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## SECURITIES AND EXCHANGE COMMISSION

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**Company Type** Stock Corporation

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S.E.C. Registration Number

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(Company's Full Name)

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T	A	G	U	I	G		C	I	T	Y																			

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

c/o Atty. Sharon P. Pagaling-Refuerzo
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Contact Person

918-8188 / 798-3958
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Company Telephone Number

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Month      Day  
Fiscal Year

<b>CONSOLIDATED CHANGES ON THE ACGR FOR THE YEAR 2014</b>
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FORM TYPE

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Month      Day  
Annual Meeting

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Secondary License Type; If Applicable

C	F	D
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Dept. Requiring this Doc.

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Amended Articles Number / Section

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Total No. of Stockholders

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Domestic

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Foreign

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To be accomplished by SEC Personnel concerned

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File Number

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**CONSOLIDATED CHANGES IN THE ACGR FOR 2014**

**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM – ACGR**

**ANNUAL CORPORATE GOVERNANCE REPORT**

**GENERAL INSTRUCTIONS**

**(A) Use of Form ACGR**

This SEC Form shall be used to meet the requirements of the Revised Code of Corporate Governance.

**(B) Preparation of Report**

These general instructions are not to be filed with the report. The instructions to the various captions of the form shall not be omitted from the report as filed. The report shall contain the numbers and captions of all items. If any item is inapplicable or the answer thereto is in the *negative*, an appropriate statement to that effect shall be made. Provide an explanation on why the item does not apply to the company or on how the company's practice differs from the Code.

**(C) Signature and Filing of the Report**

A. Three (3) complete set of the report shall be filed with the Main Office of the Commission.

B. At least one complete copy of the report filed with the Commission shall be **manually** signed.

C. All reports shall comply with the full disclosure requirements of the Securities Regulation Code.

D. This report is required to be filed annually together with the company's annual report.

**(D) Filing an Amendment**

Any material change in the facts set forth in the report occurring within the year shall be reported through SEC Form 17-C. The cover page for the SEC Form 17-C shall indicate "Amendment to the ACGR".

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

UPDATED AS OF JANUARY 8, 2015

1. Report is Filed for the Year: 2014
2. Exact Name of Registrant as Specified in its Charter FILINVEST DEVELOPMENT CORPORATION
3. The Beaufort 5<sup>th</sup> Avenue corner 23<sup>rd</sup> Street,  
Bonifacio, Global City, Taguig City 1630  
Address of Principal Office Postal Code
4. SEC Identification Number 51048 5. (SEC Use Only)  
Industry Classification Code
6. BIR Tax Identification Number: 000-053-167
7. (02) 918-8188/798-3959  
Issuer's Telephone number, including area code
8. 173 P. Gomez Street, San Juan, Metro Manila  
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	7
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Actual number of Directors for the year 2014	7
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#### (a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected (*)	Date last elected (if ID, state the number of years served as ID) <sup>1</sup>	Elected when (Annual / Special Meeting)	No. of years served as director
Jonathan T. Gotianun	NED	ALG Holdings Corporation ("ALG")	ALG	1990	05/30/14	Annual	23
Andrew L. Gotianun (**)	NED	ALG	ALG	1982	05/30/14	Annual	31
Mercedes T. Gotianun	NED	ALG	ALG	1982	05/30/14	Annual	31
L. Josephine G. Yap	ED	ALG	ALG	2000	05/30/14	Annual	31
Andrew T. Gotianun, Jr.	NED	ALG	ALG	1990	05/30/14	Annual	23
Jesus N. Alcordo	NED	ALG	ALG	2011	05/30/14	Annual	2
Lamberto U. Ocampo	ID		Luis T. Fernandez – no relation to ID	2007	05/30/14	Annual	1
Val Antonio B. Suarez	ID		Luis T. Fernandez – no relation to ID	2014	05/30/14	Annual	

(\*) Reckoned from the time of public listing

(\*\*) Chairman Emeritus

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.

**Recognizing the significance of good corporate governance in creating sustainable relationships and interests among all stakeholders, the Board of Directors has formulated the Company's Corporate Governance (CG) manual to institutionalize the principles of good corporate governance in the entire organization. The latest CG manual fully conforms to the guidelines issued by the Securities & Exchange Commission the "Commission".**

(a) How often does the Board review and approve the vision and mission? **Every three (3) years.**

(b) Directorship in Other Companies

(i) Directorship in the Company's Group<sup>2</sup>

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

<sup>1</sup>Reckoned from the election immediately following January 2, 2012.

<sup>2</sup>The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Andrew L. Gotianun, Sr.	<i>Filinvest Land, Inc. (FLI), East West Banking Corp. (EWBC), Davao Sugar Central Company (DSCC), Pacific Sugar Holdings Corporation (PSHC), FDC Utilities, Inc. (FDCUI), Cotabato Sugar Central Co., Inc. (CSCC), Filinvest Information Technology, Inc. (FITI), FDC Forex, Inc. (FDC FOREX), Filinvest Alabang, Inc., (FAI), FDC Utilities, Inc. (FDCUI) FDC Danao Power Corp (FDC Danao), FDC Misamis Power Corp. (FDC Misamis), FDC Camarines Power Corp. (FDC Camarines), FDC Casecnan Hydro Power Corp.(FDC Casecnan), FDC Retail Electricity Sales Corp (FDC RES) &amp; FDC Negros Power Corp (FDC Negros) &amp; FDC Danao del Norte Power Corp (FDC Davao Del Norte)</i>	NED
L. Josephine G. Yap	<i>FLI, CSCC, High Yield Sugar Farms Corporation (High Yield), Property Maximizer Corp. (PROMAX), Property Specialist Resources, Inc. (PSRI), Leisure Pro, Inc. (LPI), Filinvest Asia Corp. (FAC), Cyberzone Philippines, Inc. (CPI), Filinvest All Philippines, Inc. (FAPI), FAI, Festival Supermall, Inc. (FSI), FSM Cinemas, Inc. (FSM), Proplus, Inc. (Proplus), Pro Excel Property Managers, Inc (Pro Excel), Seascapes Resort, Inc. (RSI), FDCUI, FDC Danao, FDC Misamis, FDC Camarines, FDC Casecnan, FDC RES, FDC Negros &amp; FDC Hotels Corp. (FDC Hotels)</i>	ED
Jonathan T. Gotianun	<i>PSHC, CSCC, High Yield, DSCC, FITI, FLI, PROMAX, Homepro Realty Marketing, Inc.(HMI), LPI, CPI, FAI, FSI, Proplus &amp; SRI, FDCUI, FDC Misamis, FDC RES &amp; FDC Hotels</i>	NED (Chairman)
Mercedes T. Gotianun	<i>PSHC, CSCC, High Yield, DSCC, FITI, FDC Forex, FLI, FAI, SRI, FDCUI, FDC Danao, FDC Misamis, FDC Camarines, FDC Casecnan, FDC RES, FDC Negros, FDC Danao Del Norte &amp; FDC Hotels</i>	NED
Andrew T. Gotianun, Jr.	<i>PSHC, DSCC, FDC FOREX, FLI, PROMAX, HMI, PSRI, LPI, CPI, FAI, FSI, FSM, Proplus, SRI, FDCUI, FDC Danao, FDC Misamis, FDC Camarines, FDC Casecnan, FDC RES, FDC Negros, FDC Danao Del Norte &amp; FDC Hotels</i>	NED
Jesus N. Alcordo	<i>FLI, FDCUI, FDCUI, FDC Danao, FDC Misamis, FDC Camarines, FDC Casecnan, FDC RES, FDC Negros, FDC &amp; Danao Del Norte</i>	NED
Lamberto U. Ocampo	<i>FLI</i>	ID
Val Antonio B. Suarez	<i>Not applicable</i>	Not applicable



(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:

**The Company's directors are not directors of publicly-listed companies outside of the Group.**

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
<i>Not Applicable</i>		

(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:

**Mr. Andrew L. Gotianun, Sr. is the spouse of Mrs. Mercedes T. Gotianun and the father of Mr. Andrew T. Gotianun, Jr., Mr. Jonathan T. Gotianun and Mrs. Josephine G. Yap. Mrs. Yap is married to Mr. Joseph M. Yap. All of them are members of the Board.**

Director's Name	Name of the Significant Shareholder	Description of the relationship
<i>Not Applicable</i>		

(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:

	Guidelines	Maximum Number of Directorships in other companies
<b>Executive Director</b>	<i>Under the Company's Revised Manual on Corporate Governance, the Executive Directors shall submit themselves to a low indicative limit on membership in other corporate Boards. In any case, the capacity of directors to serve with diligence shall not be comprised.</i>	<i>Under the Company's Revised Manual on Corporate Governance, the Executive Directors shall submit themselves to a low indicative limit on membership in other corporate Boards. In any case, the capacity of directors to serve with diligence shall not be comprised.</i>
<b>Non-Executive Director</b>	<i>Under the Company's Revised Manual on Corporate Governance, the same low limit for Executive Directors shall apply to Non-Executive Directors.</i>	<i>Under the Company's Revised Manual on Corporate Governance, the same low limit for Executive Directors shall apply to Non-Executive Directors.</i>
<b>CEO</b>	<i>Under the Company's Revised Manual on Corporate Governance, the same low limit shall apply to the CEO. In any case, the capacity of directors to serve with diligence shall not be comprised.</i>	<i>Under the Company's Revised Manual on Corporate Governance, the same low limit shall apply to the CEO. In any case, the capacity of directors to serve with diligence shall not be comprised.</i>

(c) Shareholding in the Company

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

Name of Director	Number of Direct shares (*)	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Jonathan T. Gotianun	12		Negligible

L. Josephine G. Yap	2,817,323**	7,191,022***	0.11%
Mercedes T. Gotianun	3796472		0.04%
Andrew T. Gotianun, Jr	1,916		Negligible
Andrew L. Gotianun, Sr. and/or Mercedes T. Gotianun	33697190		0.36%
Lamberto U. Ocampo	1		Negligible
Val Antonio B. Suarez	1		Negligible
Jesus N. Alcordo	1	2,885,688	0.03%
<b>TOTAL</b>	<b>40312916</b>	<b>10076710</b>	<b>0.54%</b>

(\*) As of May 31, 2014

(\*\*) 12 shares are under the name of Josephine G. Yap and 2,817,311 shares are under the name of Joseph &/or Josephine Yap

(\*\*\*) The 7,191,022 indirect shares are under the name of Joseph &/or Josephine Yap.

