



101082016000964



## SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines  
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

### Barcode Page

The following document has been received:

Receiving Officer/Encoder : Marites S. Guevarra

Receiving Branch : SEC Head Office

Receipt Date and Time : January 08, 2016 01:29:17 PM

Received From : Head Office

Company Representative

---

Doc Source

Company Information

---

SEC Registration No. 0000077823  
Company Name CITYLAND DEV. CORP.  
Industry Classification  
Company Type Stock Corporation

Document Information

---

Document ID 101082016000964  
Document Type LETTER/MISC  
Document Code LTR  
Period Covered January 08, 2016  
No. of Days Late 0  
Department CED/CFD/CRMD/MRD/NTD  
Remarks

# COVER SHEET

SEC Registration Number

|   |   |   |   |   |  |  |  |  |  |
|---|---|---|---|---|--|--|--|--|--|
| 7 | 7 | 8 | 2 | 3 |  |  |  |  |  |
|---|---|---|---|---|--|--|--|--|--|

Company Name

|   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |  |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|--|--|--|--|--|--|--|--|
| C | I | T | Y | L | A | N | D | D | E | V | E | L | O | P | M | E | N | T |  |  |  |  |  |  |  |  |
| C | O | R | P | O | R | A | T | I | O | N |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |  |
|   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |  |
|   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |  |  |  |  |  |  |  |

Principal Office (No./Street/Barangay/City/Town/Province)

|   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |  |  |  |  |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|--|--|--|--|--|
| 2 | n | d | F | l | o | o | r | , | C | i | t | y | l | a | n | d |   |   |   |   |   |  |  |  |  |  |
| C | o | n | d | o | m | i | n | i | u | m | 1 | 0 | , | T | o | w | e | r | I |   |   |  |  |  |  |  |
| 1 | 5 | 6 | H | . | V | . | d | e | l | a | C | o | s | t | a | S | t | r | e | e | t |  |  |  |  |  |
| M | a | k | a | t | i | C | i | t | y |   |   |   |   |   |   |   |   |   |   |   |   |  |  |  |  |  |

Form Type

|   |   |   |   |
|---|---|---|---|
| A | C | G | R |
|---|---|---|---|

Department requiring the report

|   |   |   |   |
|---|---|---|---|
| C | G | F | D |
|---|---|---|---|

Secondary License Type, If Applicable

**Not Applicable**

## COMPANY INFORMATION

Company's Email Address

|                   |
|-------------------|
| fmsd@cityland.net |
|-------------------|

Company's Telephone Number/s

|          |
|----------|
| 893-6060 |
|----------|

Mobile Number

|  |
|--|
|  |
|--|

No. of Stockholders

|  |
|--|
|  |
|--|

Annual Meeting  
Month/Day

|                                 |
|---------------------------------|
| 1 <sup>st</sup> Tuesday of June |
|---------------------------------|

Calendar Year  
Month/Day

|            |
|------------|
| 2015/12/31 |
|------------|

## CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person

|         |
|---------|
| RUDY GO |
|---------|

Email Address

|                     |
|---------------------|
| cdc_rg@cityland.net |
|---------------------|

Telephone Number/s

|          |
|----------|
| 893-6060 |
|----------|

Mobile Number

|  |
|--|
|  |
|--|

Contact Person's Address

|   |
|---|
| 2 <sup>nd</sup> Floor Cityland Condominium 10, Tower 1, 156 H.V. dela Costa Street, Makati City |
|---|

**Note:** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM - ACGR**

**ANNUAL CORPORATE GOVERNANCE REPORT  
(with Consolidated Changes for the Year 2015)**

1. Report is filed for the Year **2015**
2. Exact Name of Registrant as Specified in its Charter **CITYLAND DEVELOPMENT CORPORATION**
3. **2/F Cityland Condominium 10, Tower I, 156 H.V.dela Costa Street, Makati City,** **1226**  
Address of principal office Postal Code
4. SEC Identification Number **77823**
5. \_\_\_\_\_ (SEC Use Only)  
Industry Classification
6. BIR Tax Identification No. **000-527-103-000**
7. **(02) 893-60-60**  
Registrant's telephone number, including area code
8. **N/A**  
.....  
Former name or former address, if changed since last report

## TABLE OF CONTENTS

### Page No.

#### **PART I. SUMMARY OF CONSOLIDATED CHANGES IN THE ACGR FOR THE YEAR 2015**

1-10

#### **PART II. ANNUAL CORPORATE GOVERNANCE REPORT 2015**

##### **A. BOARD MATTERS**

|   |    |
|---|----|
| 1) BOARD OF DIRECTORS .....                                       | 11 |
| (a) Composition of the Board .....                                | 11 |
| (b) Directorship in Other Companies .....                         | 13 |
| (c) Shareholding in the Company .....                             | 15 |
| 2) CHAIRMAN AND CEO .....   | 15 |
| 3) OTHER EXECUTIVE, NON-EXECUTIVE AND INDEPENDENT DIRECTORS ..... | 18 |
| 4) CHANGES IN THE BOARD OF DIRECTORS .....                        | 20 |
| 5) ORIENTATION AND EDUCATION PROGRAM .....                        | 28 |

##### **B. CODE OF BUSINESS CONDUCT & ETHICS**

|   |    |
|---|----|
| 1) POLICIES .....                                     | 30 |
| 2) DISSEMINATION OF CODE .....                        | 35 |
| 3) COMPLIANCE WITH CODE .....                         | 35 |
| 4) RELATED PARTY TRANSACTIONS .....                   | 35 |
| (a) Policies and Procedures .....                     | 35 |
| (b) Conflict of Interest .....                        | 36 |
| 5) FAMILY, COMMERCIAL AND CONTRACTUAL RELATIONS ..... | 37 |
| 6) ALTERNATIVE DISPUTE RESOLUTION .....               | 38 |

##### **C. BOARD MEETINGS & ATTENDANCE**

|  |    |
|--|----|
| 1) SCHEDULE OF MEETINGS .....                        | 38 |
| 2) DETAILS OF ATTENDANCE OF DIRECTORS .....          | 38 |
| 3) SEPARATE MEETING OF NON-EXECUTIVE DIRECTORS ..... | 39 |
| 4) ACCESS TO INFORMATION .....                       | 39 |
| 5) EXTERNAL ADVICE .....                             | 41 |
| 6) CHANGES IN EXISTING POLICIES .....                | 41 |

##### **D. REMUNERATION MATTERS**

|  |    |
|--|----|
| 1) REMUNERATION PROCESS .....                            | 42 |
| 2) REMUNERATION POLICY AND STRUCTURE FOR DIRECTORS ..... | 42 |
| 3) AGGREGATE REMUNERATION .....                          | 43 |
| 4) STOCK RIGHTS, OPTIONS AND WARRANTS .....              | 43 |
| 5) REMUNERATION OF MANAGEMENT .....                      | 44 |

##### **E. BOARD COMMITTEES**

|  |    |
|--|----|
| 1) NUMBER OF MEMBERS, FUNCTIONS AND RESPONSIBILITIES ..... | 45 |
| 2) COMMITTEE MEMBERS .....                                 | 47 |
| 3) CHANGES IN COMMITTEE MEMBERS .....                      | 49 |
| 4) WORK DONE AND ISSUES ADDRESSED .....                    | 49 |
| 5) COMMITTEE PROGRAM .....                                 | 50 |

|   | <u>Page<br/>No.</u> |
|---|---------------------|
| <b>F. RISK MANAGEMENT SYSTEM</b>  |                     |
| 1) STATEMENT ON EFFECTIVENESS OF RISK MANAGEMENT SYSTEM .....             | 52                  |
| 2) RISK POLICY .....  | 53                  |
| 3) CONTROL SYSTEM .....   | 57                  |
| <b>G. INTERNAL AUDIT AND CONTROL</b>                                      |                     |
| 1) STATEMENT ON EFFECTIVENESS OF INTERNAL CONTROL SYSTEM .....            | 62                  |
| 2) INTERNAL AUDIT .....   | 62                  |
| (a) Role, Scope and Internal Audit Function .....                         | 62                  |
| (b) Appointment/Removal of Internal Auditor .....                         | 63                  |
| (c) Reporting Relationship with the Audit Committee .....                 | 63                  |
| (d) Resignation, Re-assignment and Reasons .....                          | 63                  |
| (e) Progress against Plans, Issues, Findings and Examination Trends ..... | 64                  |
| (f) Audit Control Policies and Procedures .....                           | 64                  |
| (g) Mechanisms and Safeguards .....                                       | 65                  |
| <b>H. ROLE OF STAKEHOLDERS.....</b>                                       | <b>67</b>           |
| <b>I. DISCLOSURE AND TRANSPARENCY.....</b>                                | <b>71</b>           |
| <b>J. RIGHTS OF STOCKHOLDERS</b>  |                     |
| 1) RIGHT TO PARTICIPATE EFFECTIVELY IN STOCKHOLDERS' MEETINGS .....       | 75                  |
| 2) TREATMENT OF MINORITY STOCKHOLDERS .....                               | 82                  |
| <b>K. INVESTORS RELATIONS PROGRAM .....</b>                               | <b>83</b>           |
| <b>L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES .....</b>               | <b>84</b>           |
| <b>M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL .....</b>              | <b>85</b>           |
| <b>N. INTERNAL BREACHES AND SANCTIONS .....</b>                           | <b>85</b>           |



**CITYLAND DEVELOPMENT CORPORATION**

**CONSOLIDATED CHANGES IN THE ANNUAL CORPORATE GOVERNANCE REPORT  
(ACGR) FOR THE YEAR 2015**

**A. BOARD MATTERS**

*1.a. Composition of the Board*

| Director's Name        | Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)] | If nominee, identify the principal | Nominator in the last election (If ID, state the relationship with the nominator) | Date first elected | Date last elected (If ID, state the number of years served as ID) | Elected when (Annual/ Special Meeting) | No. of years served as Director |
|------------------------|---|------------------------------------|---|--------------------|---|--|---------------------------------|
| Washington Sycip       | ID  | N.A.                               | Romeo E. Ng (no relation)   | June 2001          | June 2, 2015  | Annual Meeting                         | 14                              |
| Stephen C. Roxas       | NED   | N.A.                               | Catherine Grace Wong  | January 1978       | June 2, 2015  | Annual Meeting                         | 37                              |
| Andrew I. Liuson       | NED   | N.A.                               | Catherine Grace Wong  | October 1979       | June 2, 2015  | Annual Meeting                         | 36                              |
| Grace C. Liuson        | NED   | N.A.                               | Catherine Grace Wong  | October 1979       | June 2, 2015  | Annual Meeting                         | 36                              |
| Josef C. Gohoc         | ED  | N.A.                               | Catherine Grace Wong  | January 2011       | June 2, 2015  | Annual Meeting                         | 4                               |
| Sabino R. Padilla, Jr. | NED   | N.A.                               | Catherine Grace Wong  | June 2006          | June 2, 2015  | Annual Meeting                         | 9                               |
| Peter S. Dee           | ID  | N.A.                               | Marianne M. Martin (no relation)  | October 1979       | June 2, 2015  | Annual Meeting                         | 36                              |
| Alice C. Gohoc         | NED   | N.A.                               | Catherine Grace Wong  | September 1996     | June 2, 2015  | Annual Meeting                         | 19                              |
| Helen C. Roxas         | NED   | N.A.                               | Catherine Grace Wong  | October 1979       | June 2, 2015  | Annual Meeting                         | 36                              |

References:

- a) Advisement Letter dated June 5, 2015  
(Annual Stockholders' Meeting for the Year 2015)  
<[http://www.citylandcondo.com/main/docs\\_pdf/CDC%20Stockholders%20Meeting%2006.02.2015.pdf](http://www.citylandcondo.com/main/docs_pdf/CDC%20Stockholders%20Meeting%2006.02.2015.pdf)>
- b) SEC Form 17-C. Results of Annual Stockholders' Meeting dated June 2, 2015  
<[http://www.citylandcondo.com/main/docs\\_pdf/17C\\_CDC\\_Result%20of%20ASM\\_06.02.2015.pdf](http://www.citylandcondo.com/main/docs_pdf/17C_CDC_Result%20of%20ASM_06.02.2015.pdf)>
- c) Minutes of Annual Stockholders' Meeting for the Year 2015 (June 2, 2015)  
<[http://www.citylandcondo.com/main/docs\\_pdf/CDC%20%20Minutes%20of%20Annual%20Stockholders%20Meeting\\_06.02.2015.pdf](http://www.citylandcondo.com/main/docs_pdf/CDC%20%20Minutes%20of%20Annual%20Stockholders%20Meeting_06.02.2015.pdf)>

**1.c. Shareholding in the Company**

| <b>Name of Director</b> | <b>Number of Direct Shares</b> | <b>Number of Indirect Shares / Through (name of record owner)</b> | <b>% of Capital Stock (Issued and Outstanding)</b> |
|-------------------------|--------------------------------|---|--|
| Washington Sycip        | 982                            | -   | 0.000027%  |
| Stephen C. Roxas        | 263,132,018                    | 38,644,715  | 8.4485   |
| Andrew I. Liuson        | 109,328,504                    | 20,655,746  | 3.6390   |
| Grace C. Liuson         | 190,582,667                    | -   | 5.3355   |
| Josef C. Gohoc          | 47,876,199                     | 6,174,927   | 1.5132   |
| Sabino R. Padilla, Jr.  | 65,242                         | -   | 0.0018   |
| Peter S. Dee            | 456,730                        | -   | 0.0128   |
| Alice C. Gohoc          | 123,649,781                    | 3,262,383   | 3.5530   |
| Helen C. Roxas          | 54,295,987                     | -   | 1.5201   |
| <b>TOTAL</b>            | <b>789,388,110</b>             | <b>68,737,771</b>   | <b>24.023927%</b>                                  |

Reference:

- a. SEC Form 23-B and Public Ownership Report as of December 31, 2015  
[http://www.citylandcondo.com/main/docs\\_pdf/CDCPublic%20Ownership%20Report%201.06.2016.pdf](http://www.citylandcondo.com/main/docs_pdf/CDCPublic%20Ownership%20Report%201.06.2016.pdf)

**5. Voting Results of the Last Annual General Meeting**

| <b>Name of Director</b> | <b>Votes Received</b>  |
|-------------------------|--|
| Washington Sycip (I)    | 2,689,885,064 votes representing 75.30% of the outstanding capital stock |
| Stephen C. Roxas        | 2,689,885,064 votes representing 75.30% of the outstanding capital stock |
| Andrew I. Liuson        | 2,689,885,064 votes representing 75.30% of the outstanding capital stock |
| Grace C. Liuson         | 2,689,885,064 votes representing 75.30% of the outstanding capital stock |
| Josef C. Gohoc          | 2,689,885,064 votes representing 75.30% of the outstanding capital stock |
| Sabino R. Padilla, Jr.  | 2,689,885,064 votes representing 75.30% of the outstanding capital stock |
| Peter S. Dee (I)        | 2,689,885,064 votes representing 75.30% of the outstanding capital stock |
| Alice C. Gohoc          | 2,689,885,064 votes representing 75.30% of the outstanding capital stock |
| Helen C. Roxas          | 2,689,885,064 votes representing 75.30% of the outstanding capital stock |

Reference:

- a) Advisement Letter dated June 5, 2015  
 (Annual Stockholders' Meeting for the Year 2015)  
[http://www.citylandcondo.com/main/docs\\_pdf/CDC%20Stockholders%20Meeting%2006.02.2015.pdf](http://www.citylandcondo.com/main/docs_pdf/CDC%20Stockholders%20Meeting%2006.02.2015.pdf)

**6.b. Orientation and Education Program**

- (b) State any in-house training and external courses attended by Directors and Senior Management:

The Company's Board of Directors and key officers completed a training course on Corporate Governance conducted by Center for Training and Development, Inc. (CTDI) on November 25, 2015 as follows:

|    | <i>Name of Director / Officer</i> | <i>Position</i>  |
|----|-----------------------------------|--|
| 1. | Mr. Stephen C. Roxas              | Director / Chairman of the Executive Committee         |
| 2. | Dr. Andrew I. Liuson              | Director / Vice Chairman of the Board                  |
| 3. | Mrs. Grace C. Liuson              | Director   |
| 4. | Mr. Josef C. Gohoc                | Director / President                                   |
| 5. | Atty. Sabino R. Padilla, Jr.      | Director   |
| 6. | Mr. Peter S. Dee                  | Independent Director / Chairman of the Audit Committee |
| 7. | Mrs. Alice C. Gohoc               | Director   |

|     | <i>Name of Director / Officer</i> | <i>Position</i>   |
|-----|-----------------------------------|---|
| 8.  | Mrs. Helen C. Roxas               | Director  |
| 9.  | Ms. Emma A. Choa                  | Executive Vice President / Treasurer                    |
| 10. | Mr. Rudy Go                       | Senior Vice President / Compliance Officer              |
| 11. | Mr. Eden F. Go                    | Vice President  |
| 12. | Mrs. Melita M. Revuelta           | Vice President  |
| 13. | Mr. Romeo E. Ng                   | Vice President  |
| 14. | Mrs. Melita L. Tan                | Vice President  |
| 15. | Atty. Emma G. Jularbal            | Vice President – Legal Department / Corporate Secretary |
| 16. | Mrs. Catherine Grace T. Wong      | Assistant Corporate Secretary                           |
| 17. | Ms. Dorothy U. So                 | Internal Audit Head                                     |

Note: Mr. Washington SyCip, Independent Director / Chairman of the Board of Cityland Development Corporation, has been granted by the Securities and Exchange Commission (SEC) an exemption from the requirements of SEC Memorandum Circular No. 20, Series of 2013 directing all key officers and members of the Board of publicly-listed companies to attend a program on corporate governance at least once a year.

