. | <p>4. Shareholders are provided through public records, communication media, and the Company's website, the disclosures, announcements and reports filed with the SEC, PSE and other regulating agencies.</p> <p>5. The Board of Directors are authorized to declare dividends out of the unrestricted retained earnings of the Company, which may be payable in cash, in property, or in stock to all stockholders.</p> |
|--|--|

(b) Do minority stockholders have a right to nominate candidates for Board?

All stockholders of the Company have the right to nominate a candidate to the Board.

M. INVESTORS RELATIONS PROGRAM

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

The Company has set-up communication channels that promote effective communication with its shareholders and the investing community. Aside from the regular reporting and disclosures to the various regulating agencies such as the SEC and PSE, the Company actively maintains its website that provides timely information updates on its governance, operational, and financial performance. The Company has also designated investor relations officers to handle investor and shareholder queries and requests, and their contact information can easily be accessed through the Company's website. The President/CEO and Chief Financial Officer (CFO) exercises oversight responsibility over this investor relations program.

- 2) **Describe the Company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.**

| | Details |
|---------------------------------|--|
| (1) Objectives | To build better understanding and cultivate a relationship of trust with stakeholders, the Company has set-up communication channels that promote effective communication with its shareholders and the investing community. |
| (2) Principles | Handle investors and shareholders queries and requests as a top priority matter and therefore, immediate resolution is required. |
| (3) Modes of Communications | Company Website and PSE Website for all our corporate disclosures. |
| (4) Investors Relations Officer | Mr. Kenneth S. Tan is in charge of the investor relations program of the Company. He can be contacted through the Company's telephone numbers, i.e., (02) 997-5184 |

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

The Company does not have a separate rule or procedure governing the acquisition of corporate control in the capital markets and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets other than the provisions stated under Sections 40, 81 and 82 of the Corporation Code of the Philippines.

SEC. 40. Sale or other disposition of assets.-"... 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... in a stockholders' or members' meeting duly called for the purpose."

SEC. 81. *Instances of appraisal right.- "Any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of his shares in the following instances:*

1. *In case of amendment to the Articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;*

2. *In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Code; and*

3. *In case of merger or consolidation."*

SEC. 82. *How right is exercised.- "The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares..."*

Name of the independent party the Board of the Company appointed to evaluate the fairness of the transaction price.

None.

N. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

| Initiative | Beneficiary |
|--|--|
| Conduct medical and dental missions. The Company taps volunteers and its employees to visit different parts of Luzon and provide free professional services to selected beneficiaries. | Poor and underprivileged communities in Luzon. |
| Provide disaster relief during emergencies. | Victims of local disasters. |

O. 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 and Compliance Committee, performs a self-evaluation in which the current and potential state of the Company's corporate governance practices were rated using best practice guidelines issued by the PSE (criteria used). | |
| Board Committees | Audit and Compliance Committee conducts annual performance evaluation in compliance with the SEC requirement per SEC Memorandum Circular No. 4, Series of 2012. | Guidelines for the Assessment of the Performance of Audit and Compliance Committee of Companies Listed on the Exchange. |
| Individual Directors | No formal evaluation process in place. | |
| CEO/President | The Nomination and Compensation Committee conducts a performance evaluation of the CEO/President | |

P. INTERNAL BREACHES AND SANCTIONS

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

| Violations | Sanctions |
|-------------------|---|
| First violation | The subject person shall be reprimanded. |
| Second violation | Suspension from office shall be imposed, the duration of the suspension shall depend on the gravity of the violation. |
| Third violation | The maximum penalty of removal from office shall be imposed. |

- Signature page follows -

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 Makati City on 29 May 2017.

SIGNATURES



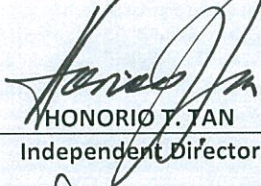
ANTONIO L. TIU

Chairman of the Board



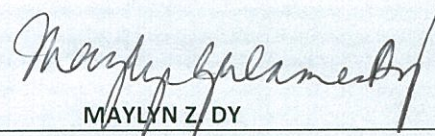
ANTONIO L. TIU

Chief Executive Officer



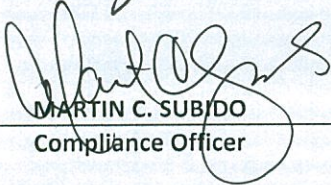
HONORIO T. TAN

Independent Director



MAYLYN Z. DY

Independent Director

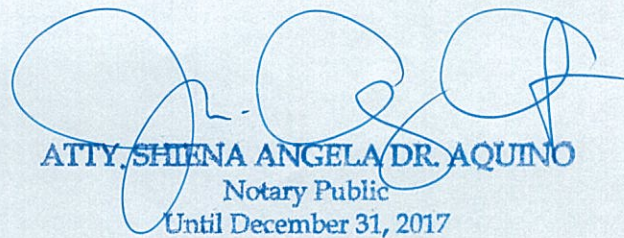


MARTIN C. SUBIDO

Compliance Officer

SUBSCRIBED AND SWORN to before me this MAY 29 2017 in Makati City, affiant(s) exhibiting to me their competent evidence of identity, bearing their respective names, photographs, and signatures, as follows:

| NAME | COMPETENT EVIDENCE OF IDENTITY NO. | DATE AND PLACE OF ISSUE |
|------------------|------------------------------------|--------------------------|
| ANTONIO L. TIU | PASSPORT NO. EC0183286 | Jan 31, 2014 DFA MANILA |
| HONORIO T. TAN | PASSPORT NO. EB9100896 | SEPT 9, 2013 DFA MANILA |
| MAYLYN Z. DY | PASSPORT NO. EC 1463816 | Jun 23, 2014 DFA MANILA |
| MARTIN C. SUBIDO | PASSPORT NO. EC1674951 | JULY 24, 2017 DFA MANILA |



ATTY. SHIENA ANGELA DR. AQUINO

Notary Public

Until December 31, 2017

Roll of Attorneys No. 65820

IBP No. 1061437/01-10-17/Bulacan Chapter

PTR No. 5912181/01-06-17/Makati City

Notarial Commission No. M-532 (2016-2017)

TIN 500-809-613

5th Floor, Prince Building, 117 Rada Street

Legaspi Village, Makati City



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Book No. 1;
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