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	Jonathan T. Gotianun
CEO/President	L. Josephine G. Yap

(b) Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	<i>The Company's By-Laws provide that the Chairman of the Board shall preside at all meetings of stockholders and of the Board of Directors.</i>	<i>The President &amp; CEO shall have general and active care, supervision and direction of the business affairs of the Corporation. He shall also preside at all meetings of the stockholders and the Board of Directors in the absence or inability of Chairman of the Board to preside in such meeting.</i>
Accountabilities	<i>Being members of the Board of Directors, the Chairman and the Chief Executive Officer are primarily accountable to stockholders.</i>	
	<i>Pursuant to the Company's Revised Manual on Corporate Governance, the roles of the Chairman and the CEO, as much as practicable, shall be separate to foster an appropriate balance of power, increased accountability and better capacity for independent decision-making by the Board. If the positions of the Chairman and CEO are unified, the proper checks and balances should be laid down to ensure that the Board gets benefit of independent views and perspectives.</i>	
Deliverables	<i>The deliverables of the Chairman as provided in the Revised Manual of Corporate Governance include, among others, the following : (i) to ensure that the meetings of the Board are held in accordance with the By-Laws or as the Chairman may deem necessary; (ii) Supervise the preparation of the agenda of the</i>	<i>The President &amp; CEO's deliverables includes : (i) sign with the Secretary or Assistant Secretary, any or all stock certificates of the Corporation; (ii) appoint&amp; discharge, subject to the approval of the Board, employees or agents of the Corporation and fix their compensation; (iii) see that the books, reports, statements and</i>

	<p>meeting in coordination with the Corporate Secretary taking into consideration the suggestions of the CEO, Management and the directors; and (iii) maintain qualitative and timely lines of communication and information between the Board and the Management.</p>	<p>certificates required by law are properly kept, made and filed according to law; and (iv) and in general, shall perform all duties incident to the office of the President and such duties as may from time to time be assigned to him by the Board of Directors as prescribed by the company's By-Laws.</p>
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L. Explain how the board of directors plan for the succession of the CEO/Managing Director/President and the top key management positions?

**The Board of Directors discuss and deliberate on succession plans for the President & CEO and top key management positions to ensure continuity and consistency with the Company's strategic plans as well as to accommodate its growth.**

M. Other Executive, Non-Executive and Independent Directors

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

**The Company considers it appropriate that the directors in the Board are composed of competent, ethical and professional individuals who are knowledgeable, experienced, and skillful in diverse fields relevant to the conduct of business of the Company and its subsidiaries.**

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

**The Company ensures that at least one NED has experience in the sector or industry it belongs. The current structure of the Board is appropriate for the Company's business since all the members are knowledgeable, experienced, skillful in retail & property development, banking & power generation, and conforms to the principles of good governance.**

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

	Executive/Non-Executive/Independent Director
Role	<i>As mandated in the Company's Revised Manual on Corporate Governance, a director's office is one of trust and confidence. A director should act in the best interest of the Company in a manner characterized by transparency, accountability and fairness. He should also exercise leadership, prudence and integrity in directing the Company towards sustained progress.</i>
Accountabilities	<i>As provided in the Company's Revised Manual on Corporate Governance, the directors, as members of the Board, are primarily accountable to stockholders. The Board should provide stockholders with a balanced and comprehensive assessment of the Company's performance, position and prospects on a quarterly basis, including interim and other reports that could adversely affect the business, as well as reports to regulators that are required by law.</i>
Deliverables	<i>A director should observe the following deliverables: (i) Conduct fair business transactions with the Company, and ensure that his personal interest does not conflict with the interest of the Company; (ii) Devote the time and attention necessary to properly and effectively perform his duties and responsibilities; (iii) Act judiciously; (iv) Exercise independent judgment; (v) Have a working knowledge of the statutory and regulatory requirements that affect the Company, including its articles of incorporations and by-laws, the rules and regulations of the Commission and, where applicable, the requirements of relevant regulatory agencies; and (vi) Observe confidentiality.</i>

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

**The Company defines an "independent" director to mean 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. The Company complies with the aforesaid definition.**

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

The Company complies with the term limits under SEC’s Memorandum Circular No.09, Series of 2011 which took effect on January 2, 2012. The Circular provides that independent directors can serve as such for five (5) consecutive years, provided that service for a period of at least six (6) months shall be equivalent to one (1) year, regardless of the manner by which the independent director position was relinquished or terminated. After completion of the five-year service period, an independent director shall be ineligible for election as such in the same company unless the independent director has undergone “cooling off” period of two (2) years, provided, that during such period, the independent director concerned has not engaged in any activity that under existing rules disqualifies a person from being elected as independent director in the same company. An independent director re-elected as such after the “cooling off” period can serve for another five (5) consecutive years

N. 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 (2014):

Name	Position	Date of Cessation	Reason
<i>Cirilo T. Tolosa</i>	Independent Director	05/30/14	Expiration of Term

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

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

Procedure	Process Adopted	Criteria
<b>a. Selection/Appointment</b>		
Executive Directors	<p><i>Nominations of Directors must follow the procedures set out in the Company’s By- Laws, Revised Manual on Corporate Governance and other pertinent regulations and shall be preceded by the appropriate favorable report by the Nomination Committee.</i></p> <p><i>1. The directors of the Company are elected at the annual stockholders’ meeting to hold office until their respective successors have been duly appointed or elected and qualified. Pursuant to the Company’s Revised Manual on Corporate Governance, the membership of the Board may be a combination of executive and non-executive directors in order that no director or small group of directors can dominate the decision-making process. The non-executive directors should possess such qualifications and stature that would enable them to effectively participate in the deliberations of the Board.</i></p>	<p><i>The Nomination Committee shall ensure that the nominees for directors shall possess all of the qualifications and none of the disqualifications set forth in the Revised Manual on Corporate Governance and Section 3 the Company’s By-Laws.</i></p>

	<p>2. The stockholders of the Company may nominate individuals to be members of the Board of Directors. All nominations for directors shall be forwarded to the Nomination Committee and signed by the nominating stockholder together with the acceptance and conformity by the nominees.</p> <p>3. Nominations for directors should include (i) the curriculum vitae of the nominee, (ii) a statement that the nominee has all the qualifications and none of the disqualifications, (iii) information on the relationship of the nominee to the stockholder submitting the nomination, and (iv) all relevant information about the nominee's qualifications.</p> <p>4. The Nomination Committee created under the Company's Revised Manual on Corporate Governance shall endorse the nominees for reelection in the stockholders' meeting, in accordance with the qualifications and disqualifications set forth in the Revised Manual on Corporate Governance.</p> <p>5. The person receiving the highest number of the stockholders present in person or by proxy and entitled to vote shall be the directors.</p>	
Non-Executive Directors		
(iii) Independent Directors	<p>Conformably with the Company's By-Laws and the Revised Code on Corporate Governance, the process adopted for the nomination and election of independent directors shall be as follows:</p> <p>a. Nominations for directors should include (i) the curriculum vitae of the nominee, (ii) a statement that the nominee has all the qualifications and none of the disqualifications, (iii) information on the relationship of the nominee to the stockholder submitting the nomination, and (iv) all relevant information about the nominee's</p> <p>b. The nomination of independent directors shall be conducted by the Committee before the stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.</p> <p>c. The Committee shall pre-screen the</p>	<p>The Nomination Committee shall ensure that the nominee for independent director shall be in accordance with the qualifications and disqualifications set forth in the Revised Manual on Corporate Governance. In addition to thereto, the independent director must meet the requirements of section 17.2 of the Securities and Regulation Code.</p>

	<p><i>qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent directors as set forth in the Company's Manual on Corporate Governance.</i></p> <p><i>d. After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, as required under Part IV (A) and (C) of Annex "C" of SRC Rule 12, which list, shall be made available to the Commission and to all stockholders through the filing and distribution of the Information Statement, in accordance with SRC Rule 20, or in such other reports the company is required to submit to the Commission. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report including any relationship with the nominee.</i></p> <p><i>e. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Director. No other nominations shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting.</i></p>	
<b>b. Re-appointment</b>		
(i) Executive Directors	<p><i>The directors are elected annually and shall hold office until the annual meeting held next after his election. The directors may be re-elected for another term. As with selection, the re-appointment of directors must be preceded by the corresponding evaluation by the Nomination Committee.</i></p>	
(ii) Non-Executive Directors		
(iii) Independent Directors	<p><i>Subject to the tenure limitation under SEC Memorandum Circular No. 09, an independent director may be re-elected after his nomination has been passed upon by the Nomination Committee.</i></p> <p><i>As with selection, the re-appointment of an independent director must be preceded by an evaluation by the Nomination Committee and should comply with the process for selection of an independent director as explained earlier.</i></p>	<p><i>Please refer our explanation in (a)</i></p>
<b>c. Permanent Disqualification</b>		

(i) Executive Directors	<i>The relevant provision in the By-Laws on the removal of a director may be used to disqualify the said director.</i>	<i>The Company's Revised Manual on Corporate Governance sets forth the guidelines/criteria for permanent disqualification of directors.</i>
(ii) Non-Executive Directors		
(iii) Independent Directors		
<b>d. Temporary Disqualification</b>		
(i) Executive Directors	<i>The relevant provision in the By-Laws on the removal of a director may be used to disqualify the said director.</i>	<i>The Company's Revised Manual on Corporate Governance sets forth the guidelines/criteria for the temporary disqualification of executive directors.</i>
(ii) Non-Executive Directors		
(iii) Independent Directors		
<b>e. Removal</b>		
(i) Executive Directors	<p><i>The Company's By Laws provides that any director may be removed, either with or without cause, at any time, by the affirmative vote of the stockholders holding 2/3 of the subscribed capital entitled to vote at a regular meeting or at a special meeting of the stockholders called for the purpose and held after due notice. The vacancy in the Board caused by such removal may be filled by the stockholders at such meeting.</i></p> <p><i>Any vacancy occurring in the Board of Directors, other than by removal by the stockholders or expiration of term, may be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum; otherwise, the vacancy must be filled by the stockholders at a regular or at any special meeting of stockholders called for the purpose. A director so elected to fill a vacancy shall be elected only for the unexpired term of his predecessor in office.</i></p> <p><i>The vacancy resulting from the removal of a director by the</i></p>	<i>The Company's Revised Manual on Corporate Governance &amp; By-Law sets forth the guidelines/criteria for the temporary and permanent disqualification of directors.</i>