Reference:

a) Advisement Letter dated December 2, 2015

(Corporate Governance Seminar for the year 2015)

[http://www.citylandcondo.com/main/docs\\_pdf/CDC%20ADVISEMENT%20LETTER%20\(CG%20Seminar%202015\)%2012.02.15.pdf](http://www.citylandcondo.com/main/docs_pdf/CDC%20ADVISEMENT%20LETTER%20(CG%20Seminar%202015)%2012.02.15.pdf)

## C. BOARD MEETINGS AND ATTENDANCE

### 2. Attendance of Directors

| Position                        | Name                   | Date of Election | Number of Meetings Held during the Year (2015) | Number of Meetings Attended | %    |
|---------------------------------|------------------------|------------------|--|-----------------------------|------|
| Chairman / Independent Director | Washington Sycip       | June 2, 2015     | 20   | 15                          | 75%  |
| Member                          | Stephen C. Roxas       | June 2, 2015     | 20   | 20                          | 100% |
| Member                          | Andrew I. Liuson       | June 2, 2015     | 20   | 20                          | 100% |
| Member                          | Grace C. Liuson        | June 2, 2015     | 20   | 20                          | 100% |
| Member                          | Josef C. Gohoc         | June 2, 2015     | 20   | 20                          | 100% |
| Member                          | Sabino R. Padilla, Jr. | June 2, 2015     | 20   | 20                          | 100% |
| Independent Director            | Peter S. Dee           | June 2, 2015     | 20   | 17                          | 85%  |
| Member                          | Alice C. Gohoc         | June 2, 2015     | 20   | 20                          | 100% |
| Member                          | Helen C. Roxas         | June 2, 2015     | 20   | 19                          | 95%  |

Reference:

a) Advisement Letter dated January 4, 2016

(Attendance of Directors on Board Meetings for the year 2015)

[http://www.citylandcondo.com/main/docs\\_pdf/CDCAdvisement%20Letter%20Re%20Updates%20and%20Changes%20in%20ACGR%201.04.16.pdf](http://www.citylandcondo.com/main/docs_pdf/CDCAdvisement%20Letter%20Re%20Updates%20and%20Changes%20in%20ACGR%201.04.16.pdf)

## E. BOARD COMMITTEES

### 2. Committee Members (Attendance and Number of Meetings Held)

#### (a) Executive Committee

| Office         | Name             | Date of Appointment | Number of Meetings Attended (2015) | %    | Length of Service in the Committee |
|----------------|------------------|---------------------|------------------------------------|------|------------------------------------|
| Chairman (NED) | Stephen C. Roxas | October 1979        | 140 / 140                          | 100% | 36 years                           |
| Member (NED)   | Andrew I Liuson  | October 1979        | 140 / 140                          | 100% | 36 years                           |
| Member (NED)   | Grace C. Liuson  | October 1979        | 140 / 140                          | 100% | 36 years                           |
| Member (ED)    | Josef C. Gohoc   | January 2011        | 140 / 140                          | 100% | 4 years                            |

#### (b) Audit Committee

| Office        | Name            | Date of Appointment | Number of Meetings Attended (2015) | %    | Length of Service in the Committee |
|---------------|-----------------|---------------------|------------------------------------|------|------------------------------------|
| Chairman (ID) | Peter S. Dee    | August 2, 2002      | 4 / 4                              | 100% | 13 years                           |
| Member (NED)  | Grace C. Liuson | August 2, 2002      | 4 / 4                              | 100% | 13 years                           |
| Member (NED)  | Alice C. Gohoc  | August 2, 2002      | 4 / 4                              | 100% | 13 years                           |

#### (c) Nomination Committee

| Office       | Name             | Date of Appointment | Number of Meetings Attended (2015) | %    | Length of Service in the Committee |
|--------------|------------------|---------------------|------------------------------------|------|------------------------------------|
| Chairman     | Jesus Go         | August 2, 2002      | 2 / 2                              | 100% | 13 years                           |
| Member (ID)  | Washington SyCip | August 2, 2002      | 2 / 2                              | 100% | 13 years                           |
| Member (NED) | Stephen C. Roxas | August 2, 2002      | 2 / 2                              | 100% | 13 years                           |
| Member (NED) | Andrew I. Liuson | August 2, 2002      | 2 / 2                              | 100% | 13 years                           |

#### (d) Compensation and Remuneration Committee

| Office        | Name             | Date of Appointment | Number of Meetings Attended (2015) | %    | Length of Service in the Committee |
|---------------|------------------|---------------------|------------------------------------|------|------------------------------------|
| Chairman (ID) | Washington SyCip | August 2, 2002      | 2 / 2                              | 100% | 13 years                           |
| Member (NED)  | Stephen C. Roxas | August 2, 2002      | 2 / 2                              | 100% | 13 years                           |
| Member (NED)  | Andrew I. Liuson | August 2, 2002      | 2 / 2                              | 100% | 13 years                           |

#### References:

- a) Advisement Letter dated January 4, 2016  
 (Attendance of Directors on Board Meetings for the year 2015)  
[http://www.citylandcondo.com/main/docs\\_pdf/CDCAdvisement%20Letter%20Re%20Updates%20and%20Changes%20in%20ACGR%201.04.16.pdf](http://www.citylandcondo.com/main/docs_pdf/CDCAdvisement%20Letter%20Re%20Updates%20and%20Changes%20in%20ACGR%201.04.16.pdf)

## H. ROLE OF STAKEHOLDERS

### 3.c. Employees Training and Development Programs

The Company provides training and development programs to its employees for their continuing professional development and to improve their productivity.

The following are the Company's employee training and development programs for the year 2015, among others:

- Technical Group (Engineering Department);
- Legal Department; and
- Financial Management Services Department

Reference:

- a) Advisement Letter dated January 4, 2016  
[http://www.citylandcondo.com/main/docs\\_pdf/CDCAdvisement%20Letter%20Re%20Updates%20and%20Changes%20in%20ACGR%201.04.16.pdf](http://www.citylandcondo.com/main/docs_pdf/CDCAdvisement%20Letter%20Re%20Updates%20and%20Changes%20in%20ACGR%201.04.16.pdf)

**I. DISCLOSURE AND TRANSPARENCY**

**1. Ownership Structure**

(a) Holding 5% shareholding or more

| Shareholder      | Number of Shares | Percentage (%) | Beneficial Owner |
|------------------|------------------|----------------|------------------|
| Cityland, Inc.   | 1,800,826,325    | 50.4159        | N.A.             |
| Stephen C. Roxas | 263,132,018      | 7.3666         | N.A.             |
| Grace C. Liuson  | 190,582,667      | 5.3355         | N.A.             |

Reference:

- a) SEC Form 23-B and Public Ownership Report as of December 31, 2015  
[http://www.citylandcondo.com/main/docs\\_pdf/CDCPublic%20Ownership%20Report%201.06.2016.pdf](http://www.citylandcondo.com/main/docs_pdf/CDCPublic%20Ownership%20Report%201.06.2016.pdf)

**J. RIGHTS OF STOCKHOLDERS**

**1.c. Stockholders' Rights, Dividends**

|                                   | Declaration Date | Record Date   | Payment Date  |
|-----------------------------------|------------------|---------------|---------------|
| <b>2015</b>                       |                  |               |               |
| Cash Dividends of Php0.027/ share | May 28, 2015     | June 26, 2015 | July 22, 2015 |
| Stock Dividends                   | -                | -             | -             |
| <b>2014</b>                       |                  |               |               |
| Cash Dividends of Php0.03/ share  | May 30, 2014     | June 24, 2014 | July 18, 2014 |
| 5% Stock Dividends                | April 21, 2014   | July 3, 2014  | July 29, 2014 |
| <b>2013</b>                       |                  |               |               |
| Cash Dividends of Php0.03/ share  | June 4, 2013     | June 19, 2013 | July 15, 2013 |
| 5% Stock Dividends                | April 25, 2013   | July 4, 2013  | July 30, 2013 |

Reference:

- a) SEC Form 17-C. Declaration of Cash Dividends dated May 28, 2015  
[http://www.citylandcondo.com/main/docs\\_pdf/17C\\_CDC\\_Cash%20Dividend\\_2015.pdf](http://www.citylandcondo.com/main/docs_pdf/17C_CDC_Cash%20Dividend_2015.pdf)

**1.d. Stockholders' Participation**

**1-7. 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.**

| Measure Adopted | Communication Procedure   |
|-----------------|---|
|                 | As part of the Other Matter in the Agenda and after discussion of the items in the Agenda, the Chairman normally asks the stockholders present if there are other matter or business which they would like to present in the meeting. If necessary, the raised matter is normally discussed and / or answered to the satisfaction of the concerned stockholder. |

**Reference:**

- a) Advisement Letter dated June 5, 2015  
(Annual Stockholders' Meeting for the Year 2015)  
<[http://www.citylandcondo.com/main/docs\\_pdf/CDC%20Stockholders%20Meeting%2006.02.2015.pdf](http://www.citylandcondo.com/main/docs_pdf/CDC%20Stockholders%20Meeting%2006.02.2015.pdf)>

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

Yes.

a. Date of sending out notices:

|  |                       | Number of Days |
|--|-----------------------|----------------|
| For 2015 Annual Stockholders' Meeting: | <u>April 17, 2015</u> | <u>31</u>      |
| For 2014 Annual Stockholders' Meeting: | <u>April 16, 2014</u> | <u>31</u>      |
| For 2013 Annual Stockholders' Meeting: | <u>April 19, 2013</u> | <u>31</u>      |

b. Date of Annual / Special Stockholders' Meeting:

|                                    |                     |
|------------------------------------|---------------------|
| 2015 Annual Stockholders' Meeting: | <u>June 2, 2015</u> |
| 2014 Annual Stockholders' Meeting: | <u>June 3, 2014</u> |
| 2013 Annual Stockholders' Meeting: | <u>June 4, 2013</u> |

**References:**

- a) SEC Form 17C. Notice of Annual Stockholders' Meeting dated June 2, 2015  
<[http://www.citylandcondo.com/main/docs\\_pdf/17C%20CDC%20Notice%20of%20Stockholders%20Meeting%20\(June%202015\).pdf](http://www.citylandcondo.com/main/docs_pdf/17C%20CDC%20Notice%20of%20Stockholders%20Meeting%20(June%202015).pdf)>
- b) SEC Form 20-IS. Preliminary and Definitive Information Statements  
<[http://www.citylandcondo.com/main/docs\\_pdf/CDC\\_DEFINITIVE\\_INFORMATION\\_STATEMENT.pdf](http://www.citylandcondo.com/main/docs_pdf/CDC_DEFINITIVE_INFORMATION_STATEMENT.pdf)>

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

There were no questions raised during the Annual Stockholders' Meeting.

**References:**

- a) Advisement Letter dated June 5, 2015  
(Annual Stockholders' Meeting for the Year 2015)  
<[http://www.citylandcondo.com/main/docs\\_pdf/CDC%20Stockholders%20Meeting%2006.02.2015.pdf](http://www.citylandcondo.com/main/docs_pdf/CDC%20Stockholders%20Meeting%2006.02.2015.pdf)>
- b) Minutes of Annual Stockholders' Meeting for the Year 2015 (June 2, 2015)  
<[http://www.citylandcondo.com/main/docs\\_pdf/CDC%20%20Minutes%20of%20Annual%20Stockholders'%20Meeting\\_06.02.2015.pdf](http://www.citylandcondo.com/main/docs_pdf/CDC%20%20Minutes%20of%20Annual%20Stockholders'%20Meeting_06.02.2015.pdf)>

**11 - 23. Result of Annual / Special Stockholders' Meeting's Resolutions**

| <b>Resolution</b>  | <b>Approving</b>   | <b>Dissenting</b> | <b>Abstaining</b> |
|--|--|-------------------|-------------------|
| Approval and / or ratification of the following by the stockholders:   |  |                   |                   |
| • Minutes of previous meeting  | • 2,689,885,064 votes representing 75.30% of the outstanding capital stock | • -0-             | • -0-             |
| • President's Report   | • 2,689,885,064 votes representing 75.30% of the outstanding capital stock | • -0-             | • -0-             |
| • Election of Directors (including Independent Directors)  | • 2,689,885,064 votes representing 75.30% of the outstanding capital stock | • -0-             | • -0-             |
| • Appointment of external auditor: SyCip Gorres Velayo & Co. (SGV & Co.)   | • 2,689,885,064 votes representing 75.30% of the outstanding capital stock | • -0-             | • -0-             |
| • Confirmation of all acts of the Board of Directors for the period covering January 1, 2014 through December 31, 2014 adopted in the ordinary course of business. | • 2,689,885,064 votes representing 75.30% of the outstanding capital stock | • -0-             | • -0-             |

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

For June 2, 2015 Annual Stockholders' Meeting, the result of the meeting was disclosed in the Philippine Stock Exchange on June 3, 2015.

This was also uploaded in the Company Website under Corporate Governance Section, Latest Disclosures.