	<i>stockholders in the manner provided by law may be filed by election at the same meeting of stockholders.</i>	
(ii) Non-Executive Directors		
(iii) Independent Directors	<i>The Board of Directors shall not propose the removal of any independent director prior to the end of the By Law-mandated term, unless there are due grounds therefore acknowledged by the Board after receiving the report from the Nomination Committee.</i>	
<b>f. Re-instatement</b>		
(i) Executive Directors	<i>The By-Laws does not provide for the process or mechanism on the reinstatement of a director.</i>  <i>However, the director may be nominated anew and re-elected for another term provided at the time of his nomination, he possesses all of the qualifications and none of the disqualifications under the Revised Manual on Corporate Governance. The election of a director must be preceded by the corresponding evaluation of the Nomination Committee.</i>	<i>The Company's Revised Manual on Corporate Governance and By Laws sets forth the guidelines/criteria for the temporary and permanent disqualification of directors</i>
(ii) Non-Executive Directors		
(iii) Independent Directors		
<b>g. Suspension</b>		
(i) Executive Directors	<i>The By-Laws does not provide for the process or mechanism to suspend an executive, non-executive or independent director. The director may however be removed pursuant to the relevant provision in the Company's By-Laws.</i>	
(ii) Non-Executive Directors		
(iii) Independent Directors		

Voting Result of the last Annual General Meeting held on **May 30, 2014**

<b>Name of Director</b>	<b>Votes Received</b>
Jonathan T. Gotianun	8296702583
Josephine G. Yap	8296702583
Mercedes T. Gotianun	8296702583
Andrew T. Gotianun, Jr	8296702583
Lamberto U. Ocampo	8296702583
Val Antonio B. Suarez	8296702583
Jesus N. Alcordo	8296702583

O. Orientation and Education Program

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

**The Company may arrange a meeting to introduce the new director to existing directors and key executives of the Company. An orientation will be made for a better understanding of his role in the organization and to present Company's business, including among others, the Company's goals, vision, and strategies; organizational structure; summary of business performance, recent projects, and projects under construction to provide the new director with adequate basic information to perform his duties.**



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

**Though the Company was unable to provide in-house training for its directors, they were able to attend the seminar on corporate governance conducted by the Company's subsidiary, East West Banking Corp (the "Bank") in September 8, 2012.**

a.iii. Continuing education programs for directors: programs and seminars and roundtables attended during the year.

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Andrew L. Gotianun, Sr.	02 December 2014	Exclusive Corporate Governance Orientation Program	Institute of Corporate Directors
Jonathan T. Gotianun	02 December 2014	Exclusive Corporate Governance Orientation Program	Institute of Corporate Directors
L. Josephine Gotianun Yap	02 December 2014	Exclusive Corporate Governance Orientation Program	Institute of Corporate Directors
Andrew T. Gotianun, Jr.	02 December 2014	Exclusive Corporate Governance Orientation Program	Institute of Corporate Directors
Jesus N. Alcordo	02 December 2014	Exclusive Corporate Governance Orientation Program	Institute of Corporate Directors
Val Antonio B. Suarez	02 December 2014	Exclusive Corporate Governance Orientation Program	Institute of Corporate Directors
Lamberto U. Ocampo	02 December 2014	Exclusive Corporate Governance Orientation Program	Institute of Corporate Directors
Michael Edward T. Gotianun	02 December 2014	Exclusive Corporate Governance Orientation Program	Institute of Corporate Directors
Eleuterio D. Coronel	02 December 2014	Exclusive Corporate Governance Orientation Program	Institute of Corporate Directors
Andrew L. Huang	02 December 2014	Exclusive Corporate Governance Orientation Program	Institute of Corporate Directors
Elma Christine R. Leogardo	02 December 2014	Exclusive Corporate Governance Orientation Program	Institute of Corporate Directors
Sharon P. Pagaling-Refuerzo	02 December 2014	Exclusive Corporate Governance Orientation Program	Institute of Corporate Directors
Ana Regina Santillan	02 December 2014	Exclusive Corporate Governance Orientation Program	Institute of Corporate Directors

<sup>3</sup>Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

**B. 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	<p><i>The By Laws provides that no person shall qualify to the Board of Directors if he is engaged in any business which competes with or is antagonistic to that of the Corporation.</i></p> <p><i>In addition, the Revised Corporate Governance Manual provides that, if an actual or potential conflict of interest may arise, he should fully and immediately disclose it and should not participate in the decision-making process. A director who has a continuing material conflict of interest should consider resigning from his position.</i></p>		<p><i>The Company’s Employee Manual (“Employee Manual”) provides that no employee shall act for the Company in any transaction involving persons or firms where he is, his family or dependents have any significant connection or financial interest. For this reason, the Code of Discipline considers as serious offenses the engagement in any business that is directly or indirectly in competition with that of the Company, or engage directly in money lending or indirectly in any conduct prejudicial to the interest of the Company or to the performance of his job or work assignments. The acceptance of outside employment on part or full time without prior written notice to and approval of Management is classified as a serious offense.</i></p>
(b) Conduct of Business and Fair Dealings	<p><i>The Company operates under the basic principle that the director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality.</i></p>		<p><i>The Employee Manual provides that employees shall award orders, contracts and commitments to suppliers without favoritism. Business must be conducted strictly on the basis of merit.</i></p>
(c) Receipt of gifts from third parties	<p><i>Under the Revised Manual on Corporate Governance, the basic principle to be observed is that the director should not use his position to profit or gain some benefit or advantage for himself and/or his related interest.</i></p>		<p><i>The Employee Manual provides that no employee shall accept gifts or lavish entertainment from customers or suppliers either for himself or his family. It further prohibits employees from soliciting or accepting personal benefits such as fees or commission from any customer of the Company or any individual or organization doing or seeking business with the Company. For this reason, bribery, accepting bribes; or unofficial solicitation of gifts and loans from customers, contractors and suppliers are considered serious offenses under the Company’s Code of Discipline.</i></p>
(d) Compliance with Laws & Regulations	<p><i>Under the Revised Manual on Corporate Governance, a director should keep abreast with industry developments and business trends in order to promote the Company’s competitiveness. The Compliance Officer monitors and assesses the Board’s compliance</i></p>		<p><i>Employees are expected to keep abreast with industry developments and business trends in order to promote the Company’s competitiveness. They are also required to comply with existing laws and regulations.</i></p>

	<i>with laws and regulations.</i>	
(e) Respect for Trade Secrets/Use of Non-public Information	<i>The Revised Manual on Corporate Governance provides that a director should keep secure and confidential all non-public information he may acquire or learn by reason of his position as director. He should not reveal confidential information to unauthorized persons without the authority of the Board</i>	<i>Employees are expected to respect the Company's trade secrets and any disclosure thereof to the public is strictly prohibited. Company trade secrets and confidential information shall not be used for personal benefit.</i>
(f) Use of Company Funds, Assets and Information	<i>Pursuant to the Revised Manual on Corporate Governance, a director should keep secure and confidential all non-public information he may acquire or learn by reason of his position as director. He should not reveal confidential information to unauthorized persons without the authority of the Board.</i>	<i>The Employee Manual provides that no employee shall take an opportunity that rightly belongs to the Company. It is also inappropriate for an employee to use the Company's name or his connection with the Company for personal or job related purposes. No employee shall use company assets for personal use.  For this reason, the Code of Discipline consider the following acts as serious offenses: (i) disclosure, giving away confidential information or using restricted or classified Company information without proper authorization; (ii) Unauthorized possession, use or taking/bringing out of Company property, records, supplies, equipment, tools, etc.; (iii) unauthorized substitution of Company materials, supplies, tools, or equipment with another; and (iv) Stealing, misappropriating, or embezzling Company funds or property, those of co-employees and clients, guests and visitors.</i>
(g) Employment & Labor Laws & Policies	<i>The Company keeps the activities and decisions of the Board within its authority under the articles of incorporation and by-laws, and in accordance with existing laws, rules and regulations, including employment and labor laws.</i>	<i>All employee-related policies including but not limited to benefits, work hours and employee discipline are consolidated in the Employee Manual and the Code of Discipline. These policies are compliant with existing labor laws and regulations.</i>
(h) Disciplinary action	<i>The By-Laws provides for the mechanism on the removal of the any member of the Board of Directors.</i>	<i>The Code of Discipline provides for the procedure on the disciplinary action of erring employees.</i>
(i) Whistle Blower	<i>There are mechanisms or procedures to review and investigate complaints or information by complaining employees and/or "whistle blowers" to ensure that they are duly protected from retaliation and can fully trust and have confidence in the process.</i>	

(j) Conflict Resolution	<p><i>The Company has not formally manualized / operationalized into a policy a conflict resolution system that can amicably settle conflicts or differences between the Company, its directors, stockholder, employees and third parties. However, the Company complies with applicable laws, rules and regulations on the matter of alternative dispute resolution, whenever circumstances warrant its application. Conflicts with respect to breaches of the Code of Discipline are resolved via the mechanism provided under the said Code.</i></p>
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- 2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees? **Yes.**
- 3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.