**References:**

- a) Advisement Letter dated June 5, 2015 (Annual Stockholders' Meeting for the Year 2015)  
<[http://www.citylandcondo.com/main/docs\\_pdf/CDC%20Stockholders%20Meeting%2006.02.2015.pdf](http://www.citylandcondo.com/main/docs_pdf/CDC%20Stockholders%20Meeting%2006.02.2015.pdf)>
- b) SEC Form 17-C. Results of Annual Stockholders' Meeting dated June 2, 2015  
<[http://www.citylandcondo.com/main/docs\\_pdf/17C\\_CDC\\_Result%20of%20ASM\\_06.02.2015.pdf](http://www.citylandcondo.com/main/docs_pdf/17C_CDC_Result%20of%20ASM_06.02.2015.pdf)>
- c) Minutes of Annual Stockholders' Meeting for the Year 2015 (June 2, 2015)  
<[http://www.citylandcondo.com/main/docs\\_pdf/CDC%20%20Minutes%20of%20Annual%20Stockholders'%20Meeting\\_06.02.2015.pdf](http://www.citylandcondo.com/main/docs_pdf/CDC%20%20Minutes%20of%20Annual%20Stockholders'%20Meeting_06.02.2015.pdf)>

f) ***Stockholders' Attendance***

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

At the Annual Stockholders' Meeting held on June 2, 2015, approximately over **2,689,885, 064** or **75.30%** of the total issued and outstanding 3,571,940,453 were represented in person and by proxy.

|              | Number of Shares     |
|--------------|----------------------|
| With Proxy   | 2,069,224,154        |
| In Person    | 620,660,910          |
| <b>Total</b> | <b>2,689,885,064</b> |

Reference:

- a) Advisement Letter dated June 5, 2015  
(Annual Stockholders' Meeting for the Year 2015)  
<[http://www.citylandcondo.com/main/docs\\_pdf/CDC%20Stockholders%20Meeting%2006.02.2015.pdf](http://www.citylandcondo.com/main/docs_pdf/CDC%20Stockholders%20Meeting%2006.02.2015.pdf)>

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

Yes. Professional Stock Transfer, Inc., a registered stock transfer agent of Securities and Exchange Commission (SEC) and Philippine Stock Exchange (PSE) counted and validated the above attendance during the Annual Stockholders' Meeting held on June 2, 2015. The Company's external auditors, SGV & Co., were present and observed that there were no dissenting and abstaining votes during the said meeting.

Reference:

- a) Advisement Letter dated June 5, 2015  
(Annual Stockholders' Meeting for the Year 2015)  
<[http://www.citylandcondo.com/main/docs\\_pdf/CDC%20Stockholders%20Meeting%2006.02.2015.pdf](http://www.citylandcondo.com/main/docs_pdf/CDC%20Stockholders%20Meeting%2006.02.2015.pdf)>

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

|   | <b>2015</b>      | <b>2014</b>      | <b>2013</b>      |
|---|------------------|------------------|------------------|
| <b>Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials</b>   | 689 stockholders | 707 stockholders | 715 stockholders |
| <b>Date of Actual Distribution of Definitive Information Statements and Management Report and Other Materials held by market participants/certain beneficial owners</b> | May 12, 2015     | May 13, 2014     | May 14, 2013     |

|  | 2015  | 2014  | 2013  |
|--|---|---|---|
| <b>Date of Actual Distribution of Definitive Information Statements and Management Report and Other Materials held by stockholders</b> | May 12, 2015  | May 13, 2014  | May 14, 2013  |
| <b>State whether CD format or hard copies were distributed</b>   | CD format   | CD format   | CD format   |
| <b>If yes, indicate whether requesting stockholders were provided hard copies</b>  | Yes. Upon written request, requesting stockholders were provided hard copies. | Yes. Upon written request, requesting stockholders were provided hard copies. | Yes. Upon written request, requesting stockholders were provided hard copies. |

References:

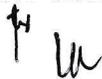
- a) Advisement Letter date June 5, 2015  
(Annual Stockholders' Meeting for the Year 2015)  
<[http://www.citylandcondo.com/main/docs\\_pdf/CDC%20Stockholders%20Meeting%2006.02.2015.pdf](http://www.citylandcondo.com/main/docs_pdf/CDC%20Stockholders%20Meeting%2006.02.2015.pdf)>
- b) SEC Form 20-IS. Definitive Information Statement for the Year 2015  
<[http://www.citylandcondo.com/main/docs\\_pdf/CDC\\_DEFINITIVE\\_INFORMATION\\_STATEMENT.pdf](http://www.citylandcondo.com/main/docs_pdf/CDC_DEFINITIVE_INFORMATION_STATEMENT.pdf)>

Certified correct by:



**RUDY GO**  
Senior Vice President / Compliance Officer  
CITYLAND DEVELOPMENT CORPORATION

Date: January 8, 2016



**SECRETARY'S CERTIFICATE**

I, **EMMA G. JULARBAL**, subscribing under oath, hereby depose and state that:

1. I am the Corporate Secretary of **CITYLAND DEVELOPMENT CORPORATION**, a corporation duly organized and existing under Philippine laws with principal office address at 2F Cityland Condominium 10 Tower 1, 156 H.V. Dela Costa Street, Makati City.
2. At the special meeting of the Board of Directors held on December 14, 2015, at the address aforesated, the following resolution, among others, was passed and unanimously approved.

**RESOLUTION NO. SM-41**

“WHEREAS, under the Securities and Exchange Commission (SEC) Memorandum Circular No. 12, Series of 2014, publicly-listed companies are required to post in their website the Consolidated Changes in their Annual Corporate Governance Report (ACGR) containing all the updates and changes made in their ACGR for the whole year, within ten (10) days from the end of the second (2<sup>nd</sup>) to the fourth (4<sup>th</sup>) year after the initial submission of their ACGR;

RESOLVED, that after review and discussion, the Board of Directors hereby approves the Company's Consolidated Changes in the ACGR for the year 2015 covering updates and changes made from January 1 to December 31, 2015;

FURTHER RESOLVED, that the Compliance Officer and / or Alternate Compliance Officer, be, and as they are hereby authorized, to sign and execute any and all documents relative to the above;

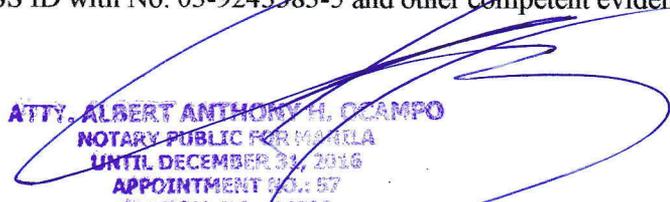
RESOLVED FINALLY, as submission and compliance to the said requirements of SEC, the Board of Directors hereby authorizes the posting on the Company's website of the approved Consolidated Changes in ACGR for the year 2015, and to update the same if necessary, hereby confirming and ratifying whatever acts were done or to be done under the premises.”

Done this day of JAN 05 2016 at MANILA.

  
**EMMA G. JULARBAL**  
Corporate Secretary

SUBSCRIBED AND SWORN to before me in MANILA City on JAN 05 2016, affiant personally appeared and exhibited her SSS ID with No. 03-9243383-5 and other competent evidence of identification.

Doc. No. 378 ;  
Page No. 77 ;  
Book No. II ;  
Series of 2016.

  
**ATTY. ALBERT ANTHONY H. OCAMPO**  
NOTARY PUBLIC FOR MANILA  
UNTIL DECEMBER 31, 2016  
APPOINTMENT NO.: 57  
IBP ROLL NO.: 44238  
PTR No.: 3218866/1-10-2015/Manila  
IBP No.: 07084/Lifadms/Leguro  
517-819 Quikín Paredes St., Binondo Manila

## A. BOARD MATTERS

### 1) Board of Directors

|  |                 |
|--|-----------------|
| <b>Number of Directors per Articles of Incorporation</b> | <b>Nine (9)</b> |
|--|-----------------|

|  |                 |
|--|-----------------|
| <b>Actual number of Directors for the year</b> | <b>Nine (9)</b> |
|--|-----------------|

#### (a) Composition of the Board

*Complete the table with information on the Board of Directors:*

| Director's Name        | Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)] | If nominee, identify the principal | Nominator in the last election (If ID, state the relationship with the nominator) | Date first elected | Date last elected (If ID, state the number of years served as ID) | Elected when (Annual/Special Meeting) | No. of years served as Director |
|------------------------|---|------------------------------------|---|--------------------|---|---------------------------------------|---------------------------------|
| Washington SyCip       | ID  | N.A.                               | Romeo E. Ng (no relation)   | June 2001          | June 2, 2015  | Annual meeting                        | 14                              |
| Stephen C. Roxas       | NED   | N.A.                               | Catherine Grace Wong  | January 1978       | June 2, 2015  | Annual meeting                        | 37                              |
| Andrew I. Liuson       | NED   | N.A.                               | Catherine Grace Wong  | October 1979       | June 2, 2015  | Annual meeting                        | 36                              |
| Grace C. Liuson        | NED   | N.A.                               | Catherine Grace Wong  | October 1979       | June 2, 2015  | Annual meeting                        | 36                              |
| Josef C. Gohoc         | ED  | N.A.                               | Catherine Grace Wong  | January 2011       | June 2, 2015  | Annual meeting                        | 4                               |
| Sabino R. Padilla, Jr. | NED   | N.A.                               | Catherine Grace Wong  | June 2006          | June 2, 2015  | Annual meeting                        | 9                               |
| Peter S. Dee           | ID  | N.A.                               | Marianne M. Martin (no relation)  | October 1979       | June 2, 2015  | Annual meeting                        | 36                              |
| Alice C. Gohoc         | NED   | N.A.                               | Catherine Grace Wong  | September 1996     | June 2, 2015  | Annual meeting                        | 19                              |
| Helen C. Roxas         | NED   | N.A.                               | Catherine Grace Wong  | October 1979       | June 2, 2015  | Annual meeting                        | 36                              |

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

#### Corporate Governance Policy Summary

The Corporate Governance policy of Cityland Development Corporation represents the rules, systems and processes that govern the performance of the Board of Directors and Management of their respective duties and responsibilities. These rules as contained in the Revised Manual of Corporate Governance shall institutionalize the principles of good corporate governance in the entire organization.

The Board of Directors and the Management of Cityland Group believe that good corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness within the organization.

The Board of Directors and the Management commit themselves to the principles and best practices of corporate governance as contained in the Revised Manual of Corporate Governance and acknowledge that the same shall guide the attainment of corporate goals.

The Corporate Governance policies of the Company are summarized as follows:

### **Board of Directors**

The Board of Directors is primarily responsible for the governance of the company. The Board sets the policies for the accomplishment of the corporate objectives and provides independent check on the Management. It is the Board's responsibility to foster the long-term success of the Company, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders.

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

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

All stockholders, including minority stockholders are treated equally and without discrimination.

The Board respects the rights of the stockholders as provided for in the Corporation Code:

- i. Right to vote on all matters that require their consent or approval;*
- ii. Pre-emptive right to all stock issuances of the corporation;*
- iii. Right to inspect corporate book and records;*
- iv. Right to information;*
- v. Right to dividends; and*
- vi. Appraisal right.*

### **Other Stakeholders' Relations**

The Company acknowledges the roles of different stakeholders in the attainment of its objectives and recognizes its obligations over them, as well.

The Company's customers, business partners, employees, creditors, government, communities, non-government organizations, media and the general public are valued and recognized by the Company as its success rests on the relationship with these stakeholders through their support and contribution to the Company.

### **Financial Reporting, Disclosures and Transparency**

As a commitment to the standards of full disclosure and transparency, the Company consistently provides the stakeholders and general public of the substantial and material financial and operating information through timely and adequate disclosure filings to the respective regulatory agencies. Such information include among others, earning results and other financial reports, related party transactions, ownership structure, other operating information and material management actions which are fully disclosed in a timely manner as compliance to disclosure requirements under existing laws and regulations.

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

The vision and mission of the Group is being reviewed by the Board from time to time and as the need arises to affirm that these are still consistent with the corporate goals.

(d) *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:*

| <b>Director's Name</b> | <b>Corporate Name of the Group Company</b>   | <b>Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.</b>   |
|------------------------|--|---|
| Stephen C. Roxas       | Cityland, Inc.<br>City & Land Developers, Incorporated<br>Cityplans, Incorporated<br>CityAds, Inc.<br>Credit and Land Holdings, Inc. | Non-Executive Director / Chairman<br>Non-Executive Director<br>Non-Executive Director<br>Non-Executive Director / Chairman<br>Non-Executive Director / Chairman |
| Andrew I. Liuson       | Cityland, Inc.<br>City & Land Developers, Incorporated<br>Cityplans, Incorporated<br>CityAds, Inc.<br>Credit and Land Holdings, Inc. | Non-Executive Director<br>Non-Executive Director<br>Non-Executive Director / Chairman<br>Non-Executive Director<br>Non-Executive Director                       |
| Grace C. Liuson        | Cityland, Inc.<br>City & Land Developers, Incorporated<br>Cityplans, Incorporated<br>CityAds, Inc.<br>Credit and Land Holdings, Inc. | Non-Executive Director<br>Non-Executive Director<br>Non-Executive Director<br>Non-Executive Director<br>Non-Executive Director                                  |
| Josef C. Gohoc         | Cityland, Inc.<br>City & Land Developers, Incorporated<br>CityAds, Inc.  | Executive Director<br>Executive Director<br>Executive Director  |
| Peter S. Dee           | Cityland, Inc.<br>City & Land Developers, Incorporated<br>Cityplans, Incorporated  | Independent Director<br>Independent Director<br>Independent Director  |
| Sabino R. Padilla, Jr. | City & Land Developers, Incorporated   | Non-Executive Director/<br>Chairman   |
| Alice C. Gohoc         | Cityland, Inc.<br>City & Land Developers, Incorporated<br>CityAds, Inc.<br>Credit and Land Holdings Inc.                             | Non-Executive Director<br>Non-Executive Director<br>Non-Executive Director<br>Non-Executive Director  |
| Helen C. Roxas         | Cityland, Inc.<br>City & Land Developers, Incorporated<br>Cityplans, Incorporated<br>CityAds, Inc.<br>Credit and Land Holdings, Inc. | Non-Executive Director<br>Non-Executive Director<br>Non-Executive Director<br>Non-Executive Director<br>Non-Executive Director                                  |

<sup>2</sup> The Group is composed of the Ultimate Parent Company, subsidiaries and affiliates.

(ii) *Directorship in Other Listed Companies*

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

| Director's Name  | Name of Listed Company           | Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman. |
|------------------|----------------------------------|--|
| Washington SyCip | Belle Corporation                | Independent Director   |
|                  | First Philippine Holdings, Corp. | Independent Director   |
|                  | Highlands Prime Inc.             | Independent Director   |
|                  | MacroAsia Corporation            | Non-Executive Director / Chairman  |
|                  | Philippine National Bank         | Non-Executive Director   |
|                  | Century Properties Group Inc.    | Independent Director   |
|                  | Lopez Holdings Corp.             | Independent Director   |
|                  | Metro Pacific Investments Corp.  | Independent Director   |
| Peter S. Dee     | China Banking Corp.              | Non- Executive Director  |

(iii) *Relationship within the Company and its Group*

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its Group:

| Director's Name  | Name of the Significant Shareholder                   | Description of the Relationship                      |
|------------------|---|--|
| Stephen C. Roxas | Cityland, Inc.<br>Grace C. Liuson                     | Stockholder and Director<br>Sister                   |
| Andrew I. Liuson | Cityland, Inc.<br>Stephen C. Roxas<br>Grace C. Liuson | Stockholder and Director<br>Brother-in-law<br>Spouse |
| Grace C. Liuson  | Cityland, Inc.<br>Stephen C. Roxas                    | Stockholder and Director<br>Brother                  |
| Josef C. Gohoc   | Cityland, Inc.<br>Stephen C. Roxas<br>Grace C. Liuson | Stockholder and Director<br>Uncle<br>Aunt            |
| Peter S. Dee     | Cityland, Inc.  | Director   |
| Alice C. Gohoc   | Cityland, Inc.<br>Stephen C. Roxas<br>Grace C. Liuson | Stockholder and Director<br>Brother<br>Sister        |
| Helen C. Roxas   | Cityland, Inc.<br>Stephen C. Roxas<br>Grace C. Liuson | Stockholder and Director<br>Spouse<br>Sister-in-law  |

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

|                        | <b>Guidelines</b>   | <b>Maximum Number of Directorship in Other Companies</b> |
|------------------------|---|--|
| Executive Director     | <p><u><i>(Revised Manual of Corporate Governance: Article 3, Multiple Board Seats)</i></u></p> <p>The optimum number of directorship (executive and non-executive) should take into consideration the capacity of a director to diligently and efficiently perform his duties and responsibilities.</p> <p>The Chief Executive Officer (“CEO”) and other executive directors are covered by a lower indicative limit for membership in other boards. A similar limit applies to independent or non-executive directors who, at the same time, serve as full-time executives in other corporations. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised.</p> |  |
| Non-Executive Director |   |  |
| CEO                    |   |  |

(c) *Shareholding in the Company*

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

| <b>Name of Director</b> | <b>Number of Direct Shares</b> | <b>Number of Indirect Shares / Through (name of record owner)</b> | <b>% of Capital Stock (Issued and outstanding)</b> |
|-------------------------|--------------------------------|---|--|
| Washington SyCip        | 982                            | -   | 0.000027%  |
| Stephen C. Roxas        | 263,132,018                    | 38,644,715  | 8.4485   |
| Andrew I. Liuson        | 109,328,504                    | 20,655,746  | 3.6390   |
| Grace C. Liuson         | 190,582,667                    | -   | 5.3355   |
| Josef C. Gohoc          | 47,876,199                     | 6,174,927   | 1.5132   |
| Sabino R. Padilla, Jr.  | 65,242                         | -   | 0.0018   |
| Peter S. Dee            | 456,730                        | -   | 0.0128   |
| Alice C. Gohoc          | 123,649,781                    | 3,262,383   | 3.5530   |
| Helen C. Roxas          | 54,295,987                     | -   | 1.5201   |
| <b>TOTAL</b>            | <b>789,388,110</b>             | <b>68,737,771</b>   | <b>24.023927%</b>                                  |

2) *Chairman and CEO*

(a) *Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.*

Yes

No

Identify the Chairman and CEO:

|                              |                  |
|------------------------------|------------------|
| <b>Chairman of the Board</b> | Washington SyCip |
| <b>CEO / President</b>       | Josef C. Gohoc   |

(b) *Roles, Accountabilities and Deliverables*

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

|                         | <b>Chairman</b>   | <b>Chief Executive Officer</b>   |
|-------------------------|---|--|
| <b>Role</b>             | The principal role of the Chairman is to manage and provide leadership to the Board in the performance of its duties and responsibilities.  | The role of the Chief Executive Officer is to provide leadership to the business of the Company and manage it within the authorities delegated by the Board.   |
| <b>Accountabilities</b> | <p><i>Accountabilities and Deliverables of the Chairman of the Board:</i></p> <p><u>Accountabilities of the Chairman</u></p> <p>The Chairman shall be accountable for the proper leadership and management of the Board in its activities to foster the long-term success of the Corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders.</p> <p>He shall also provide management to the Board in the formulation of the corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance.</p> | <p><i>Accountabilities and Deliverables of the Chief Executive Officer:</i></p> <p><u>Accountabilities, Deliverables and Duties and functions of the CEO</u></p> <p>The CEO shall be accountable with the overall conduct of business of the corporation.</p> <p>He shall be primarily responsible with the implementation of policies as authorized by the BOD in the conduct of the business of the Company.</p> <p>This includes managing credit, market, liquidity, operational, legal and other risks of the Company.</p>   |
| <b>Deliverables</b>     | <p>He shall also have the following powers and responsibilities:</p> <p><u>(Company Amended By-Laws: Article 3.3. President)</u></p> <p><u>Deliverables and Duties and Functions of the Chairman</u></p> <p><u>Revised Manual of Corporate Governance: Article 3.C. The Chairman and the CEO</u></p> <p>The Chairman shall have the following duties and functions:</p> <p>He shall preside at all meetings of the Board of Directors and shall exercise such other powers and perform such other duties as the Board of Directors may, from time to time, fix or delegate.</p> <p>Ensure that the meetings of the Board are held in accordance with the by-laws or as the Chairman may deem</p>                          | <p>He shall also have the following powers and responsibilities:</p> <p><u>(Company Amended By-Laws: Article 3.3. President)</u></p> <p>To preside at all meetings of the stockholders and of the Board of Directors in the absence of the Chairman of the Board.</p> <p>To have direct and active management of the business and operations of the Company, conducting the same according to the orders, resolutions and instructions of the Board of Directors and his own discretion whenever and wherever the same is not expressly limited by such orders, resolutions and instructions.</p> <p>To exercise general supervision over all other officers and employees of the Company, and appoint, and at his discretion remove or suspend, all employees, agents, and other subordinate personnel of the</p> |

|  | <b>Chairman</b>   | <b>Chief Executive Officer</b>  |
|--|---|---|
|  | <p>necessary;</p> <p>Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management and the directors;</p> <p>Maintain qualitative and timely lines of communication and information between the Board and Management.</p> | <p>Company and prescribe their duties, and fix or change from time to time, their respective salaries and wages, and require guaranties or bonds in such amounts as he may determine to secure the faithful discharge by certain employees or agents of their official trust.</p> <p>To create, open and provide for the maintenance of such branches or agencies in the Philippines or in foreign countries and to appoint and vest authority in such officers and agents in said branches or agencies as the President deems expedient.</p> <p>To obtain loans overdrafts and credit facilities from any banking institution, company, partnership, or person in such amount and under conditions or stipulations as he deems convenient, and to secure its payment and its interests as well, the President is likewise authorized to hypothecate or pledge the real and personal properties of the corporation.</p> <p>To execute in behalf of the corporation all contracts and agreements which said corporation may enter into.</p> <p>To sign, endorse, and deliver all checks, drafts bills of exchange, promissory notes and orders of payment of sums of money in the name and in behalf of the corporation.</p> <p>To open bank accounts for the corporation with any banking institution in the City of Manila or in other cities or towns in the Philippines or in foreign countries; and to sign checks, receipts and any other instruments for withdrawal from said accounts.</p> <p>To submit an annual report of the operations of the corporation to the Board of Directors and at such other time as the latter may request, an annual report thereof to the stockholders at the annual meeting.</p> <p>To sign certificates of stock.</p> <p>To exercise such powers and perform such other duties as the Board of Directors may from time to time, fix or delegate.</p> <p>The President may delegate any of the above powers to any officer.</p> |

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

The Board of Directors plan for the succession of top key management positions through implementation of an effective process which includes appointment and selection of competent, professional, honest and highly-motivated management officers.

Revised Manual of Corporate Governance: Article 3.H. Internal Control Responsibilities of the Board

As part of the internal control mechanisms adopted by the Board in the performance of its oversight responsibilities over the Management, the Board's responsibility includes:

- ▲ Definition of the duties and responsibilities of the CEO who is ultimately accountable for the Company's organizational and operational controls;
- ▲ Selection of the person who possesses the ability, integrity and expertise essential for the position of CEO;
- ▲ Evaluation of proposed senior management appointments;
- ▲ Selection and appointment of qualified and competent management officers; and
- ▲ Review of the Company's human resource policies, conflict of interest situations, compensation program for employees, and management succession plan.

The Management's succession plan is being reviewed by the Board of Directors with the assistance of the Management through its Human Resources Department by examining the Company's current goals and direction to properly reflect the qualifications of the future Management appointees which the Company will need.

4) *Other Executives, 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.*

Revised Manual of Corporate Governance: Article 3.D Qualifications of Directors

In addition to the qualifications for membership in the Board as provided for in the Corporation Code, Securities Regulation Code and other relevant laws, The Board provides for additional qualifications which include, among others, the following:

- college education or equivalent academic degree;
- practical understanding of the business of the Corporation;
- membership in good standing in relevant industry, business or professional organizations; and
- previous business experience.

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

Yes. This is taken into account during the Nomination of the Directors through the Nomination Committee. Non-executive director/s of the Company has proven track record experience in the industry it belongs to as evidenced by their business experience.

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

|                         | <b>Executive</b>  | <b>Non-Executive</b>   | <b>Independent Director</b>  |
|-------------------------|---|--|--|
| <b>Role</b>             | <p>The role of the Executive Director is to design, develop and implement strategic plans for their organization in a cost-effective and time-efficient manner.</p>   | <p>The role of a non-executive director is to provide the Board of Directors objective criticism and advice in the matters of its activities.</p> <p>They provide an objective judgment to bear on issues of strategy, performance and resources including key appointments and standards of conduct.</p> <p>Non-executive directors provide general guidance and a different perspective on matters of concern.</p> | <p>The Company defines an independent director as a person other than an officer or employee of the corporation, its parent or subsidiaries, or any other individual having a relationship with the corporation, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.</p> <p>Independent directors protect the interests of all shareholders and ensure that any fraudulent and incompetent actions by the management do not go unnoticed.</p> <p>Independent directors are expected to be independent from the management and act as the trustees of shareholders.</p> <p>They are obligated to be fully aware of and question the conduct of organization on relevant issues.</p> |
| <b>Accountabilities</b> | <p><u>Accountabilities, Deliverables and Functions of the Executive Director</u></p> <p>The Executive Director is responsible for the day-to-day operation of the organization, including managing committees and staff and developing business plans in collaboration with the Board for the future of the organization.</p> | <p><u>Accountabilities, Deliverables and Functions of the Non- Executive Director</u></p> <p>Non-executive directors are expected to focus on board matters and not be involved in executive directions or operations of the company.</p>  | <p><u>Accountabilities, Deliverables and Functions of an Independent Director</u></p> <p>Independent Directors safeguard the interests of all shareholders.</p>  |
| <b>Deliverables</b>     | <p>The Executive Director is accountable to the Chairman of the Board and reports to the board on a regular basis - quarterly, semiannually, or annually.</p>   | <p>In so doing, they should provide an objective view of the company, distinct from its day-to-day operations.</p>   | <p>They also review the management's performance and make sure that financial information provided to shareholders is accurate and complete.</p> <p>They also ensure that an effective risk management system is in place.</p> <p>Independent directors therefore are appointed to</p>   |

|  | <b>Executive</b>   | <b>Non-Executive</b> | <b>Independent Director</b>   |
|--|--|----------------------|---|
|  | The Executive Director leads the organization and develops its organizational culture. |                      | bring to the Board:<br>(a) independence<br>(b) impartiality<br>(c) wide experience<br>(d) specialist knowledge. |

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

As defined in the Revised Manual of Corporate Governance, independence is being free of any business or other relationship which could, or could reasonably be perceived to, materially interfere with the exercise of one's judgment in carrying out his responsibilities.

The Company complies with this definition by ensuring that the Board of Directors is composed of at least two (2) independent directors: (1) Dr. Washington SyCip; and (2) Mr. Peter Dee, as per SRC Rule 38 and SEC Memorandum Circular No. 6, Series of 2009, Revised Code of Corporate Governance.

*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.*

In compliance with SEC Memorandum Circular No. 9, Series of 2011, the Company has implemented a term limit of five (5) consecutive years for independent directors. After the completion of the five (5) year service period, an ID can be elected for another period of five (5) consecutive years, after the "cooling-off" period of two (2) years, provided that during such period, the ID concerned has not engaged in any activity that under existing rules disqualifies a person from being elected as ID in the company.

This term limit on independent directors is effective January 2, 2012.

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

(a) Resignation/Death/Removal

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

There has been no change/s that happened in the composition of the Board during the years 2013 and 2014.

| <b>Name</b> | <b>Position</b> | <b>Date of Cessation</b> | <b>Reason</b> |
|-------------|-----------------|--------------------------|---------------|
| N.A.        | N.A.            | N.A.                     | N.A.          |

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

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

| Procedure                       | Process Adopted  | Criteria   |
|---------------------------------|--|--|
| <b>a. Selection/Appointment</b> |  |  |
| (i) Executive Directors         | <p>In the selection and appointment of Board of Directors: <u>executive, non-executive and independent</u>,</p> <p><i>(Amended Company By-Laws: Article II.1 Qualification and Election of Directors)</i></p> <p>The Board of Directors shall be elected annually by stockholders owning or representing at least majority of the subscribed and outstanding capital stock of the Corporation and have a term of one (1) year and shall serve until the election and qualification of successors.</p>  | <p>Criteria for the selection and appointment of Board of Directors: <u>executive, non-executive and independent</u></p> <p><i>(Amended Company By-Laws: Article II.1, Qualification and Election of Board of Directors)</i></p> <p>All members of the Board of Directors were pre-screened by the Nomination Committee in accordance with the following qualifications:</p>   |
| (ii) Non-Executive Directors    | <p><i>(Definitive Information Statement: SEC Form 20-IS: Control and Compensation Information, IV. Voting Securities and Principal Holders Thereof)</i></p> <p>In the election of directors, the number of votes to which each stockholder is entitled shall be equal to the number of shares he owns multiplied by the number of directors to be elected. All stockholders shall have cumulative voting rights. Each stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit.</p> | <ul style="list-style-type: none"> <li>• holder of at least one (1) share of stock of the Corporation;</li> <li>• at least a college graduate or have sufficient experience in managing the business to substitute for such formal education;</li> <li>• at least 21 years old; and</li> <li>• proven to possess integrity and probity.</li> </ul> <p><i>(Revised Manual of Corporate Governance: Article 3.D. Qualification of Directors)</i></p> <p>In addition to the qualifications for membership in the Board provided for in the Corporation Code, Securities Regulation Code and other relevant laws, the Board provides for additional qualifications which include, among others, the following:</p> |
| (iii) Independent Directors     | <p><i>(Amended Company By-Laws: Article II.7 Nomination and Election of Independent Directors)</i></p> <p><i>((Definitive Information Statement: SEC Form 20-IS: Control and Compensation Information, Procedures for Nomination and Election of Independent Directors)</i></p> <p>Nomination of independent directors shall be conducted by the Nomination Committee prior to a stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.</p> <p>The Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively</p>  | <ul style="list-style-type: none"> <li>△ College education or equivalent academic degree;</li> <li>△ Practical understanding of the business of the Corporation;</li> <li>△ Membership in good standing in relevant industry, business or professional organizations; and</li> <li>△ Previous business experience.</li> </ul>  |

| Procedure                | Process Adopted   | Criteria   |
|--------------------------|---|--|
|                          | <p>review the qualifications of the nominees for independent director/s.</p> <p>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 directors shall be identified in such report including any relationship with the nominee.</p> <p>Only nominees whose names appear on the Final List of Candidates shall be eligible for election as independent directors. 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.</p> <p>Subject to pertinent existing laws, rule and regulations, the conduct of the election of the independent director shall be made in accordance with the standard election procedures of this By-laws.</p> <p>It shall be the responsibility of the Chairman of the meeting to inform all stockholders in attendance of the mandatory requirement of electing independent directors. He shall ensure that independent directors are elected during the stockholders’ meeting.</p> <p>Specific slot for the independent directors shall not be filled-up by unqualified nominee.</p> <p>In case of failure of election of independent director, the Chairman of the meeting call a separate election during the same meeting to fill up the vacancy.</p> | <p><i>Independent Directors</i></p> <p>In addition to the above criteria and qualifications to be elected as a director, an independent director to be nominated and elected should possess all qualifications to serve as an independent director of the Company, as provided for in Section 38 of SRC Code and its implementing rules.</p> <p><i>(Definitive Information Statement: SEC Form 20-IS, Control and Compensation Information, Nominees for Election as Members of the Board of Directors for the ensuing term/ year)</i></p> |
| <b>b. Re-appointment</b> |   |  |
| (i) Executive Directors  | <p>Members of the Board of Directors are elected annually during the stockholders' meeting.</p> <p>The members of the Board may be elected and nominated for re-election for another term of one (1) year provided that he/ she is still</p>  | <p>The same qualifications/ criteria in <i>letter a. Selection and Appointment</i> apply for the re-appointment or re-election of directors: executive, non-executive and independent.</p>   |