**The Company implements and monitors compliance with the Code of Conduct primarily through its Human Relations Group who regularly coordinates with Legal Department, Internal Audit, business and support units to ensure that erring employees are properly investigated, undergo due process and subjected to disciplinary action, whenever the circumstances warrants its application.**

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><i>The Company and its subsidiaries, entities under common control and substantial stockholders, in their normal course of business, have certain related party transactions (RPT). Any RPT shall be conducted at arms-length and shall follow the general business procedures as specified and approved by the Board, based on transparency and fairness in the same way as ordinary transactions undertaken with outsiders, taking into account the best interests of the Company.</i></p>
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	<p><i>The Employee Manual prohibits an employee to act for the Company in any transaction involving persons or firms where he, his family or dependents have any significant connection or financial interest.</i></p>
(7) Directors including spouse/children/siblings/parents	<p><i>The By Laws provides that no person shall qualify to the Board of Directors if he is engaged in any business which competes with or is antagonistic to that of the Corporation.</i></p> <p><i>In addition, the Revised Corporate Governance Manual provides that, if an actual or potential conflict of interest may arise, he should fully and immediately disclose it and should not participate in the decision-making process. A director who has a continuing material conflict of interest should consider resigning from his position.</i></p>
(8) Interlocking director relationship of Board of Directors	<p><i>Interlocking</i></p>

(b) Conflict of Interest

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

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

**The Company is unaware of any actual or probable conflict of interest to which directors/officers or 5% or more shareholders may be involved. If a conflict of interest transaction is unavoidable, such transaction shall be conducted at arms-length and shall follow the general business procedures as specified and approved by the Board, based on transparency and fairness in the same way as ordinary transactions undertaken with outsiders, taking into account the best interests of the Company. Any party involved in a conflict of interest transaction must not take part in the consideration of such transaction.**

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	<i>Not Applicable</i>
Name of Officer/s	
Name of Significant Shareholders	

(ii) Mechanism

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

	Directors/Officers/Significant Shareholders
Company	<i>All Board members are required to make prior disclosure on matters that may result to conflict of interest upon being appointed.</i>  <i>The Revised Manual on Corporate Governance and the internal Code of Discipline regulate, if not, prohibits transactions by employees that may result to potential conflicts of interest.</i>
Group	

5) Family, Commercial and Contractual Relations

(a) Indicate, if applicable, any relation of a family,<sup>4</sup> commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

**There do not exist, or the Company is unaware of any relation of a family, commercial, contractual or business nature among the holders of significant equity.**

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
<i>Not Applicable</i>		

(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:

**There were no commercial, contractual or business transaction during the year or any proposed transaction, between holders of significant equity and the Company.**

Names of Related Significant Shareholders	Type of Relationship	Brief Description
<i>Not Applicable</i>		

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

**There is no shareholder agreement that may materially impact on the control, ownership and strategic direction of the Company.**

<sup>4</sup>Family relationship up to the fourth civil degree either by consanguinity or affinity.

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
<i>Not Applicable</i>		

6) Alternative Dispute Resolution

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

Alternative Dispute Resolution System	
Corporation & Stockholders	<i>The Company encourages and promotes the amicably settlement of disputes or differences between the Company and stockholders, third parties and regulatory authorities. If the conflict is material or substantial in nature, it is referred by the Corporate Secretary to the Board of Directors .</i>
Corporation & Third Parties	
Corporation & Regulatory Authorities	

C. BOARD MEETINGS& ATTENDANCE

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

**The Board of Directors' meeting are scheduled at the beginning of the year.**

2) Attendance of Directors (for the year 2014)

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Jonathan T. Gotianun	05/30/14	8	7	88.00%
Member	Josephine G. Yap	05/30/14	8	7	88.00%
Member	Mercedes T. Gotianun	05/30/14	8	7	88.00%
Member	Andrew T. Gotianun, Jr.	05/30/14	8	6	75.00%
Member	Jesus N. Alcordo	05/30/14	8	7	88.00%
Independent	Cirilo T. Tolosa	His term expired on May 30, 2014	5*	5	100.00%
Independent	Val Antonio B. Suarez	05/30/14	3**	3	100.00%
Independent	Lamberto U. Ocampo	05/30/14	8	7	88.00%

\* Atty. Cirilo T. Tolosa's term as independent director of the Company expired on May 30, 2014. For the period January 1, 2014 until May 30, 2014, the Board of Directors of the Company conducted five (5) meetings.

\*\* Atty. Val Antonio B. Suarez was first elected as independent director of the Company on May 30, 2014. For the period May 30, 2014 until December 31, 2014, the Board of Directors of the Company conducted three (3) meetings.

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

**No. The non-executive directors do not have a separate meeting.**

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

**No, pursuant to its By-Laws, the quorum requirement for a Board decision is a majority of the elected directors.**

5) Access to Information

(a)How many days in advance are board papers<sup>5</sup> for board of directors meetings provided to the board?

**The Company endeavors to provide board papers to its directors three (3) days prior to the board meeting.**

<sup>5</sup>Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

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

Yes.

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

**The Corporate Secretary is an officer of the Company. His loyalty to the mission, vision and specific business objectives of the corporate entity comes with his duties. Considering his varied functions and duties, he must possess administrative and interpersonal skills, and if he is not the general counsel, then he must have some legal skills. He must also have some financial and accounting skills.**

**The Corporate Secretary, who should be a Filipino citizen and a resident of the Philippines, shall perform the following duties and responsibilities:**

1. Gather and analyze all documents, records and other information essential to the conduct of his duties and responsibilities to the Company.
2. As to agenda, assist the Chairman in preparing the Board agenda, get a complete schedule thereof at least for the current year, and put the Board on notice before every meeting.
3. Assist the Board in making business judgment in good faith and in the performance of their responsibilities and obligations.
4. Attend all Board meetings and maintain record of the same.
5. Ensure that all Board procedures, rules and regulations are strictly followed by the members. He shall likewise facilitate the training of directors and keep the directors updated regarding any relevant statutory and regulatory changes, etc.
6. Be responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its committees, as well as the other official records of the Company.
7. Work fairly and objectively within the Board, Management and stockholders.
8. Have a working knowledge of the operations of the Company.

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

(e) Committee Procedures

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

Yes  No

Committee	Details of the procedures
Executive	<i>The director may request the Corporate Secretary for copies of materials to prepare in advance for the Executive, Audit, Nomination and Remuneration Committee meetings.</i>
Audit	
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
<i>Directors may seek external advise when it is beneficial to the interest of the Company and its subsidiaries, subject to the policy on confidentiality and transparency.</i>	<i>Among others, external advice on legal and technical matters.</i>

7) Change/s in existing policies

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

The Company continues to update its policies from time to time to keep abreast of changes in the law and the industry. For this year however, no existing policy was modified or changed.

Existing Policies	Changes	Reason
<i>Not Applicable</i>		

#### D. REMUNERATION MATTERS

##### 1) Remuneration Process

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

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	<i>The Board of Directors, upon recommendation of the Remuneration Committee, shall fix the salaries and bonuses of all officers including the CEO.</i>	<i>The Board of Directors, upon recommendation of the Remuneration Committee, shall fix the salaries and bonuses of all officers, including the top 4 highest paid management officers of the Company.</i>
(2) Variable remuneration		
(3) Bonus		
(4) Per diem allowance	<i>Currently, each director receives a per diem allowance of Php 50,000.00 per meeting.</i>	<i>Currently, each director receives a per diem allowance of Php 50,000.00 per meeting.</i>
(5) Stock Options and other financial instruments	<i>Currently, the Company does not provide for stock options.</i>	<i>Currently, the Company does not provide for stock options.</i>
(6) Others (specify)		

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

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

**As provided in the Company's Information Statement, except for a per diem of Php 50,000.00 being paid to each director for every meeting attended, there are no other arrangements for the payment of compensation or remuneration to the directors in their capacity as such.**

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
Non-Executive Directors	<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>



Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? No. Provide details for the last three (3) years.

Remuneration Scheme	Date of Stockholders' Approval
<i>Not Applicable</i>	<i>Not Applicable</i>

3) Aggregate Remuneration

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

As previously explained, except for a per diem of Php 50,000.00 being paid to each director for every meeting attended, there are no other arrangements for the payment of compensation or remuneration to the directors in their capacity as such. The Revised Manual on Corporate Governance however provides that remuneration paid to directors and officers shall be at a level sufficient to be able to attract and retain the services of qualified and competent directors and officers.

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	<i>Not Applicable</i>		
(b) Variable Remuneration	<i>Not Applicable</i>		
(c) Per diem Allowance	<i>Php 50,000.00 / meeting</i>		
(d) Bonuses	<i>Not Applicable</i>		
(e) Stock Options and/or other financial instruments	<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
(f) Others (Specify)			
<b>Total</b>			

During the annual meeting of the stockholders held on May 30, 2014, no action was taken with respect to any bonus, profit sharing or other compensation plan, contract or arrangement, and pension or retirement plan, in which any director (whether executive, non-executive or independent) of the Company will participate.

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>
2) Credit granted	NA	NA	NA
3) Pension Plan/s Contributions	NA	NA	NA
(d) Pension Plans, Obligations incurred	NA	NA	NA
(e) Life Insurance Premium	NA	NA	NA
(f) Hospitalization Plan	NA	NA	NA
(g) Car Plan	NA	NA	NA

(h) Others (Specify)			
<b>Total</b>			

4) Stock Rights, Options and Warrants

(a) Board of Directors

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

**The Company does not have an existing stock option plan.**

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock
<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>

(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:

**There were no amendments and/or discontinuation of any incentive program.**

Incentive Program	Amendments	Date of Stockholders' Approval
<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>

5) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Name of Officer/Position	Total Remuneration
<i>CFO, SVP Finance, FVP Permits, FVP HOA and VP Purchasing</i>	<i>Php 12.869 Million (*)</i>

*(\*) Since some of these senior officers also render services to subsidiaries, a portion of this amount has been charged/allocated by the Company to the relevant subsidiary/ies.*

**E. BOARD COMMITTEES**

1) Number of Members, Functions and Responsibilities

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

Committee	No. of Members			Committee Charter	Functions/Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)			
Executive	2	4	0		<i>The functions, duties, and responsibilities of the Board of Directors may be delegated, to the fullest extent permitted by law, to an Executive Committee to be established by the Board of Directors.</i>	<i>The Executive Committee exercises powers in the management of the business and affairs of the Company as may be delegated to it by the Board of Directors, in</i>