| Procedure                            | Process Adopted   | Criteria   |
|--------------------------------------|---|--|
| (ii) Non-Executive Directors         | <p>qualified under the qualifications of the Amended By-Laws, Revised Manual of Corporate Governance and existing laws, rules and regulations.</p> <p><i>Independent Directors:</i></p>   | <p>An additional criteria for the independent director who will be re-elected for another five (5) years after undergoing a 2-year “cooling off” period:</p> <ul style="list-style-type: none"> <li>The independent concerned should have not engaged in any activity during the two (2)- year “cooling off” period that under existing rules disqualifies a person from being elected as ID in the company.</li> </ul>  |
| (iii) Independent Directors          | <p>The above is applicable for independent directors, however, a term limit of five (5) years has been set for the re-election and appointment of independent directors in compliance with SEC Memorandum Circular No. 9, Series of 2011, effective January 2, 2012. An independent director who had served for five (5) consecutive years may be re-elected for another five (5) years, provided that he/ she had undergone the two (2) year “cooling off” period.</p> |  |
| <b>c. Permanent Disqualification</b> |   |  |
| (i) Executive Directors              | <p>The Board of Directors shall be the body to review, evaluate and assess a director's continuing qualification as a member of the Board.</p> <p>The Board had laid down the grounds as enumerated in the next column for the disqualification of directors as member of the Board.</p>  | <p><u>(Revised Manual of Corporate Governance: Article 3.E Disqualification of Directors)</u></p> <p>The following shall be grounds for the permanent disqualification of a director <u>(executive/non-executive/independent)</u>:</p>   |
| (ii) Non-Executive Directors         | <p>A director, upon proof of the misconduct and with any final judgment or conviction of the grounds for disqualification, shall immediately be disqualified as a member of the Board.</p>  | <p>(i) Conviction by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code;(b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;</p> |
| (iii) Independent Directors          |   | <p>(ii) By reason of misconduct, after hearing, permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer,</p>   |

| Procedure | Process Adopted | Criteria   |
|-----------|-----------------|--|
|           |                 | <p>investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities;</p> <p>Disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;</p> <p>(iii) Conviction by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;</p> |

| Procedure                            | Process Adopted  | Criteria   |
|--------------------------------------|--|--|
|                                      |  | <p>(iv) Adjudged by final judgment or order of Commission, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law administered by the Commission or BSP, or any its rule, regulation or order;</p> <p>(v) Elected earlier as an independent director who becomes an officer, employee or consultant of the same corporation;</p> <p>(vi) Being judicially declared as insolvent;</p> <p>(vii) Guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in sub-paragraphs (i) to (v) above;</p> <p>(viii) Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.</p> |
| <b>d. Temporary Disqualification</b> |  |  |
| (i) Executive Directors              | <p>The Board of Directors shall be the body to review, evaluate and assess a director's continuing qualification as member of the Board.</p> <p>The Board had laid down the grounds as enumerated in the next column for the disqualification of directors as member of the Board.</p> | <p><u><i>(Revised Manual of Corporate Governance: Article 3.E Disqualification of Directors)</i></u></p> <p>The following shall be grounds for temporary disqualification of a director <u><i>(executive/non-executive/independent)</i></u>:</p>   |
| (ii) Non-Executive Directors         | <p>A director, upon proof of the misconduct and with any final judgment or conviction of the grounds for disqualification, shall immediately be disqualified as a member of the Board.</p>   | <p>(i) Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal</p>   |

| Procedure  | Process Adopted   | Criteria   |
|--|---|--|
|  | A temporary disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent. | <p>persists;</p> <p>(ii) Absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election;</p> <p>(iii) Dismissal or termination for cause as director of Cityland Development Corporation covered by the Code. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination;</p> <p>(iv) If the beneficial equity ownership of an independent director in the Corporation or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with;</p> <p>(v) If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.</p> |
| <b>e. Removal</b>  |   |  |
| (i) Executive Directors  | A member of the Board of Director may be removed upon the recommendation of the Nomination Committee based on the following criteria as enumerated in the following column.   | The following are the criteria or grounds for a removal of a director as a member of the Board_ <u>(executive, non-executive, independent)</u> :   |
| (ii) Non-Executive Directors   |   |  |
| (iii) Independent Directors  |   |  |
| <p>^ He was finally convicted judicially of an offense involving moral turpitude or fraudulent act or transgressions;</p> <p>^ He was finally found by SEC or a court or other administrative body to have willfully violated, or willfully aided, abetted, counselled, induced or procured the violation of the Securities Regulation</p> |   |  |

| Procedure                    | Process Adopted   | Criteria   |  |
|------------------------------|---|--|--|
|                              |   | <p>Code, the Corporation Code, or any other law administered by SEC or BSP, or any rule, regulation or order of the SEC or BSP.</p> <ul style="list-style-type: none"> <li>⋄ He was judicially declared to be insolvent;</li> <li>⋄ He was convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment; and</li> <li>⋄ For independent director, if he becomes an officer or employee of the Corporation.</li> </ul>   |  |
| <b>f. Re-instatement</b>     |   |  |  |
| (i) Executive Directors      | <p>A temporarily disqualified or suspended director may be re-instated as a member of the Board, provided that, within sixty (60) business days from such disqualification or suspension, the director concerned takes the appropriate action to remedy or correct the disqualification or suspension. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent and may or may not be re-instated or eligible to be a director again.</p> | <p>A director (<u>executive, non-executive, independent</u>) may be re-instated as a member of the Board of Directors if and when:</p> <ul style="list-style-type: none"> <li>• He had taken appropriate action to remedy or correct his suspension or disqualification and has cleared himself of any involvement in the alleged irregularity.</li> <li>• He still possesses the qualifications of a director set forth in the Company By-Laws, Revised Manual of Corporate Governance and other existing laws, rules and regulations.</li> <li>• He agreed to fully disclose the extent of his business interest as required under the Securities Regulation Code and its Implementing Rules and Regulations.</li> </ul> |  |
| (ii) Non-Executive Directors |   |  |  |
| (iii) Independent Directors  |   |  |  |
| <b>g. Suspension</b>         |   |  |  |
| (i) Executive Directors      | <p>The rules and procedures of a suspension of a director are embodied in the Revised Manual of Corporate Governance under Disqualification of Directors and are also discussed in <i>letter c. Permanent</i></p>   | <p>In addition to the criteria or grounds for suspension of a director as embodied in the Revised Manual of Corporate Governance under Disqualification of Directors, a</p>  |  |
| (ii) Non-Executive Directors |   |  |  |

| Procedure                   | Process Adopted   | Criteria   |
|-----------------------------|---|--|
| (iii) Independent Directors | <i>disqualification and letter d. Temporary disqualification above.</i> | <p>member of the Board of Directors upon recommendation of the Nomination Committee may be suspended based on the following:</p> <ul style="list-style-type: none"> <li>△ He refused to fully disclose the extent of his business interest as required under the Securities Regulation Code and its Implementing Rules and Regulations.</li> <li>△ Absence or non-participation for whatever reason/s for more than 50% of all meetings, both regular or special, of the Board of Directors during his incumbency, or any 12 month period during said incumbency.</li> <li>△ Dismissal/ termination from directorship in another listed corporation for a cause.</li> <li>△ Conviction that has yet become final.</li> </ul> |

*Voting Result of the last Annual General Meeting (June 2, 2015)*

| Name of Director       | Votes Received   |
|------------------------|--|
| Washington SyCip (I)   | 2,689,885,064 votes representing 75.30% of the outstanding capital stock |
| Stephen C. Roxas       | 2,689,885,064 votes representing 75.30% of the outstanding capital stock |
| Andrew I. Liuson       | 2,689,885,064 votes representing 75.30% of the outstanding capital stock |
| Grace C. Liuson        | 2,689,885,064 votes representing 75.30% of the outstanding capital stock |
| Josef C. Gohoc         | 2,689,885,064 votes representing 75.30% of the outstanding capital stock |
| Sabino R. Padilla, Jr. | 2,689,885,064 votes representing 75.30% of the outstanding capital stock |
| Peter S. Dee (I)       | 2,689,885,064 votes representing 75.30% of the outstanding capital stock |
| Alice C. Gohoc         | 2,689,885,064 votes representing 75.30% of the outstanding capital stock |
| Helen C. Roxas         | 2,689,885,064 votes representing 75.30% of the outstanding capital stock |

(6) Orientation and Education Program

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

New directors are oriented of the Company's background, corporate goals, organizational structure and business operations through the following:

1. Orientation and induction meeting by the Board of Directors as soon as the new director is elected; and
2. Briefing and presentation of written materials such as the Company and Corporate Governance Manual, previous minutes of meeting of the Board of Directors, most recent strategic and operating plan, annual report and corporate videos;

However, for the years 2013 and 2014, there is no new director which would entail an orientation program.

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

The Company's Board of Directors and key officers completed a training course on Corporate Governance conducted by Center for Training and Development, Inc. (CTDI) on November 25, 2015 as follows:

| <i>Name of Director/ Officer</i> | <i>Position</i>   |
|----------------------------------|---|
| 1. Mr. Stephen C. Roxas          | Director / Chairman of the Executive Committee          |
| 2. Dr. Andrew I. Liuson          | Director / Vice Chairman of the Board                   |
| 3. Mrs. Grace C. Liuson          | Director  |
| 4. Mr. Josef C. Gohoc            | Director / President                                    |
| 5. Atty. Sabino R. Padilla, Jr.  | Director  |
| 6. Mr. Peter S. Dee              | Independent Director / Chairman of the Audit Committee  |
| 7. Mrs. Alice C. Gohoc           | Director  |
| 8. Mrs. Helen C. Roxas           | Director  |
| 9. Ms. Emma A. Choa              | Executive Vice President / Treasurer                    |
| 10. Mr. Rudy Go                  | Senior Vice President / Compliance Officer              |
| 11. Mr. Eden F. Go               | Vice President  |
| 12. Mrs. Melita M. Revuelta      | Vice President  |
| 13. Mr. Romeo E. Ng              | Vice President  |
| 14. Mrs. Melita L. Tan           | Vice President  |
| 15. Atty. Emma G. Jularbal       | Vice President – Legal Department / Corporate Secretary |
| 16. Mrs. Catherine Grace T. Wong | Assistant Corporate Secretary                           |
| 17. Ms. Dorothy U. So            | Internal Audit Head                                     |

Note: Mr. Washington SyCip, Independent Director / Chairman of the Board of Cityland Development Corporation, has been granted by the Securities and Exchange Commission (SEC) an exemption from the requirements of SEC Memorandum Circular No. 20, Series of 2013 directing all key officers and members of the Board of publicly-listed companies to attend a program on corporate governance at least once a year.

<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.

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

| Name of Director / Officer  | Date of Training | Program | Name of Training Institution |
|---|------------------|---------|------------------------------|
| Please refer to No.6.b. <i>Orientation and Education Program</i> above for the in-house training and external courses of the directors and senior management. |                  |         |                              |

## 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><u>Revised Manual on Corporate Governance: Article 3.G, Specific Duties and Responsibilities of a Director</u></p> <p><b>Conduct fair business transactions with the Corporation, and ensure that his personal interest does not conflict with the interests of the Corporation.</b></p> <p>The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality.</p> <p>If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process.</p> <p>A director who has a continuing material conflict of interest should seriously consider resigning from his position.</p> <p>A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the Corporation, or stands to acquire or gain financial advantage at the expense of the Corporation.</p> | <p><u>Company Personnel Manual</u></p> <p>An employee, as a condition of employment, accepts the responsibility of conducting himself at all times with complete honesty and in a manner which will not be in conflict with the best interests of the Company.</p> <p>The Company Personnel Manual enumerated the non-exclusive examples or conditions which are conflicts of interest.</p> <p>It will be the responsibility of the employee to:</p> <ol style="list-style-type: none"> <li>1. Not participate in conflicts of interest.</li> <li>2. Make full disclosure to the Company Management if such conflicts do exist.</li> <li>3. Review with his supervisor activities which could result in conflicts, and before participating in any such activities, obtain written approval of the EVP/ President which will be based upon a report made to him by the supervisor of the employee.</li> <li>4. Correct any existing conflicts within a period of time prescribed by the Management.</li> </ol> <p>It will be the responsibility of the Company Management in any review of a possible conflict of interest, to make decision which will protect the interests of the Company, and in so far as compatible with the Company's interests, to be fair and just to the employee.</p> <p>There shall be strict compliance to the provisions of these guidelines by all employees. Any violation of the provisions will render such an employee subject to discharge.</p> |           |

| Business Conduct & Ethics                        | Directors  | Senior Management                      | Employees   |
|--|--|--|---|
| <p>(b) Conduct of Business and Fair Dealings</p> | <p><u>Revised Manual on Corporate Governance: Article 3.G, Specific Duties and Responsibilities of a Director</u></p> <p>▲ <b>Conduct fair business transactions with the Corporation, and ensure that his personal interest does not conflict with the interests of the Corporation.</b></p> <p>The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process. A director who has a continuing material conflict of interest should seriously consider resigning from his position.</p> <p>A conflict of interest shall be considered material if the director’s personal or business interest is antagonistic to that of the Corporation, or stands to acquire or gain financial advantage at the expense of the Corporation.</p> <p>▲ <b>Devote the time and attention necessary to properly and effectively perform his duties and responsibilities.</b></p> <p>A director should devote sufficient time to familiarize himself with the Corporation’s business. He should be constantly aware of and knowledgeable with the Corporation’s operations to enable him to meaningfully contribute to the Board’s work. He should attend and actively participate in Board and committee meetings, review meeting materials and, if called for, ask questions or seek explanation.</p> <p>▲ <b>Act judiciously.</b></p> <p>Before deciding on any matter brought before the Board, a director should carefully evaluate the issues and, if necessary, make inquiries and request clarification.</p> | <p><u>Company Personnel Manual</u></p> | <p>An employee, as a condition of employment, accepts the responsibility of conducting himself at all times with complete honesty and in a manner which will not be in conflict with the best interests of the Company.</p> <p>The Company Personnel Manual enumerated the non-exclusive examples or conditions which are conflicts of interest prohibited by the Company in the proper performance and conduct of business and fair dealings of the senior management and all employees.</p> |

| Business Conduct & Ethics               | Directors  | Senior Management               | Employees  |
|---|--|---------------------------------|--|
|   | <p>▲ <b>Exercise independent judgment.</b></p> <p>A director should view each problem or situation objectively. If a disagreement with other directors arises, he should carefully evaluate and explain his position. He should not be afraid to take an unpopular position. Corollarily, he should support plans and ideas that he thinks are beneficial to the Corporation.</p>  |                                 |  |
| (c) Receipt of gifts from third parties | <p><u>Revised Manual on Corporate Governance: Article 3.G, Specific Duties and Responsibilities of a Director</u></p> <p><b>Conduct fair business transactions with the Corporation, and ensure that his personal interest does not conflict with the interests of the Corporation.</b></p> <p>The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process. A director who has a continuing material conflict of interest should seriously consider resigning from his position.</p> <p>A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the Corporation, or stands to acquire or gain financial advantage at the expense of the Corporation.</p> | <u>Company Personnel Manual</u> | <p><i>Accepting money or substantial gifts or favors from an outside person, firm, agency or organization which has dealings or seeks to have dealings with the Company.</i></p> <p>All Company officers and employees are prohibited from accepting gifts, fees, and commissions from clients in the course of duty. Gifts from clients have to be politely declined.</p>   |
| (d) Compliance with Laws & Regulations  | <p><u>Revised Manual on Corporate Governance: Article 3.G, Specific Duties and Responsibilities of a Director</u></p> <p><b>Have a working knowledge of the statutory and regulatory requirements that affect the Corporation, including its articles of incorporation and by-laws, the rules and regulations of the Commission and, where applicable, the requirements of relevant regulatory agencies.</b></p> <p>A director should keep abreast with industry developments and business trends in order to promote the</p>  | <u>Company Personnel Manual</u> | <p>The rules and regulations of the Company are incorporated in the provisions of the Personnel Manual as well as in such memoranda or circulars that may be issued by the Management or the Board of Directors from time to time.</p> <p>The executive officers, department heads and all employees have thoroughly familiarized themselves with the provisions of the Company's rules and regulations. Each employee has to be well informed of the contents of memoranda, circulars and other orders of the Company, especially those</p> |

| Business Conduct & Ethics                                   | Directors  | Senior Management  | Employees |
|---|--|--|-----------|
|   | corporation's competitiveness.   | pertaining to his own department. The department head is given the responsibility to keep his subordinates well-acquainted with and compliant to the Company rules and regulations and any changes thereof.  |           |
| (e) Respect for Trade Secrets/Use of Non-Public Information | <p><u>Revised Manual on Corporate Governance: Article 3.G, Specific Duties and Responsibilities of a Director</u></p> <p><b>Observe confidentiality.</b></p> <p>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.</p> | <p><u>Company Personnel Manual</u></p> <p><i>Divulging information about the Company, its plans or forecasts which is not public and before such information is released to the public.</i></p> <p>No officer or employee is authorized to issue press release without prior written approval of the Management.</p>   |           |
| (f) Use of Company Funds, Assets and Information            | <p><u>Revised Manual on Corporate Governance: Article 3.G, Specific Duties and Responsibilities of a Director</u></p> <p><b>Observe confidentiality.</b></p> <p>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.</p> | <p><u>Company Personnel Manual</u></p> <p>Official business matters and affairs should be kept in strict confidence and should not be divulged much less discussed with outsiders. Inquiries or requests for information should be referred to the Department Head for reply.</p> <p>Employees are strictly prohibited from removing from the Company premises records, books, letters, forms and other Company property without the permission of the President/ EVP.</p>   |           |
| (g) Employment & Labor Laws & Policies                      | <p>The Board of Directors in the performance of its duties is to ensure the Corporation's faithful compliance with all applicable laws, regulations and best business practices, including employment and labor laws, practices and policies.</p>  | <p>The Company continues to abide and comply with the existing labor laws and regulation, i.e. Minimum Wage Law and others rules with regards the employment, remuneration and mandatory benefits of its officers and employees.</p> <p>The company policies affecting the employment of senior management and employees are embodied in the Company Personnel Manual.</p> <p>This includes, among others, the policies on recruitment, selection of new employees, orientation of new employees, employment, promotion, resignation, work schedule and other office procedures.</p> |           |
| (h) Disciplinary action                                     | <p>The Company's policies and grounds for disciplinary actions affecting the Board of Directors are laid down in the <u>Revised Manual of Corporate Governance, Article 3.E. Disqualification of Directors.</u></p>  | <p><u>Company Personnel Manual</u></p> <p>The Management may suspend, remove or dismiss any Officer or employee for a just cause as provided for in this Manual or when authorized by existing laws upon proper application for clearance with the Department of Labor and Employment.</p>   |           |

| Business Conduct & Ethics | Directors  | Senior Management  | Employees |
|---------------------------|--|--|-----------|
|                           | <p><u>Revised Manual on Corporate Governance: Article 3.G, Specific Duties and Responsibilities of a Director</u></p> <p>Members of the Board should act in the best interest of the Corporation in a manner characterized by transparency, accountability and fairness. He should also exercise leadership, prudence and integrity in directing the Corporation towards sustained progress.</p> <p>A director should follow the norms of conduct as enumerated in the Revised Manual of Corporate Governance.</p>   | <p>Causes or offenses enumerated in the Company Personnel Manual will merit termination of the services of the employee found guilty besides the imposition of other penalties as may be determined by the Management.</p> <p><u>Company Personnel Manual</u></p> <p>The Officer or employee shall correct any existing conflicts of interest within a period of time prescribed by the Management.</p> <p>It will be the responsibility of the Company Management in any review of a possible conflict of interest, to make decision which will protect the interests of the Company, and in so far as compatible with the Company's interests, to be fair and just to the employee.</p> <p>There shall be strict compliance to the provisions of these guidelines by all employees. Any violation of the provisions will render such an employee subject to discharge.</p> |           |
| (i) Whistle Blower        | <p>The Board of Directors shall ensure the protection of any reporting member of the board, officer or employee of any violations of any company rules and regulation and governmental laws. This is done through implementation of whistle blower policies wherein members of the Board, officer or employee are encouraged to speak up any problems within the Company without fear of retaliation.</p>  | <p><u>Company Personnel Manual</u></p> <p>Any employee having proof of the dishonesty, negligence or disloyalty on the part of the Company's personnel should promptly report the matter, either verbally or in writing to his immediate supervisor or to any higher officer of the Company.</p>   |           |
| (j) Conflict Resolution   | <p><u>Revised Manual on Corporate Governance: Article 3.G, Specific Duties and Responsibilities of a Director</u></p> <p>If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process.</p> <p>A director who has a continuing material conflict of interest should seriously consider resigning from his position.</p> <p>A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the Corporation, or stands to acquire or gain financial advantage at the expense of the Corporation.</p> | <p><u>Company Personnel Manual</u></p> <p>The following are the procedures and responsibilities of the employee and the Management for conflict resolution:</p> <p>The senior management or employee should:</p> <ol style="list-style-type: none"> <li>1. Not participate in conflicts of interest.</li> <li>2. Make full disclosure to the Company Management if such conflicts do exist.</li> <li>3. Review with his supervisor activities which could result in conflicts, and before participating in any such activities, obtain written approval of the EVP/ President which will be based upon a report made to him by the supervisor of the employee.</li> </ol>  |           |

| Business Conduct & Ethics | Directors | Senior Management   | Employees |
|---------------------------|-----------|---|-----------|
|                           |           | <p>4. Correct any existing conflicts within a period of time prescribed by the Management.</p> <p>It will be the responsibility of the Company Management in any review of a possible conflict of interest, to make decision which will protect the interests of the Company, and in so far as compatible with the Company's interests, to be fair and just to the employee.</p> <p>There shall be strict compliance to the provisions of these guidelines by all employees. Any violation of the provisions will render such an employee subject to discharge.</p> |           |

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

Yes. The rules under the Personnel Manual are implemented through proper information to the Company personnel in the form of memoranda, circulars and other orders of the Company.

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

Company Personnel Manual

The rules and regulations of the Company are incorporated in the following provisions of this Manual as well as in such memoranda or circulars that may be issued by the Management or the Board of Directors from time to time.

The executive officers, department heads and all employees have thoroughly familiarized themselves with the provisions of the Company's rules and regulations. Each employee has to be well informed of the contents of memoranda, circulars and other orders of the Company, especially those pertaining to his own department. The department head is given the responsibility to keep his subordinates well-acquainted with and compliant to the Company rules and regulations and any changes thereof.

- 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         | <u>(2014 Audited Consolidated Financial Statements: Note 25. Related Party Transactions)</u> |
| (2) Joint Ventures         |  |

| Related Party Transactions                                   | Policies and Procedures   |
|--|---|
| (3) Subsidiaries   | <p>Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by or under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries, are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form.</p> <p>The Group discloses the nature of the related party relationship and information about the transactions and outstanding balances necessary for an understanding of the potential effect of the relationship on the consolidated financial statements, including, as a minimum, the amount of outstanding balances and its terms and conditions including whether they are secured, and the nature of the consideration to be provided in settlement.</p> <p><u><i>(Revised Manual of Corporate Governance: Article 3.F.2H. Duties and Responsibilities of the Board)</i></u></p> <p>The Board shall formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the Corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board.</p> |
| (4) Entities Under Common Control                            |   |
| (5) Substantial Stockholders                                 |   |
| (6) Officers including spouse/children/siblings/parents      |   |
| (7) Directors including spouse/ children/ siblings/ parents  |   |
| (8) Interlocking director relationship of Board of Directors |   |

(b) Conflict of Interest

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

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

Not applicable. The Company is not aware of any conflict of interest to which directors/ officers or 5% or more shareholders may be involved.

|                                  | Details of Conflict of Interest (Actual or Probable) |
|----------------------------------|--|
| Name of Director/s               | N.A.   |
| Name of Officer/s                | N.A.   |
| Name of Significant Shareholders | N.A.   |

(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.*

| <b>Directors/Officers/Significant Shareholders</b> |  |
|--|--|
| Company  | <p><u>Revised Manual of Corporate Governance: Article 3.H. Internal Control Responsibilities of the Board</u></p> <p>The control environment of the Corporation consists of (a) the Board which ensures that the Corporation is properly and effectively managed and supervised; (b) a Management that actively manages and operates the Corporation in a sound and prudent manner; (c) the organizational and procedural controls supported by effective management information and risk management reporting systems; and (d) an independent audit mechanism to monitor the adequacy and effectiveness of the Corporation's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts.</p> |
| Group  | <p>The Company also has an internal audit system that can reasonably assure the Board, Management and stockholders that its key organizational and operational controls are faithfully complied with, and to detect, determine and resolve any possible conflict of interest. The Board appoints an Internal Auditor to perform the audit function, and require him to report to the Audit Committee that allows the internal audit activity to fulfill its mandate.</p>   |

5) Family, Commercial and Contractual Relations

- (a) *Indicate, if applicable, any relation of a family, 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<sup>4</sup>:*

Not Applicable.

| Names of Related Significant Shareholders | Type of Relationship | Brief Description of the Relationship |
|---|----------------------|---------------------------------------|
| N.A.                                      | N.A.                 | N.A.                                  |

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

| Names of Related Significant Shareholders | Type of Relationship | Brief Description |
|---|----------------------|-------------------|
| N.A.                                      | N.A.                 | N.A.              |

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

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

There are no shareholder agreements that may impact on the control, ownership and strategic direction of the Company.

| Name of Shareholders | % of Capital Stock affected (Parties) | Brief Description of the Transaction |
|----------------------|---------------------------------------|--------------------------------------|
| N.A.                 | N.A.                                  | N.A.                                 |

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.*

For the past three (3) years, there have been no conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

|                                      | Alternative Dispute Resolution System |
|--------------------------------------|---------------------------------------|
| Corporation & Stockholders           | N.A.                                  |
| Corporation and Third Parties        | N.A.                                  |
| Corporation & Regulatory Authorities | N.A.                                  |

**C. BOARD MEETINGS & ATTENDANCE**

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

Board meetings are scheduled and disseminated to the members of the Board at the beginning of the year.

*Cityland Website: Corporate Governance Section, Board of Directors*  
[http://www.citylandcondo.com/main/corporate\\_governance.html#bod](http://www.citylandcondo.com/main/corporate_governance.html#bod)

2) *Attendance of Directors*

| Board                 | Name                   | Date of Election | No. of Meetings Held during the year (2014) | No. of Meetings Attended | %    |
|-----------------------|------------------------|------------------|---|--------------------------|------|
| Chairman/ Independent | Washington Sycip       | June 2, 2015     | 20  | 15                       | 75%  |
| Member                | Stephen C. Roxas       | June 2, 2015     | 20  | 20                       | 100% |
| Member                | Andrew I. Liuson       | June 2, 2015     | 20  | 20                       | 100% |
| Member                | Grace C. Liuson        | June 2, 2015     | 20  | 20                       | 100% |
| Member                | Josef C. Gohoc         | June 2, 2015     | 20  | 20                       | 100% |
| Member                | Sabino R. Padilla, Jr. | June 2, 2015     | 20  | 20                       | 100% |
| Independent           | Peter S. Dee           | June 2, 2015     | 20  | 17                       | 85%  |
| Member                | Alice C. Gohoc         | June 2, 2015     | 20  | 20                       | 100% |
| Member                | Helen C. Roxas         | June 2, 2015     | 20  | 19                       | 95%  |

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

Not Applicable. There are no events during the year requiring a meeting of non-executive directors without the presence of the executive directors.

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

As per the Company amended By-Laws, a majority of the Directors shall be necessary at all meetings to constitute a quorum duly assembled as a Board.

^ *Access to information*

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

Board papers are prepared a week before the Board of Directors meetings.

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

Revised Manual of Corporate Governance: Article 4, Adequate and Timely Information

Yes. The Board of Directors are given independent access to the Management and the Corporate Secretary.

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

As stipulated in the amended By-Laws, the Corporate Secretary shall perform the following duties:

- i. to keep full minutes of all meetings of the Board of Directors and of the stockholders;
- ii. to keep the stock and transfer book and corporate seal, which he shall stamp on all documents requiring such seal of the Corporation;
- iii. to fill and countersign all the certificates of stock issued, making corresponding annotations on the margin or stub of such certificates upon issuance;
- iv. to give, or cause to be given, all notices required by law or by the By-Laws of the Corporation, as well as notices of all meetings of the Board of Directors and of the stockholders; and
- v. to perform such other duties as may be prescribed by the Board of Directors or the President.

---

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

Revised Manual of Corporate Governance: Article 3.L, The Corporate Secretary

The Corporate Secretary, who should be a Filipino citizen and a resident of the Philippines, is an officer of the Corporation. He should -

- i. Be responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its committees, as well as the other official records of the Corporation;
- ii. Be loyal to the mission, vision and objectives of the Corporation;
- iii. Work fairly and objectively with the Board, Management and stockholders;
- iv. Have appropriate administrative and interpersonal skills;
- v. If he is not at the same time the Corporation's legal counsel, be aware of the laws, rules and regulations necessary in the performance of his duties and responsibilities;
- vi. Have a working knowledge of the operations of the Corporation;
- vii. Inform the members of the Board, in accordance with the by-laws, of the agenda of their meetings and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
- viii. Attend all Board meetings, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent him from doing so; and
- ix. Ensure that all Board procedures, rules and regulations are strictly followed by the members.

Revised Manual of Corporate Governance: Article 3.C, The Chairman and Chief Executive Officer: Chairman's Duties and Responsibilities

- i. Supervise the preparation of the agenda of the meeting *in coordination with the Corporate Secretary*, taking into consideration the suggestions of the CEO, Management and the directors;

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

Yes. The Corporate Secretary, being a lawyer, is trained in legal and secretarial practices.