					<p>The Executive Committee may act on such specific matters within the competence of the Board of Directors as may be delegated to it by a majority of the Board of Directors, except with respect to: (i) approval of any action for which shareholders' approval is also required; (ii) the filing of vacancies in the Board of Directors; (iii) the amendment or repeal of these By-Laws or the adoption of new By-Laws; (iv) amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable; and (v) the distribution of cash dividends to shareholders.</p>	<p>accordance with Article V of the By-Laws.</p>
Audit	0	2	2		<p>The Revised Manual of Corporate Governance establishes the functions of the Audit Committee as follows:</p> <ol style="list-style-type: none"> <li>1 Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations.</li> <li>2. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company.</li> <li>3. Perform oversight functions over the Company's internal and external auditors.</li> <li>3. Review and approve audit scope and frequency, and the annual internal audit plan.</li> <li>4. Discuss with the external auditor before the audit commences the nature and scope of the audit, and ensure coordination where more than one (1) audit firm is involved.</li> <li>5. Organize an internal audit department and consider the appointment of an independent auditor and the terms and conditions of its engagement and removal.</li> <li>6. Monitor and evaluate the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology security.</li> <li>7. Review the reports submitted by the internal and external auditors.</li> <li>8. Review the quarterly, half-year and annual financial statements before submission to the Board with particular focus on the following matters: <ol style="list-style-type: none"> <li>a. Any change/s in accounting policies and practices</li> <li>b. Major judgmental areas</li> <li>c. Significant adjustments resulting from the audit</li> <li>d. Going concern assumptions</li> <li>e. Compliance with accounting standards</li> </ol> </li> <li>f. Compliance with tax, legal and regulatory requirements</li> <li>9. Coordinate, monitor and facilitate compliance with existing laws, rules and regulations.</li> <li>10. Evaluate and determine non-audit work by external and keep under review the non-audit fees paid to the external auditor both in relation to their significance to the auditor and in relation to the Company's total expenditure on consultancy. The non-audit work should be disclosed in the Annual Report.</li> <li>11. Establish and identify the reporting line of</li> </ol>	<p>The Audit Committee exercises powers delegated to it by the Board of Directors, in accordance with Article V of the By-Laws. The Audit Committee has the power and authority to carry out its functions under the Revised Manual on Corporate Governance.</p>

					the Internal Auditor to enable him to properly fulfill his duties and responsibilities. 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	2	1	1		The Revised Manual on Corporate Governance provides for the functions of the Nomination Committee which is to review and evaluate the qualifications (and disqualifications) of all persons nominated to the Board and other appointments that require Board approval, and to assess the effectiveness of the Board's process and procedures in the election or replacement of directors.	The Nomination Committee exercises powers delegated to it by the Board of Directors, in accordance with Article V of the By-Laws. Under the Revised Manual on Corporate Governance, it has the power and authority to review and evaluate nominees to the Board.
Remuneration	2	2	1		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 business environment in which it operates.	The Remuneration Committee exercises powers delegated to it by the Board of Directors, in accordance with Article V of the By-Laws. Under the Revised Manual on Corporate Governance, the Remuneration Committee has been authorized to develop the remuneration of directors and officers.
Others (specify)		1				

2) Committee Members  
(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee (*)
Chairman	Jonathan T. Gotianun	05/30/14	7	7	100.00%	1
Member (ED)	Josephine G. Yap	05/30/14	7	6	86.00%	1
Member (NED)	Andrew L. Gotianun, Sr.	05/30/14	7	7	100.00%	
Member (NED)	Mercedes T. Gotianun	05/30/14	7	5	71.00%	
Member (NED)	Andrew T. Gotianun, Jr.	05/30/14	7	6	86.00%	1 1 1
Member (ID)						
Member	Michael Edward T. Gotianun	05/30/14	7	7	100.00%	1

(\*) The Committee members are elected annually.

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee (**)
Chairman (ID)	Val Antonio B. Suarez	05/30/14	1*	1	100%	1
Member (ED)						
Member (NED)	Mercedes T. Gotianun	05/30/14	2	2	100%	1
Member (NED)	Jonathan T. Gotianun	05/30/14	2	2	100.00%	1
Member (ID)	Lamberto U. Ocampo	05/30/14	2	2	100%	1

(\*) Atty. Val Antonio was first elected as independent director of the Company on May 30, 2014 and appointed Chairman of the Audit Committee.

(\*\*) The Committee members are elected annually

Disclose the profile or qualifications of the Audit Committee members.

Consistent with the Revised Manual on Corporate Governance, the Audit Committee is composed of at least three (3) directors, who shall preferably have accounting and finance backgrounds, one of whom shall be an independent director and another with audit experience. The chair of the Audit Committee should be an independent director.

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

Conformably with the Revised Manual on Corporate Governance, the Audit Committee performs oversight functions over the Company’s external auditor. The Committee also ensures 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.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee (*)
Chairman	Mercedes T. Gotianun	05/30/14	2	2	100%	1 year
Member (ED)	Josephine G. Yap	05/30/14	2	2	100%	1 year
Member (NED)			2	2	100%	1 year
Member (ID)	Lamberto U. Ocampo	05/30/14	2	2	100%	1 year
Member (Ex officio)	Rizalangela L. Reyes	05/30/14	2	2	100%	1 year

(\*) The Committee members are elected annually

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee (*)
Chairman	Mercedes T. Gotianun	05/30/14	1	1	100%	1 year
Member (ED)	Josephine G. Yap	05/30/14	1	1	100%	1 year
Member (NED)	Jonathan T. Gotianun	05/30/14	1	1	100%	1 year
Member (ID)	Lamberto U. Ocampo	05/30/14	1	1	100%	1 year
Member	Michael Edward T. Gotianun	05/30/14	1	1	100%	1 year

(\*) The Committee members are elected annually

(e) Others (Specify)

Provide the same information on all other committees constituted by the Board of Directors: **Not Applicable**

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	<i>Not Applicable</i>					
Member (ED)						
Member (NED)						
Member (ID)						
Member						

3) Changes in Committee Members

Indicate any changes in committee membership that occurred during the year (2014) and the reason for the changes:

Name of Committee	Name	Reason
Executive	<i>Not Applicable</i>	
Audit	<i>Val Antonio B. Suarez</i>	By virtue of his election as independent director, he was appointed by the Board of Directors as Chairman of the Audit Committee.
Nomination	<i>Not Applicable</i>	
Remuneration	<i>Not Applicable</i>	
Others (specify)		

4) Work Done and Issues Addressed

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

Name of Committee	Work Done	Issues Addressed
Executive	<i>The Executive Committee adopted resolutions and acted on the business affairs of the Corporation which have been delegated to it by the Board of Directors.</i>	<i>The Executive Committee has addressed all business and operational issues raised by Management.</i>
Audit	<i>The Audit Committee was able to carry out its functions and responsibilities under the Revised Manual on Corporate Governance.</i>	<i>The Audit Committee has addressed issues relative to its functions.</i>
Nomination	<i>The Nomination Committee was able to carry out its functions and responsibilities under the Revised Manual on Corporate Governance.</i>	<i>The Nomination Committee has addressed issues relative to its functions.</i>
Remuneration	<i>The Remuneration Committee was able to carry out its functions and responsibilities under the Revised Manual on Corporate Governance.</i>	<i>The Remuneration Committee has addressed issues relative to its functions.</i>
Others (specify)		

5) Committee Program

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

**The committees plan to embark on developing programs to improve and/or enforce effective governance for the coming year.**

Name of Committee	Planned Programs	Issues to be Addressed
Executive		
Audit		
Nomination		
Remuneration		
Others (specify)		

#### F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

**The Company, as a holding company, has adopted a risk management framework that identifies key risk areas relating to the Group's real estate, banking, sugar and power generation businesses.**

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

**The directors of the respective companies within the Group have reviewed the effectiveness of their respective risk management systems and the adequacy thereof.**

(c) Period covered by the review; **2012** however with respect to the Group's banking business, the review covered the Bank's risk and capital management performance for the year 2012, plus a 5-year forward looking view.

(d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness and **The Group's risk management system is reviewed yearly.**

(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:

**As the holding company of the Filinvest Group, the Company oversees the risk management system of the Group. Please refer to the succeeding item for an explanation of the Group's risk management policy.**

Risk Exposure	Risk Management Policy	Objective
Please refer to our explanation in the succeeding item (Group Risk Exposure)		

(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:

**The Group has adopted a risk management framework that identifies the key risk areas relating to the Group's real estate, banking, sugar and power generation businesses. The Board of Directors of the respective companies regularly review their risk management system to ensure that the system is properly and efficiently operating.**

Risk Exposure	Risk Management Policy	Objective

<p>The Group's banking business is subject to credit, market, foreign currency, operational and liquidity risk which may have an adverse effect on its credit ratings and its cost of funds.</p>	<p>The Group's banking business has a Risk Management unit which identifies, measures and monitors the credit, market, liquidity and operational risks that may arise from its business activities. It also ensures that all units adhere strictly to the policies and procedures which are established to mitigate or manage these risks. In coordination with the respective business units, it is also responsible for risk policy development, risk analysis, implementation of risk methodologies and risk reporting to senior management and the various risk committees. The Bank's Board of Directors, through its Risk Management Committee oversees its risk management activities. The Risk Management Committee is also responsible for periodically reviewing risk management policies and procedures relating to credit, market, liquidity and operational risks.</p> <p>The Group's banking business has a Risk of its loan portfolio by continuing to (i) improve its credit policies and credit approval procedures, (ii) implement risk management control tools, including, among others, a centralized credit management information system that allows it to standardize credit risk detection, quantification and management and (iii) strengthen internal controls and legal compliance by standardizing internal policies and procedures in accordance with legal and regulatory requirements with a view to establish a comprehensive internal control system.</p> <p><u>N.B. For more information on the Bank's risk policy, procedures, risk assessment monitoring and measurement, the Commission may refer to the Bank's Annual Corporate Governance Report.</u></p>	<p>The Group's banking business seeks to institute an efficient and appropriate risk management process that can be evaluated, monitored, and managed for key risks.</p> <p>The Bank is broadly directed by the following guidelines:</p> <ul style="list-style-type: none"> <li>- align risk appetite with its business plan and strategies</li> <li>- proactive risk management</li> <li>- reduce surprises of unexpected losses</li> <li>- identify and manage all material risks</li> <li>- optimize use of capital</li> </ul>
<p>The Group's real estate, sugar, hotel and power generations businesses are subject to interest, liquidity, credit and market which may have an adverse effect to the business, to wit:</p> <p><sup>35</sup><sub>17</sub> The Group's power business faces risks relating to its future power generation</p> <p><sup>35</sup><sub>17</sub> projects, including risks</p>	<p><b>Interest Rate Risk Policy.</b> The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's long-term debt obligations with a floating interest rate. The Group's interest rate exposure management policy centers on reducing the Group's overall interest expense and exposure to changes in interest rates. The Group's policy is to manage its</p>	<p><sup>35</sup><sub>17</sub> The Group's real estate, sugar, hotel and power generations businesses seeks to institute an efficient and appropriate risk management process that can be evaluated, monitored, and managed for key risks.</p> <p>With regard to the Group's financial risk management, the main objectives are as follows:</p>



<p>relating to project cost, completion time frame and development rights.</p> <p><sup>35</sup><sub>17</sub> The Group's real estate business is exposed to risks associated with their in-house financing project including the risk of customer default, operation of their investment properties and the development of their office space and retail leasing business, etc.</p> <p><sup>35</sup><sub>17</sub> The Group's sugar business is exposed to risks, including the risk of price fluctuations, adverse weather conditions and price competition.</p>	<p>interest cost using a mix of fixed floating interest-rate debts.</p> <p><u>Liquidity Risk Policy.</u> As part of its liquidity management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities which may include bank loans and capital market issues.</p> <p><u>Credit Risk Policy.</u> It is the Group's policy that buyers who wish to avail the in-house financing scheme are subject to credit verification procedures. Receivable balances are being monitored on a regular basis and subjected to appropriate actions to manage credit risk. With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, AFS financial assets and HTM investments, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.</p>	<ul style="list-style-type: none"> <li>· To identify and monitor such risks on an ongoing basis;</li> <li>· To minimize and mitigate such risks; and</li> </ul> <p>To provide a degree of certainty about costs.</p> <p>The Group seeks to manage its liquidity profile to be able to finance capital expenditures and service maturing debts.</p> <p><sup>35</sup><sub>17</sub> The Group's funding requirements are designed to keep an appropriate balance between equity and debt, to give financing flexibility while continuously enhancing the Group's businesses.</p>
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(c) Minority Shareholders

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

<b>Risk to Minority Shareholders</b>
<p>The exercise by the majority or controlling shareholders of their voting power prevails over the votes of minority shareholders. This is the risk that minority shareholders would have to live with. The Company however respects the rights of minority shareholders by inviting them to the Annual Shareholders Meeting and allowing them to ask questions relating to the Company's business operations. Minority shareholders are also given the opportunity to propose or nominate qualified persons for selection as directors.</p>

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:

Please refer to explanation in F (2)(c)

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)

(b) Group

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

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
<i>Please refer to our reply in F (2) (b)</i>		

(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
<i>Risk Management Committee (for the Group's Banking Business)</i>	Please refer to our explanation in the preceding item, F (2)(c)	Please refer to our explanation in the preceding item, F (2)(c)

## G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

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

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

**The internal control system is defined through the formulation of Operating Manual Systems (OMS) for the various operating sections of the company. OMS for a particular section is formulated through the review of the business processes within the section by a team normally comprised of the Systems Department, the personnel operating within the section and representatives from all other affected units. A draft of the OMS is prepared by the System Department, who then secures the concurrence of all team members before submission to the President for final approval.**

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

(c) Period covered by the review;

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

**External Auditors – Review of internal controls is part of an audit engagement and the results are presented to the Audit Committee after the release of the audited financial statements.**

**Internal Auditors – Review of specific internal controls is done regularly based on an annual plan prepared at the beginning of the year. Additional reviews are made based on the requests of Management and other Departments during the year. Results are presented in audit reports addressed to the President.**

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

2) Internal Audit

(a) Role, Scope and Internal Audit Function

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

Role	Scope	Indicate whether In-house or Outsource	Name of Chief Internal	Reporting process
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		Internal Audit Function	Auditor/Auditing Firm	
Provide Management with regular appraisal of the internal controls within the Company	Includes audit review of financial records, compliance to policies & procedures and evaluation of the efficiencies of the operational processes.	In-house	Edgardo C. Raymundo	Audit reports are addressed to the President

(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?

**The external auditor to be appointed need to be approved by the Audit Committee while the appointment and/or removal of Internal Auditors is done through the standard Company hiring procedures.**

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

**The internal auditors are reporting directly to the Audit Committee and the President. The internal auditors are given a free hand in determining the auditable units and in prioritizing/scheduling the audit reviews subject to the final approval of the President/Committee.**

(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
Ms. Maria Isabel Trinidad	Transferred to a Supervisory position in Project Finance Dept.
Ms. Rowena Labrador	Transferred to a Supervisory position in Accounting Department

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

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

<b>Progress Against Plans</b>	<i>Substantially Complied With</i>
<b>Issues<sup>6</sup></b>	1. Unidentified buyers’ foreign remittances 2. Recoverability of Receivables from Homeowners’ Association
<b>Findings<sup>7</sup></b>	Unrecorded bank reconciling items Discrepancy between General and Subsidiary Ledgers of the Installment Contract Receivables
<b>Examination Trends</b>	

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

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

6“Issues” are compliance matters that arise from adopting different interpretations.

7“Findings” are those with concrete basis under the company’s policies and rules.

(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
1. Details of foreign remittances should be required from the buyers and remitting banks.	Continuously educate the buyers on the importance of declaring the details of the remittances. Coordinate with the banks in requiring the buyers to indicate complete details.
2. Regularly monitor receivables from HOA to ensure that the outstanding balance as of reporting date is recoverable.	No allowance for doubtful accounts has been set up yet since the balance may be offset from our outstanding dues to HOA. Reconciliation will be done upon turnover.
3. Reconciling bank recon items should be reviewed for appropriate adjustment in the books.	Subsequent adjustments in the year-end balances have already been made. Continuing efforts are being exerted to clear the remaining balances.
4. Reconciliation of the ICR general and subsidiary ledgers should be regularly done.	The discrepancy is mostly due to upload issues from the old computer system to the new one. Review of the upload process is still on-going.

(g) Mechanism and Safeguards

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

Auditors (Internal and External)	Financial Analysts, Investment Banks & Rating Agencies
<p><i>The Revised Manual on Corporate Governance provides that : (i) 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 not pose as a threat to his independence; and (ii) the external auditor should be rotated or changes 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;</i></p>	<p><i>FLI only hires reputable financial advisors, investment banks and rating agencies that are ranked among the top in the industry. These firms must be accredited and viewed with high-esteem by both government and non-government financial regulatory bodies/authorities such as the SEC, BSP and the PSE.</i></p> <p><i>None of the people engaged in providing financial services to FLI, directly or indirectly, has dealings with FLI or has transactions involving FLI or connected to or affiliated with individuals under FLI's employ or doing business with FLI.</i></p> <p><i>Hiring of financial analysts, investment banks and rating agencies are subject to careful scrutiny by management and subject to final Board approval.</i></p> <p><i>Work process analysts, investment banks and rating agencies are directly supervised/ handled by senior officers with broad experience and understanding of finance and related work.</i></p>

(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. *The CEO attests to the Company's full compliance with the SEC Code of Corporate Governance. The CEO confirms that all directors, officers and employees of the Company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance*

**H. ROLE OF STAKEHOLDERS**

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

	Policy & Activities
Customers' welfare	<i>As a holding company, the Company has no policy or activities on customers' welfare. However, the Company's banking and real estate businesses have established customer service units tasked to address customer complaints or suggestions, conduct customer satisfaction surveys and communicate with customers via effective channels.</i>
Supplier/contractor selection practice	<i>Contractors and suppliers are subject to the Company's rules on pre-qualification and bidding.</i>
Environmentally friendly value-chain	<i>The Company follows the policy of environmental conservation, in parallel with economic and social efforts, in line with its management strategy. The main focus is to reduce operating expenses through energy conservation and paper recycling.</i>
Community interaction	<i>Please refer to the relevant portion of this Report on the Group's Corporate Social Responsibility policy and activities.</i>
Anti-corruption programmes and procedures	<i>The Company's procedures for handling employee complaints, including those concerning illegal and unethical behavior are embodied in the Employee Manual and Code of Discipline.</i>
Safeguarding creditors' rights	<i>The Company respects agreements with creditors, manages loans according to lending objectives, ensure timely repayment of loans and interests, honor loan covenants and conditions and competently operate the business to assure creditors about the Company's financial standing and loan repayment capabilities.</i>

2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section? *No.*

3) Performance-enhancing mechanisms for employee participation.

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

*The Company's employee's safety, health and welfare policies are embodied in a Safety Manual which is made available to new employees. This Manual includes policies on occupational, safety and health programs, safety & discipline, drugs and alcohol-free workplace and sexual harassment, as well as emergency action plan, fire safety & prevention and incident reporting & investigation mechanisms.*

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

**The Company maintains data relating to health, safety and welfare of its employees.**

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

**The Company's employees may avail of external training programmes or seminars relevant to the performance of their duties. The employees may also avail of seminars conducted by the Company's subsidiaries which includes the orientation of new employees, Work, Attitude and Value Enhancement (WAVE), and skills improvement to improve work efficiency.**

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

**The Company conducts a yearly performance appraisal of its employees and grants merit increases depending on the results of their performance appraisal.**

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

The Company's procedures for handling employee complaints concerning illegal and unethical behavior are embodied in the Employee Manual and Code of Discipline. The Company's Human Resources Department is responsible for reviewing and investigating complaints or information, and determines procedures to deal with such situations with transparency and accountability to ensure that complaining employees or "whistleblowers" are duly protected from retaliation and can fully trust and have confidence in the process.