(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>(Revised Manual of Corporate Governance: Article 3.G, Specific Duties and Responsibilities of a Director)</i><br><br>He should attend and actively participate in Board and committee meetings, review meeting materials and, if called for, ask questions or seek explanation. |
| Audit     | <i>(Revised Manual of Corporate Governance: Article 4, Adequate and Timely Information)</i>  |

| Committee                     | Details of the procedures  |
|-------------------------------|--|
| Nomination                    | To enable the members of the Board to properly fulfill their duties and responsibilities, Management should provide them with complete, adequate and timely information about the matters to be taken in their meetings.   |
| Compensation and Remuneration | Reliance on information volunteered by Management would not be sufficient in all circumstances and <u>further inquiries may have to be made by a member of the Board to enable him to properly perform his duties and responsibilities. Hence, the members are given independent access to Management and the Corporate Secretary.</u> |
| Others (specify)<br>N.A.      | The information may include the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.   |

6) External Advice

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

| Procedure   | Details  |
|---|--|
| <p><u>(Revised Manual of Corporate Governance: Article 3.G. Specific Duties and Responsibilities of a Director)</u></p> <p>A director in the performance of his duties and responsibilities should devote time and attention necessary in its proper and effective performance.</p> <p>A director should devote sufficient time to familiarize himself with the Corporation's business. He should be constantly aware of and knowledgeable with the Corporation's operations to enable him to meaningfully contribute to the Board's work. <u>He should attend and actively participate in Board and committee meetings, review meeting materials and, if called for, ask questions or seek explanation.</u></p> <p><u>This may include receiving external and independent professional advice.</u></p> | <p><u>(Revised Manual of Corporate Governance: Article 4, Adequate and Timely Information)</u></p> <p>The members, either individually or as a Board, and in furtherance of their duties and responsibilities, shall have access to independent professional advice.</p> |

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:

There have been no 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.

| Existing Policies | Changes | Reason |
|-------------------|---------|--------|
| N.A.              | N.A.    | N.A.   |

## 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>(2014 Audited Consolidated Financial Statements: Note 25, Related Party Transaction, Compensation of Key Management Personnel)</i>   |  |
| (2) Variable remuneration                         |   |  |
| (3) Per diem allowance                            | The Group has no standard arrangement with regards to the remuneration of its existing officers aside from the compensation received or any other arrangements in the employment contracts and compensatory plan. |  |
| (4) Bonus   |   |  |
| (5) Stock Options and other financial instruments | The Group does not have any arrangements for stock warrants or options offered to its employees.  |  |
| (6) Others (specify)                              | Not Applicable  | Not Applicable                         |

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

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

|                         | Remuneration Policy  | Structure of Compensation Package | How compensation is calculated |
|-------------------------|--|-----------------------------------|--------------------------------|
| Executive Directors     | <u>Company Amended By-Laws: Article II.5. Compensation</u><br>The Director shall be entitled to compensation, reasonable per diems and other benefits as such director, provided the same shall not exceed the limits set by the Corporation Code.   |                                   |                                |
| Non-Executive Directors |  |                                   |                                |
|                         | <u>Corporation Code of the Philippines (Batas Pambansa Bilang 68)</u><br><i>Sec. 30. Compensation of Directors.</i> - In no case shall the total yearly compensation of directors, as such directors, exceed ten (10%) percent of the net income before income tax of the corporation during the preceding year. |                                   |                                |

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

Not Applicable. For the past three (3) years, there has been no change in the arrangement with regards to the remuneration of its directors.

| Remuneration Scheme | Date of Stockholders' Approval |
|---------------------|--------------------------------|
| N.A.                | N.A.                           |

3) Aggregate Remuneration

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

| Remuneration Item                                 | Executive Directors | Non-Executive Directors (other than Independent Directors) | Independent Directors |
|---|---------------------|--|-----------------------|
| (a) Fixed and variable remuneration and Bonus     | Php20,716,590       |  |                       |
| (b) Per diem allowance                            | 144,000             |  |                       |
| (c) Stock Options and other financial instruments | N.A.                |  |                       |
| (f) Others (specify)                              | N.A.                |  |                       |
| <b>Total</b>                                      | Php20,860,590       |  |                       |

| Other Benefits                          | Executive Directors | Non-Executive Directors (other than Independent Directors) | Independent Directors |
|---|---------------------|--|-----------------------|
| (a) Advances                            | N.A.                | N.A.   | N.A.                  |
| (b) Credit granted                      | N.A.                | N.A.   | N.A.                  |
| (c) Pension Plan/s Contributions        | N.A.                | N.A.   | N.A.                  |
| (d) Pension Plans, Obligations incurred | N.A.                | N.A.   | N.A.                  |
| (e) Life Insurance Premium              | N.A.                | N.A.   | N.A.                  |
| (f) Hospitalization Plan                | N.A.                | N.A.   | N.A.                  |
| (g) Car Plan                            | N.A.                | N.A.   | N.A.                  |
| (h) Others (specify)                    | N.A.                | N.A.   | N.A.                  |
| <b>Total</b>                            |                     |  |                       |

4) Stock Rights, Options and Warrants

(a) Board of Directors

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

Not applicable. The Group does not have any arrangements for stock rights, warrants or options offered to its directors, officers and employees.

| Director's Name | Number of Direct Option/Rights/Warrants | Number of Indirect Option/Rights/Warrants | No. of Equivalent Shares | Total % from Capital Stock |
|-----------------|---|---|--------------------------|----------------------------|
| N.A.            | N.A.                                    | N.A.                                      | N.A.                     | N.A.                       |

(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 the subject to approval during the Annual Stockholders' Meeting:*

Not Applicable. There have been no amendments or discontinuation of any incentive programs during the years 2013 and 2014.

| Incentive Program | Amendments | Date of Stockholder's Approval |
|-------------------|------------|--------------------------------|
| N.A.              | N.A.       | N.A.                           |

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 (For the Year 2014) |
|------------------------|--|--|
| Rufina C. Buensuceso * | Executive Vice President                 | Php15,620,423                          |
| Emma G. Jularbal       | Vice President- Legal Affairs            |  |
| Melita L. Tan          | Vice President                           |  |
| Patrocinio M. Pablo    | Assistant Vice President- RDD            |  |
| Dorothy U. So          | Assistant Vice President- Internal Audit |  |

\* Retired effective December 31, 2014.

## 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 | 1                       | 3                            | 0                         | None              | <p><b><u>Functions, Key Responsibilities and Power of the Executive Committee</u></b></p> <p>The Board of Directors has vested upon the Executive Committee the management of the business and operations of the Company.</p> <p>The duties, functions and key responsibilities of the Executive Committee is to promulgate the operating policies that shall govern the affairs of the Company and to ensure that the Company's operations are managed in a cost-effective and time-efficient manner.</p>   |   |       |
| Audit     | 0                       | 2                            | 1                         | Yes               | <p><b><u>Functions of the Audit Committee</u></b><br/>(Revised Manual of Corporate Governance: Article 3K. Board Committees)</p> <ul style="list-style-type: none"> <li>a) Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;</li> <li>b) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the corporation.</li> <li>c) Perform oversight functions over the corporation's internal and external auditors. It should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;</li> <li>d) Review the annual internal audit plan to ensure its conformity with the objectives of the corporation. The plan shall include the audit scope, resources and budget necessary to implement it;</li> <li>e) Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit.</li> <li>f) Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;</li> <li>g) Monitor and evaluate the adequacy and effectiveness of the corporation's internal</li> </ul> | <p><b><u>(Audit Committee Charter: B. Purpose and Authority)</u></b></p> <p>The Audit Committee, in the performance of its functions shall have the authority to conduct investigations into any matters within the scope of its responsibilities and obtain advice and assistance from outside existing legal, accounting, other advisors, as necessary.</p> |       |

| Committee      | No. of Members          |                              |                           | Committee Charter | Functions   | Key Responsibilities | Power |
|----------------|-------------------------|------------------------------|---------------------------|-------------------|---|----------------------|-------|
|                | Executive Director (ED) | Non-Executive Director (NED) | Independent Director (ID) |                   |   |                      |       |
|                |                         |                              |                           |                   | <p>control system, including financial reporting control and information technology security;</p> <p>h) Review the reports submitted by the internal and external auditors;</p> <p>i) Review the quarterly, half-year and annual financial statements before their submission to the Board;</p> <p>j) Coordinate, monitor and facilitate compliance with laws, rules and regulations;</p> <p>k) Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the corporation's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the corporation's annual report;</p> <p>l) Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee.</p> <p>The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties.</p> <p><b><u>Key Responsibilities of the Audit Committee</u></b><br/><b><u>(Audit Committee Charter)</u></b></p> <p>The key responsibilities of the Audit Committee includes overseeing the integrity of the company's financial statements, financial reporting and disclosures, the Company's systems of internal controls and financial reporting controls, performance of the Company's internal audit function, independent audit on the Company's financial statements and compliance with legal and regulatory requirements.</p> |                      |       |
| Nominati<br>on | 0                       | 2                            | 1                         | None              | <p><b><u>Functions, Responsibilities and Powers of the Nomination Committee</u></b><br/><b><u>(Revised Manual of Corporate Governance: Article 3K. Board Committees)</u></b></p> <p>Review and evaluate qualifications of all persons nominated to the Board and other appointments that require Board approval, and assessment of the effectiveness of the Board's processes and procedures in the election or replacement of directors.</p>   |                      |       |

| Committee                     | No. of Members          |                              |                           | Committee Charter | Functions   | Key Responsibilities | Power |
|-------------------------------|-------------------------|------------------------------|---------------------------|-------------------|---|----------------------|-------|
|                               | Executive Director (ED) | Non-Executive Director (NED) | Independent Director (ID) |                   |   |                      |       |
| Compensation and Remuneration | 0                       | 2                            | 1                         | None              | <p><b><u>Functions, Responsibilities and Powers of the Compensation and Remuneration Committee</u></b><br/>(Revised Manual of Corporate Governance: Article 3K. Board Committees)</p> <p>Establishes a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the Corporation's culture, strategy and the business environment in which it operates.</p> |                      |       |
| Others (specify)              | N.A.                    |                              |                           |                   | N.A.  |                      |       |

## 2) Committee Members

### (a) Executive Committee

| Office         | Name             | Date of Appointment | No. of Meetings Attended (2015) | %    | Length of Service in the Committee |
|----------------|------------------|---------------------|---------------------------------|------|------------------------------------|
| Chairman (NED) | Stephen C. Roxas | October 1979        | 140 / 140                       | 100% | 36 years                           |
| Member (NED)   | Andrew I. Liuson | October 1979        | 140 / 140                       | 100% | 36 years                           |
| Member (NED)   | Grace C. Liuson  | October 1979        | 140 / 140                       | 100% | 36 years                           |
| Member (ED)    | Josef C. Gohoc   | January 2011        | 140 / 140                       | 100% | 4 years                            |

### (b) Audit Committee

| Office        | Name            | Date of Appointment | No. of Meetings Attended (2015) | %    | Length of Service in the Committee |
|---------------|-----------------|---------------------|---------------------------------|------|------------------------------------|
| Chairman (ID) | Peter S. Dee    | August 2, 2002      | 4/4                             | 100% | 13 years                           |
| Member (NED)  | Grace C. Liuson | August 2, 2002      | 4/4                             | 100% | 13 years                           |
| Member (NED)  | Alice C. Gohoc  | August 2, 2002      | 4/4                             | 100% | 13 years                           |

Disclose the profile or qualifications of the Audit Committee members.

Revised Manual of Corporate Governance: Article 3.K Board Committees  
Audit Committee Charter: 3, Committee Structure and Composition

- The Audit Committee consists of three (3) members, one of whom is an independent director.
- The Chair of the Audit Committee is an independent director.
- The members have accounting and finance backgrounds.

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

Audit Committee Charter: 5, External Audit

The Audit Committee shall ensure that the internal auditor and external auditor act independently from each other and shall monitor the coordination of efforts between the external and internal auditors.

- In the appointment and recommendation of the external auditor by the Board, the Audit Committee shall assess the independence and professional qualifications and competence of the external auditors. It shall also ensure that the external auditor shall comply with the applicable and proper accounting standards.
- Prior to the commencement of the audit, it shall discuss the nature, scope, and expenses of the audit.
- The Audit Com shall ensure that the external auditors are given unrestricted access to all records, properties and personnel to enable them to perform their audit functions.
- It shall ensure the completeness and timeliness of communications with external auditors as to critical policies, alternative treatments, observations on internal controls, audit adjustments, independence, limitations on the audit work set by the Management, and other material issues that affect the audit and financial reporting.
- It shall also provide evaluation on the performance of external audit with regards the reappointment, resignation and rotation. Every external auditor-in-charge will only be allowed a maximum of five (5) audit year engagements. Such external auditor-in-charge may be allowed reappointment after three (3) years of cooling-off period.
- The Audit Committee shall also understand and perform any action in cases where there are any disagreements between the Management and the independent auditor. Findings of the external auditor shall also be evaluated for action of the Management.
- If any non-audit services will be performed, it shall evaluate and determine its scope of work and review the fees related to it.

(c) Nomination Committee

| Office       | Name             | Date of Appointment | <u>No. of Meetings Attended (2015)</u> | %    | <u>Length of Service in the Committee</u> |
|--------------|------------------|---------------------|--|------|---|
| Chairman     | Jesus Go         | August 2, 2002      | 2/2                                    | 100% | 13 years                                  |
| Member (ID)  | Washington SyCip | August 2, 2002      | 2/2                                    | 100% | 13 years                                  |
| Member (NED) | Stephen C. Roxas | August 2, 2002      | 2/2                                    | 100% | 13 years                                  |
| Member (NED) | Andrew I. Liuson | August 2, 2002      | 2/2                                    | 100% | 13 years                                  |

(d) Compensation and Remuneration Committee

| Office        | Name             | Date of Appointment | <u>No. of Meetings Attended (2015)</u> | %    | <u>Length of Service in the Committee</u> |
|---------------|------------------|---------------------|--|------|---|
| Chairman (ID) | Washington SyCip | August 2, 2002      | 2/2                                    | 100% | 13 years                                  |
| Member (NED)  | Stephen C. Roxas | August 2, 2002      | 2/2                                    | 100% | 13 years                                  |
| Member (NED)  | Andrew I. Liuson | August 2, 2002      | 2/2                                    | 100% | 13 years                                  |

(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 | %    | Length of Service in the Committee |
|--------------|------|---------------------|----------------------|------|------------------------------------|
| Chairman     | N.A. | N.A.                | N.A.                 | N.A. | N.A.                               |
| Member (ED)  |      |                     |                      |      |                                    |
| Member (NED) |      |                     |                      |      |                                    |
| Member (ID)  |      |                     |                      |      |                                    |

3) Changes in Committee Members

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

There has been no change in any of the Board Committees during the year.

| Name of Committee             | Name | Reason |
|-------------------------------|------|--------|
| Executive                     | N.A. | N.A.   |
| Audit                         | N.A. | N.A.   |
| Nomination                    | N.A. | N.A.   |
| Compensation and Remuneration | N.A. | N.A.   |
| Others (specify)              | N.A. | N.A.   |

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         | <p>The Executive Committee, in the management of the business of the Company, has strictly monitored that the organizational structure, operating policies and strategic plans of the Company are in place and consistent with the corporate goals.</p> <p>It has also ensured that day-to-day operations of the Company are managed in a cost-effective and time-efficient manner.</p> | <p>The following are the issues addressed by the Executive Committee:</p> <ul style="list-style-type: none"><li>^ sales strategies;</li><li>^ project developments;</li><li>^ lot acquisition; and</li><li>^ other operational matters and issues.</li></ul> |
| Audit             | <p><i>Financial Report Review</i></p> <p>For the years 2013 and 2014, the Audit Committee reviewed the reports submitted by the internal and external auditors including the quarterly, half-year and annual financial</p>  | <p>There has been no major issue/s addressed by the Audit Committee.</p>   |

| Name of Committee             | Work Done  | Issues Addressed  |
|-------------------------------|--|---|
|                               | <p>statements before their submission to the Board with particular focus on the following matters:</p> <ul 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> </ul> <p><i>Legal Compliance</i></p> <p>For the years 2013 and 2014, the Audit Committee in the performance of its duties and responsibilities in assisting the Board ensured that the financial and non-financial reports as well as the organizational and operational controls of the Company are in compliance with tax, legal and regulatory requirements.</p> |   |
| Nomination                    | For the years 2013 and 2014, the Nomination Committee had assessed the nomination and election process procedures of the Company.  | There has been no major issue/s addressed by the Nomination Committee.                    |
| Compensation and Remuneration | <p><i>Remuneration Policy</i></p> <p>For the years 2013 and 2014, the Compensation and Remuneration Committee have reviewed the remuneration policy of the Company semi-annually and after due evaluation affirmed and confirmed that the existing policy on remuneration of directors and officers of the Company is consistent with its policy, culture, strategy and the business environment in which it operates.</p>   | There has been no major issue/s addressed by the Compensation and Remuneration Committee. |
| Others (specify)              | N.A.   | N.A.  |

#### 5) Committee Program

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

| Name of Committee | Planned Programs  | Issues to be Addressed  |
|-------------------|---|---|
| Executive         | The Executive Committee shall further monitor that the organizational structure, operating policies and strategic plans of the Company are consistent with the corporate goals by reviewing these rules, plans and policies and seeing to it that day-to-day operations of the Company are managed in a cost-effective and time-efficient manner. | <p>The following will be continuously addressed by the Executive Committee:</p> <ul style="list-style-type: none"> <li>▲ sales strategies;</li> <li>▲ project developments;</li> <li>▲ lot acquisition; and</li> <li>▲ other operational matters and issues.</li> </ul> |

| Name of Committee             | Planned Programs  | Issues to be Addressed  |
|-------------------------------|---|---|
|                               | <p>The programs of the Executive Committee shall include the following matters:</p> <ul style="list-style-type: none"> <li>⌘ sales strategies;</li> <li>⌘ project developments;</li> <li>⌘ lot acquisition; and</li> <li>⌘ other operational matters and issues.</li> </ul>                                   |   |
| Audit                         | The Audit Committee, in the performance of its duties, continues to improve its Annual Audit Plan by including a broader scope of management's activities for an improved corporate governance.   | The Annual Audit Plan to be submitted to the Audit Committee will cover a broader scope of management's activities to address a stronger control mechanism in evaluating risk management effectiveness. |
| Nomination                    | The Nomination Committee will continue to evaluate and review the nomination process in the election of the board of directors to improve the related nomination and election program and policies.   | This will address the issue on ensuring that qualified members of the board are elected to govern the corporation.  |
| Compensation and Remuneration | The Compensation and Remuneration Committee for the improvement of the remuneration and compensation policy of its directors, officers and employees will further affirm and review if the existing rules and policies are consistent with the policy, culture and business environment the Company operates. | This continuous review of remuneration and compensation policy will address any possible deviation or violation from any existing laws and regulations.   |
| Others (specify)              | N.A.  | N.A.  |

## F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

*(a) Overall risk management philosophy of the company;*

The Board and Management of the Company, to ensure a high standard of best practice for the shareholders, identify key risk areas and performance indicators and monitor these factors with due diligence to enable the Company to anticipate and prepare for possible threats to its operations and financial instability.