**I. DISCLOSURE AND TRANSPARENCY**

1) Ownership Structure (As of May 31, 2014)

(1.a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
ALG Holdings Corporation	8219373036	88.19%	<i>Stockholders are the beneficial owners</i>
PCD Nominee Corporation (Filipino)	918438641	9.85%	<i>No single shareholder beneficially owns at least 5% of the total shares</i>

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
<i>No senior officer holds 5% shareholding in the Company</i>			
<b>TOTAL</b>			

2) Does the Annual Report disclose the following:

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	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 programme 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	No (*)

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

**(\*) The information can be obtained from other reports filed with the Commission such as the Information Statement, Compliance with the Corporate Governance and other relevant reports.**

3) External Auditor's fee (for the year 2013)

Name of auditor	Audit Fee	Non-audit Fee
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SGV & Company	P 7.3 Million	Not applicable
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4) Medium of Communication

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

**The Company utilizes various forms of communications to effectively reach out to the public. As a logical starting point, the Company uses the website which contains information on the historical background of the Company, its major shareholders and the relevant qualifications of its key operating officers, financial statements and such relevant financial info on dividend declarations, the company's annual report etc., and all of these are constantly updated to reflect the current data on the Company. In addition, the Company may conduct one on one meetings, make conference calls, sends emails as well as do office visits as may be requested by minority stockholders, potential investors, investment research personnel and the investing public in general. The company likewise issues press releases and conducts periodic briefings on significant developments of the Company.**

5) Date of release of audited financial report: March 14, 2014 for calendar year 2013

6) Company Website

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

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

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

7) Disclosure of RPT

RPT	Relationship	Nature	Value
<i>The Company and its subsidiaries in their normal course of business, have certain related party transactions (RPTs). RPTs among members of the Group are disclosed under the Note 23 of the Notes to the Audited Consolidated Financial Statements, a copy of which was filed with the Commission.</i>			

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

**J. RIGHTS OF STOCKHOLDERS**

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

(a) Quorum

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

*The quorum required for the Stockholders Meeting, as laid down in the Company By Laws, is the same as that laid down in the Corporation Code.*

<b>Quorum Required</b>	Majority
------------------------	----------

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

<b>System Used</b>	<i>Consistent with Company By Laws, all election and questions are decided by the plurality of vote of stockholders present in person or by proxy.</i>
<b>Description</b>	<i>The vote on a question need not be by ballot unless required by law or demanded by the stockholder. On a vote by ballot, such ballot shall be signed by the stockholder voting in his name or by his proxy, and shall state the number of shares voted by him.</i>

(c) Stockholders' Rights

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

Stockholders' Rights under The Corporation Code	Stockholders' Rights <u>not</u> in The Corporation Code
<i>There are no Shareholder's rights with regard to shareholders meetings which are different from those provided under the Corporation Code. Stockholders' rights include the right to vote, right to inspect corporate books and records, right to information, right to dividends, appraisal right, right to approve certain corporate acts, right to adopt and amend or repeal the by-laws or adopt new by-laws, right to compel the calling of meetings when for any cause there is no authorized person to call such a meeting, right to issuance of certificate or stocks or other evidence of stock ownership and be registered as a stockholder, etc.</i>	

Dividends

Declaration Date	Record Date	Payment Date
<i>May 25, 2012</i>	<i>June 22, 2012</i>	<i>July 16, 2012</i>
<i>May 31, 2013</i>	<i>June 27, 2013</i>	<i>July 17, 2013</i>
<i>05/30/14</i>	<i>06/26/14</i>	<i>07/16/14</i>

(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
<i>Stockholders are allowed to vote and ask questions during the Annual/Special Stockholders meeting regardless of the number of share they own.</i>	<i>The Notice of the Stockholders' Meeting &amp; Information Statement are distributed to stockholders of record in CD format and printed copies are given to stockholders</i>



	<i>prior to the conduct of the annual shareholders' meeting.</i>
<i>Stockholders may write the Company for their concerns with respect to the Company's operations.</i>	

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

*The Company's By-Laws may be amended or repealed by the affirmative vote of at least a majority of the Board of Directors and the stockholders representing a majority of the outstanding capital stock at any stockholders meeting called for that purpose. However, the power to amend, modify, repeal or adopt new by-laws may be delegated to the Board of Directors by the affirmative vote of stockholders representing not less than two-thirds of the outstanding capital stock provided, however, that such delegation of powers to the Board of Directors to amend, repeal or adopt new by-laws may be revoked only by the vote of the stockholders representing a majority of the outstanding capital stock at a regular or special meeting. Transfer of all or substantially all assets, which in effect results in the sale of the company shall comply with the requirements under the Corporation Code.*

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? **In compliance with existing rules and regulations, the Company observes 15 business days for giving out of notices.**
  - a. Date of sending out notices: **May 2, 2014**
  - b. Date of the Annual/Special Stockholders' Meeting: **May 30, 2014**
4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting. **No questions were asked during the Annual Stockholders' Meeting**
5. Result of Annual/Special Stockholders' Meeting's Resolutions (\*)

(\*) Annual Stockholders Meeting held last **May 30, 2014**

Resolution	Approving	Dissenting	Abstaining
Approval of the Company's Audited Financial Statements	8296702583	0	0
Ratification of all acts and resolutions of Directors and Management	8296702583	0	0
Election of the Board of Directors	8296702583	0	0

6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions: **The Company does not publish the results of the votes taken during the most recent AGM. However, the result of the votes can be included in the Minutes of the Annual Shareholders' Meeting for distribution to stockholders in the next Annual Shareholders' Meeting.**

(e) Modifications

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

**There were no modifications made in the Annual Stockholders' Meeting.**

Modifications	Reason for Modification
<i>Not Applicable</i>	

(f) Stockholders' Attendance

(i.i) Details of Attendance in the Annual/Special Stockholders' Meeting Held in May 31, 2013

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	Mercedes T. Gotianun, Jonathan T. Gotianun, Josephine G. Yap, Andrew T. Gotianun, Jr., Jesus N. Alcordo, Lamberto U. Ocampo, Cirilo T. Tolosa, Andrew L. Gotianun, Sr., etc.	05/30/14	Show of Hands	0.58%	88.47%	89.04%
Special	No Special Stockholders' Meeting was held in 2014					

(i.ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs? **The votes are validated by the Company's stock transfer agent, an entity independent from the Company.**

(i.iii) Do the company's common shares carry one vote for one share? **Yes.** 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.

**The By-Laws provides that every holder of common stock shall be entitled to one vote for each share of Common Stock of any class held by him. The preferred shares shall not be entitled to any voting right or privilege, except in those cases expressly provided by law.**

(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	<i>At all meetings of stockholders, a stockholder may vote in person or by proxy executed in writing by the stockholder or his duly authorized attorney-in-fact.</i>
Notary	<i>The proxy is not required to be notarized.</i>
Submission of Proxy	<i>All proxies must be in the hands of the Corporate Secretary before the time set for the meeting. Such proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary prior to a scheduled meeting or by their personal presence in the meeting.</i>
Several Proxies	<i>Proxy may cover one or several shares at the option of the shareholder.</i>
Validity of Proxy	<i>Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Corporate Secretary.</i>
Proxies executed abroad	
Invalidated Proxy	<i>Shareholders of invalidated proxies are informed in writing at a date which would give them sufficient time to address noted deficiencies before the ASM</i>
Validation of Proxy	<i>Cut-off date for validation of the proxy is indicated in the notice of meeting. Validation is done by the Corp Sec assisted by the stock and transfer agent</i>
Violation of Proxy	<i>Proxies are voted strictly in accordance with its term.</i>

(h) Sending of Notices

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

Policies	Procedure
<i>The Company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting, as regards the period and manner of distribution of notices and other materials for the said meeting, shall be in accordance with the rules and regulations of the Commission.</i>	<i>Subject to approval by the Commission, notices are distributed to stockholders in CD format within the time period prescribed by the rules. Printed copies are also available upon request by the stockholder.</i>

(i) Definitive Information Statements and Management Report \*

<b>Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials</b>	4254
<b>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners</b>	05/02/14
<b>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders</b>	05/02/14
<b>State whether CD format or hard copies were distributed</b>	<i>CD format and hard copies were distributed</i>
<b>If yes, indicate whether requesting stockholders were provided hard copies</b>	<i>Yes, requesting stockholders were provided hard copies.</i>

(\* ) Based on the Information Statement for the 2014 Annual Shareholders' Meeting

(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.	<i>The profiles of the directors are included in the Information Statement and Annual Report instead of the Notice.</i>
The auditors to be appointed or re-appointed.	Yes.
An explanation of the dividend policy, if any dividend is to be declared.	Yes
The amount payable for final dividends.	<i>The amount payable for dividends is not included in the Notice. It is announced by the President during the meeting.</i>
Documents required for proxy vote.	<i>The documents required for proxy vote is not in the Notice but these documents can be obtained from the Corporate Secretary or the Transfer Agent.</i>

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

2) Treatment of Minority Stockholders

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

Policies	Implementation
<p><i>The Board respects the rights of the stockholders as provided for in the Corporation Code, namely : (i) the right to vote on all matters that require their consent or approval; (ii) pre-emptive right to all stock issuances of the Corporation; (iii) right to inspect corporate books and records; (iv) right to information; (v) right to dividends; and (vi) appraisal right.</i></p> <p><i>The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the Corporation. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of the proxy should be resolved in the stockholders' favor.</i></p> <p><i>It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide adequate avenue for them to seek timely redress for breach of rights.</i></p> <p><i>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.</i></p> <p><i>Although the stockholders should be treated equally or without discrimination, the Board should give minority stockholders the right, subject to the requirements of the Corporation Code and the Corporation's By laws, to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Corporation.</i></p>	<p><i>All queries during the stockholders meeting are entertained regardless of the number of the shares the shareholder has in the Company. No preference is given to any of the stockholders by virtue of the number of the shares that they hold.</i></p>

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

**K. INVESTORS RELATIONS PROGRAM**

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

**The Company, as a holding company, has established an investor relations unit for each of its subsidiaries that are publicly-listed. Cognizant of its importance, it is in the process of further establishing one for itself to manage the external relation requirements of the rest of the companies in the Group notwithstanding the fact that the rest are not even publicly-owned. As a unit that works closely with the President as well as with the key executives including the compliance officer, the investor relations group handles the informational requirements/inquiries of its various publics (the shareholders, investors, investment analysts etc.) but more importantly proacts by disseminating through various media relevant information on the activities/ developments of the Group.**

- 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.

	<b>Details</b>
(1) Objectives	<i>The investor relations group is tasked with the primary responsibility of providing timely and relevant information to its various publics on the operational activities, financial performance, and other significant developments occurring within the various companies in the Group.</i>
(2) Principles	<i>The Company follows the basic principle of transparency and integrity in its dealings with its publics cognizant of its duties/responsibility as a publicly-listed company.</i>
(3) Modes of Communications	<i>The Company utilizes various forms of communications to effectively reach out to the public. As a logical starting point, the Company uses the website which contains information on the historical background of the company, its major shareholders and the relevant qualifications of its key operating officers, financial statements and such relevant financial info on dividend declarations, the company's annual report etc., and all of these are constantly updated to reflect the current data on the company. In addition, the company conducts one on one meetings, make conference calls, sends emails as well as do office visits as may be requested by minority stockholders, potential investors, investment research personnel and the investing public in general. The company likewise issues press releases and conducts periodic briefings on significant developments of the company</i>
(4) Investors Relations Officer	For Filinvest Development Corporation : Ana Regina A. Santillan Email: <a href="mailto:anaregina.santillan@filinvestgroup.com">anaregina.santillan@filinvestgroup.com</a> Tel. Nos. (+63 2) 798-3955 For EastWest Bank : Carlo Eñanosa Email: IR@ <a href="mailto:IR@eastwestbanker.com">eastwestbanker.com</a> Contact No. 575-3888

- 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?

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

## L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiative	Beneficiary
<i>The Group donated funds to support FLI Brand Ambassador Kris Aquino's commitment to provide five (5) "silid pangarap" units to AGAPP Foundation, whose aim is to elevate the quality of pre-school education in public schools. The first two "silid pangarap" units were turned over to their beneficiaries in Muntinlupa City and Davao City.</i>	<i>Beneficiaries designated by the Aklat, Gabay, Aruga tungo sa Pag-angat at Pag-asa (AGAPP) Foundation</i>
<i>Filinvest Corporate City Foundation maintains a long-standing partnership with the Jesuit-managed ERDA Foundation in providing scholarships to underprivileged but deserving students in Muntinlupa City. It has over 300 scholars annually enrolled in pre-school, elementary, high school, college and vocational courses.</i>	<i>Some underprivileged but deserving students in Muntinlupa City</i>
<i>The Group continues to give annually to the Bethlehem Day Care Foundation Inc. in Talisay, Cebu for the children of families who scavenge in the Inayawan Garbage Dumpsite.</i>	<i>Children of families who scavenge in the Inayawan Garbage Dumpsite.</i>
<i>East West Bank co-sponsored a Fun Run together with the Bank Marketing Association of the Philippines to promote financial literacy and savings consciousness among school children.</i>	
<i>Crimson Hotel and Spa Mactan hosted activities such as the Coastal Clean-up and Glow: Earth Hour.</i>	

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

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

	Process	Criteria
<b>Board of Directors</b>	<i>The assessment of the Board of Director's annual performance is accomplished by the Nomination Committee.</i>	<i>The assessment of the Board of Directors, Board Committees, individual directors and the President &amp; CEO are based on criteria provided in the By-laws and Revised Manual on Corporate Governance.</i>
<b>Board Committees</b>	<i>The assessment of the annual performance of the Board Committees is accomplished by the Board of Directors.</i>	
<b>Individual Directors</b>	<i>The assessment of the individual director's annual performance is accomplished by the Nomination Committee.</i>	
<b>CEO/President</b>	<i>The assessment of the President &amp; CEO's annual performance is accomplished by the Board of Directors.</i>	

**N. INTERNAL BREACHES AND SANCTIONS**

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

**Under the Company’s Revised Corporate Governance Manual, the Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend to the Chairman of the Board the imposable penalty for such violation, for further review and approval of the Board. The Company is guided by the rules and regulations of the Securities Regulation Code in the imposition of sanctions for any violation or breach of the corporate governance manual involving directors, officers, management and employees, as follows:**

Violations	Sanctions
1 <sup>st</sup> violation	Reprimand
2 <sup>nd</sup> violation	Suspension of office. The length of suspension shall depend on the gravity of the offense.
3 <sup>rd</sup> violation	Removal from office.

This Consolidated Changes in ACGR for 2014 is hereby compiled and published in the Company website, in compliance with the Securities and Exchange Commission (SEC) Memorandum No. 12, Series of 2014 released May 26, 2014 requiring all publicly listed companies to consolidate all the ACGR updates and changes for the year and label the consolidated changes as “Consolidated Changes in ACGR for (year)”.

In lieu of the notarized signature page, the Consolidated Changes in the ACGR shall be accompanied by a Secretary’s Certificate with excerpts of Board Resolution or Minutes of meetings regarding said updates and changes in the ACGR.

**FILINVEST DEVELOPMENT CORPORATION**

**SECRETARY'S CERTIFICATE**

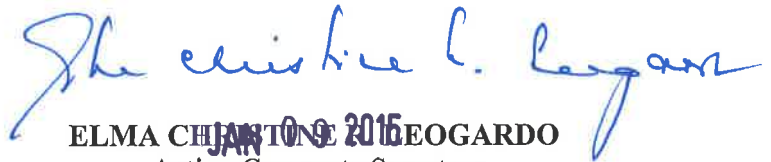
I, **ELMA CHRISTINE R. LEOGARDO**, of legal age, Filipino, with office address at the 6<sup>th</sup> Floor, Filinvest Building, No. 79 EDSA, Highway Hills, Mandaluyong City, Metro Manila, after having been duly sworn in accordance with law, hereby certify:

1. I am the duly appointed Acting Corporate Secretary of **Filinvest Development Corporation** (the "Corporation"), a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office address at The Beaufort, 6<sup>th</sup> Avenue corner 23<sup>rd</sup> Street, Bonifacio Global City, Taguig City 1634.

2. The resolutions approved by the Board of Directors of the Corporation that resulted in changes and/or updates to the Annual Corporate Governance Report of the Corporation as consolidated in the document entitled "Consolidated Changes in the ACGR for the year 2014" are set out in the attached Annex "A" hereof.

3. This Certification is hereby executed to attest to the truth of the foregoing statements.

**IN WITNESS WHEREOF**, I have hereunto set my hand this 9<sup>th</sup> day of January 2015 in Mandaluyong City, Metro Manila.

  
**ELMA CHRISTINE R. LEOGARDO**  
Acting Corporate Secretary

**SUBSCRIBED AND SWORN** to before me this 9<sup>th</sup> day of January 2015 in Mandaluyong City, Metro Manila, Philippines, affiant exhibiting to me her Driver's License No. N26-13-020722, bearing her photograph and signature, issued by the Land Transportation Office and valid until 26 October 2015.

Doc. No. 40 ;  
Page No. 8 ;  
Book No. 1 ;  
Series of 2015.

File No. 1.1.3  
SC-FDC\_ACGR 2014/SPR

  
**JOVEN G. SEVILANO**  
NOTARY PUBLIC  
COMMISSION NO. 0285-15 UNTIL DECEMBER 31, 2016  
ROLL NO. 53970  
IBP LIFETIME NO. 011302 RIZAL  
PTR NO. 2277151 ; 1-5-15; MANDALUYONG  
MCLE COMPLIANCE NO. JV - 0014990 23 APRIL 2013  
METRO MART COMPLEX, MANDALUYONG CITY



ANNEX "A"

- I. At the Regular Meeting of the Board of Directors of the Corporation held on 29 January 2014, the following resolution was approved:

**"RESOLVED**, That in accordance with the Amended By-Laws of the Corporation (the "By-Laws", the Board of Directors (the "Board") hereby sets the date of the 2014 Annual Stockholders' Meeting on May 30, 2014;

**"RESOLVED, FURTHER**, That pursuant to the By-Laws, the Board hereby sets April 25, 2014 as the record date for determining the stockholders entitled to notice and to vote at the 2014 Annual Stockholders' Meeting."

- II. At the Special Meeting of the Board of Directors of the Corporation held on 30 May 2014, the following resolutions were approved:

- a) Appointment of Independent External Auditor

**"RESOLVED**, That the retention of the accounting firm, Sycip Gorres Velayo & Company as the independent external auditor of the Corporation for 2014 be, as it is hereby, favorably endorsed to the stockholders for approval."

- b) Declaration of Dividends

**"RESOLVED**, That the Corporation be, as it is hereby, authorized and empowered to declare cash dividends to all stockholders on record as of 26 June 2014, in the amount of P0.0549;

**"RESOLVED, FURTHER**, That the dividends due shall be paid on 16 July 2014."

- III. At the Annual Meeting of the Stockholders held on 30 May 2014, the following resolutions were approved:

**"RESOLVED**, That the following persons are hereby declared as the duly elected directors of the Corporation, to serve for a term of one (1) year or until their successors shall have been duly elected and qualified in accordance with the By-Laws of the Corporation:

Mrs. Mercedes T. Gotianun  
Mr. Jonathan T. Gotianun  
Mrs. L. Josephine Gotianun Yap  
Mr. Andrew T. Gotianun, Jr.  
Mr. Jesus N. Alcorido  
Atty. Val Antonio B. Suarez (independent)  
Mr. Lamberto U. Ocampo

IV. At the Organizational Meeting of the Board of Directors of the Corporation held on 30 May 2014, the following officers were elected/appointed to the position opposite their name:

<b>Name of Person</b>	<b>Position/Designation</b>
Andrew L. Gotianun, Sr.	Chairman Emeritus
Jonathan T. Gotianun	Chairman
Lourdes Josephine Gotianun Yap	President & Chief Executive Officer
Mercedes T. Gotianun	Senior Advisor to the Board
Eleuterio D. Coronel	Executive Vice President & Chief Operating Officer
Michael Edward T. Gotianun	Vice President
Bernadette M. Ramos	Vice President - Marketing
Elsa R. Divinagracia	Acting Corporate Secretary & Acting Compliance Officer
Sharon P. Pagaling-Refuerzo	Corporate Information Officer

The following Board committees were constituted and their respective members were appointed to the position opposite their name:

<b>Name of Committees</b>	<b>Name of Person</b>	<b>Position/Designation</b>
<b>Executive Committee</b>	Jonathan T. Gotianun	Chairman
	Andrew L. Gotianun, Sr.	Member
	Mercedes T. Gotianun	Member
	Andrew T. Gotianun, Jr.	Member
	Lourdes Josephine Gotianun Yap	Member
	Michael Edward T. Gotianun	Member
<b>Audit Committee</b>	Val Antonio B. Suarez	Chairman
	Jonathan T. Gotianun	Member
	Mercedes T. Gotianun	Member
	Lamberto U. Ocampo	Member
<b>Remuneration Committee</b>	Mercedes T. Gotianun	Chairman
	Lourdes Josephine Gotianun Yap	Member
	Jonathan T. Gotianun	Member
	Lamberto U. Ocampo	Member
	Michael Edward T. Gotianun	Member
<b>Nominations Committee</b>	Mercedes T. Gotianun	Chairman
	Lourdes Josephine Gotianun Yap	Member
	Lamberto U. Ocampo	Member
	Rizal Angela L. Reyes	Ex-officio Member