The Board's internal control responsibilities include ensuring that the control environment of the Company consists of organizational and procedural controls which are supported by effective management information and risk management reporting systems.

The Board oversees the risk management control system of the Company through the Audit Committee. This function includes oversight in the company's activities in the areas of credit, market, liquidity, operational, legal and other risks of the corporation.

The Audit Committee, as part of its oversight responsibilities shall also review the risk management policies to be promulgated and prepared by the Management.

In this regard, the Management is responsible in providing relevant information and assurance to the Audit Committee on the state of the Company's internal controls, risk exposures and risk management activities.

The Audit Committee will continually perform the following to assist in internal control and risk management:

- Review of internal auditor's evaluation of internal controls
- Evaluation of internal control issues raised by external auditors
- Assess the control environment including IT systems and function.
- Evaluation of sufficiency and effectiveness of risk management processes and policies

With thorough understanding and assessment of the company's activities, the Audit Committee shall assess the identified risks and deliberate on the findings of weaknesses in the control and reporting process. A framework may also be set by the Audit Committee for fraud and risk prevention including whistle-blower program.

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

The Audit Committee in the performance of its oversight functions provides the Board with a review and evaluation of the organizational and operational controls.

The internal audit, control, risk and compliance system for the years 2013 and 2014 is evaluated to be sound, in place and working effectively as attested by the Management through its President and the Internal Audit Department head and as reviewed by the Audit Committee.

*(c) Period covered by the review;*

The period covered by the review is for the years 2013 and 2014.

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

The risk management system of the Company is being reviewed annually, and as the need arises through the Audit Committee.

Assessment of the risk management effectiveness:

With thorough understanding and assessment of the company's activities, the Audit Committee shall assess the identified risks and deliberate on the findings of weaknesses in the control and reporting process. The risks identified will be evaluated as to the degree of effect and impact of these risks to the operations of the Company based on the risk management policies and objectives of the Company which will provide assurance as to the effectiveness and soundness of the risk management system. A framework may also be set by the Audit Committee for fraud and risk prevention.

(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:

Cityland Website: Corporate Governance Section, Risk Management

<[www.cityland.net](http://www.cityland.net)>

<[http://www.citylandcondo.com/main/corporate\\_governance.html#rm](http://www.citylandcondo.com/main/corporate_governance.html#rm)>

| Risk Exposure | Risk Management Policy   | Objective   |
|---------------|--|---|
| Credit Risk   | <p>The financial instruments which may be the subject of credit risk are the installment contracts receivables and other financial assets of the Company. The corresponding management strategies for the aforementioned risks are as follows:</p> <ol style="list-style-type: none"> <li>The credit risk on the installment contracts receivables may arise from the buyers who may default on the payment of their amortizations. The Company manages this risk by dealing only with recognized, credit worthy third parties. Moreover, it is the Company's policy to subject customers who buy on financing to credit verification procedures. Also, receivable balances are monitored on an on-going basis with the result that the Company's exposure to bad debts is insignificant.</li> </ol> | <p><u>Objective for all risk exposures:</u></p> <p>The objective of the Company is to identify key risk areas and performance indicators and monitor these factors with due diligence to enable the Company to anticipate and prepare for possible threats to its operations and financial instability.</p> <p>The goal is to have risk exposures identified minimized through proper delivery of the risk management policies for any given risk exposure.</p> <p>This will be ensured through the following:</p> <ol style="list-style-type: none"> <li>Conducting assessments of the economic and political situations of the</li> </ol> |

| Risk Exposure      | Risk Management Policy   | Objective   |
|--------------------|--|---|
|                    | <p>2. The credit risk on the financial assets of the Company such as cash and cash equivalents, short-term cash investments, financial assets at fair value through profit or loss and available for sale investments may arise from default of the counterparty. The Company manages such risks by its policy to enter into transactions with a diversity of creditworthy parties to mitigate any significant concentration of credit risks. As such, there are no significant concentrations of credit risks in the Company.</p>   | <p>country as well as new developments in the industry. The procedures involved in gathering of information of economic indicators and political events as well as being aware of the new developments in the industry is through media, business conferences, economic briefings and other sources.</p> <p>2. Maintaining our competitive edge by keeping up to date with the technological advances in the construction industry, improving our marketing strategies and continuously updating the skills of our personnel.</p> |
| Refinancing Risk   | <p>The Company is primarily engaged in real estate development. Risk factor includes the Group's short-term borrowings which increases the possibility of refinancing risks. This debt mix in favor of short-term borrowings is a strategy which the Company adopted to take advantage of lower cost of money for short-term loans versus long-term loans. Because the Company has the flexibility to convert its short-term loans to a long-term position by drawing down its credit lines with several banks or sell its receivables, refinancing risk is greatly reduced.</p> <p>The Company manages such refinancing risks by improving and maintaining the acid-test and current ratios of the Company.</p> |   |
| Interest Rate Risk | <p>The Company's financial instruments are:</p> <p>1. The Company's financial assets mainly consist of installment contract receivables, cash and cash equivalents and short-term investments. Interest rates on these assets are fixed at their inception and are therefore not subject to fluctuations in interest rates.</p> <p>2. For the financial liabilities, the Company only has short-term commercial papers which bear fixed interest rates, thus are not exposed to fluctuations in interest rates.</p>  |   |
| Market Risk        | <p>This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments which rely their value on market factors are subject to market risk.</p> <p>The available-for-sale investments are exposed to market risk. There is a risk for a decline in the value due to changes in the</p>   |   |

| Risk Exposure    | Risk Management Policy   | Objective |
|------------------|--|-----------|
|                  | market. The exposure however, is negligible because the amount of the said investment is insignificant as compared to the financial assets of the Company.   |           |
| Liquidity Risk   | <p>This is the current and prospective risk to earnings or capital from a company's inability to meet its obligations when they come due without incurring unacceptable losses.</p> <p>The Company's treasury has a well-monitored funding and settlement management plan. The following is the liquidity risk management framework maintained by the Company:</p> <ol style="list-style-type: none"> <li>1. <i>Asset- Liability Management:</i> Funding sources are abundant and provide a competitive cost advantage. The Company also holds financial assets for which there is a liquid market and are, therefore, readily saleable to meet liquidity needs.</li> <li>2. <i>Conservative Liability Structure:</i> Funding is widely diversified. There is little reliance on wholesale funding services or other credit-sensitive fund providers. The company accesses funding across a diverse range of markets and counterparties.</li> <li>3. <i>Excess Liquidity:</i> The Company maintains considerable excess liquidity to meet a broad range of potential cash outflows from business needs including financial obligations.</li> <li>4. <i>Funding Flexibility:</i> The Company has an objective to maintain a balance between continuity of funding and flexibility through the use of STCPs.</li> </ol> <p>As such, the Company addresses risk on liquidity by maintaining committed borrowing facilities in the form of bank lines and a established record in accessing these markets.</p> |           |
| Economic Factors | The Company's business consists mainly of providing office and housing units in the Philippines and the results of its operations will be influenced by the general conditions of the Philippine economy. Any economic instability or failure to register improved economic performance in the future may adversely affect the Company's operations and eventually its financial performance.  |           |

| Risk Exposure    | Risk Management Policy   | Objective |
|------------------|--|-----------|
| Industry Outlook | The real estate is characterized by boom-bust cyclical pattern exhibited in the past couple of decades where the industry normally goes through years of robust growth following years of slowdown. The Company believes that the industry is in the boom cycle.   |           |
| Competition      | The demand for housing especially in the medium-cost category has moderately stepped up. The situation has attracted both old and new players to develop projects that cater to this rising demand. As a result of the foregoing, competition in the area of medium-cost development is expected to intensify. The Company believes that it is in a better position to cope with the competition because of the affordability of the projects it offers in the market. |           |

(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 Companies within the Group operates in the same industry: the real estate. The risk management system as well as the risk management policies and objectives are the same as the ones enumerated and discussed above.

| Risk Exposure  | Risk Management Policy | Objective |
|--|------------------------|-----------|
| Same as Item 2) Risk Policy, a. Company above since the companies within the Group operate within the same industry. |                        |           |

(c) Minority Shareholders

*Indicate the principal risk of the exercise of controlling shareholders' voting power:*

| Risk to Minority Shareholders   |
|---|
| <p><u>Insider Trading</u></p> <p>This risk is managed and controlled through timely and accurate disclosures to regulatory agencies. Any change in the shareholdings of the Company resulting from transactions entered into by the directors and key management officers, either by acquisition or disposal are reported to the SEC and PSE within five days from the date of the transaction.</p> <p>For the past five years up to present, there has been no case of insider trading involving the Company and its directors and management. The Company continues to adhere with existing government regulations against insider trading.</p> |
| <p><u>Lack of Control</u></p> <p>Minority shareholders may lack control over corporate decisions decided for the Company.</p> <p>They are, however, protected over any corporate decisions to be decided for the Company through the independent directors which are generally elected to the Board for the interests of all stockholders particularly the minority.</p>  |

### Risk to Minority Shareholders

This risk is also managed by ensuring that minority shareholders are given adequate and timely information on all matters of the business of the corporation.

### 3) Risk Policy

#### (a) Company

*Briefly describe the control system 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)  |
|------------------|---|--|
| Credit Risk      | <p>The financial instruments which may be the subject of credit risk are the installment contracts receivables and other financial assets of the Company.</p> <p>The risk on these financial instruments are assessed through the following:</p> <ul style="list-style-type: none"> <li>⤴ Monthly monitoring and reporting of the receivables and other financial assets of the Company which have been past due by the Financial Management and Services Department to the Management.</li> <li>⤴ The monthly report of receivables monitoring is then analyzed and measured as to the risk involved based on the number of defaults of the clients.</li> <li>⤴ Necessary actions, such as follow-ups, sending of notices and others are performed to ensure that the credit risk on these receivables are minimized, monitored and measured to be not in a material amount that will pose threat to the operations of the Company.</li> </ul> | <p>The corresponding management strategies, procedures and actions taken for the aforementioned risk are as follows:</p> <ul style="list-style-type: none"> <li>⤴ The credit risk on the installment contracts receivables may arise from the buyers who may default on the payment of their amortizations. The Company manages this risk by dealing only with recognized, credit worthy third parties. Moreover, it is the Company's policy to subject customers who buy on financing to credit verification procedures. Also, receivable balances are monitored on an on-going basis with the result that the Company's exposure to bad debts is insignificant.</li> <li>⤴ The credit risk on the financial assets of the Company such as cash and cash equivalents, short-term cash investments, financial assets at fair value through profit or loss and available for sale investments may arise from default of the counterparty. The Company manages such risks by its policy to enter into transactions with a diversity of creditworthy parties to mitigate any significant concentration of credit risks. As such, there are no significant concentrations of credit risks in the Company.</li> </ul> |
| Refinancing Risk | <p>Refinancing risk is assessed through careful and proper scrutiny of debts and loans to be entered into by the company.</p>   | <p>The Company is primarily engaged in real estate development. Risk Factors are: the moderately aggressive debt level of the Company's borrowings being short-term in nature increase the possibility of refinancing</p>  |

| Risk Exposure      | Risk Assessment (Monitoring and Measurement Process)  | Risk Management and Control (Structures, Procedures, Actions Taken)  |
|--------------------|---|--|
|                    | <p>The risk on the outstanding loans of the Company are also monitored and measured regularly with the current development in the market.</p>   | <p>risks. This debt mix in favor of short-term borrowings is a strategy which the Company adopted to take advantage of lower cost of money for short-term loans versus long-term loans. Because the Company has the flexibility to convert its short-term loans to a long-term position by drawing down its credit lines with several banks or sell its receivables, refinancing risk is greatly reduced.</p> <p>The Company manages such refinancing risks by improving and maintaining the acid-test and current ratios of the Company.</p>                    |
| Interest Rate Risk | <p>Financial assets and liabilities to be transacted by the Company are carefully evaluated as to its related interest rate risk.</p> <p>For the outstanding financial assets and liabilities of the Company, the risk on interest rate is assessed regularly through monthly monitoring of the related interest rate of these instruments in the current market.</p>   | <p>The Company's financial instruments are:</p> <ol style="list-style-type: none"> <li>1. The Company's financial assets mainly consist of installment contract receivables, cash and cash equivalents and short-term investments. Interest rates on these assets are fixed at their inception and are therefore not subject to fluctuations in interest rates.</li> <li>2. For the financial liabilities, the Company only has short-term commercial papers which bear fixed interest rates, thus are not exposed to fluctuations in interest rates.</li> </ol> |
| Market Risk        | <p>This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments which rely their value on market factors are subject to market risk.</p> <p>The available-for-sale investments are exposed to market risk. There is a risk for a decline in the value due to changes in the market. The exposure however, is assessed, monitored and measured regularly through timely measurement of any gain/ loss resulting from changes in the market.</p> | <p>The available-for-sale investments are exposed to market risk. There is a risk for a decline in the value due to changes in the market. The exposure however, is negligible because the amount of the said investment is insignificant as compared to the financial assets of the Company.</p>  |
| Liquidity Risk     | <p>This is the current and prospective risk to earnings or capital from a company's inability to meet its obligations when they come due without incurring unacceptable losses.</p> <p>The Company addresses risk on liquidity by maintaining committed borrowing facilities in the form of bank lines and an established record in accessing these markets.</p>  | <p>The Company's treasury has a well-monitored funding and settlement management plan. The following is the liquidity risk management framework maintained by the Company:</p> <p>△ <i>Asset- Liability Management:</i> Funding sources are abundant and provide a competitive cost advantage. The Company also holds financial assets for which</p>   |

| Risk Exposure    | Risk Assessment (Monitoring and Measurement Process)   | Risk Management and Control (Structures, Procedures, Actions Taken)   |
|------------------|--|---|
|                  | <p>The Company consistently assesses this liquidity risk through proper monitoring of the assets, liabilities and funding policies of the Company.</p> <p>Any risk measured in the current financial position of the Company is brought to the attention of the Management.</p>  | <p>there is a liquid market and are, therefore, readily saleable to meet liquidity needs.</p> <ul style="list-style-type: none"> <li>▲ <i>Conservative Liability Structure:</i> Funding is widely diversified. There is little reliance on wholesale funding services or other credit-sensitive fund providers. The company accesses funding across a diverse range of markets and counterparties.</li> <li>▲ <i>Excess Liquidity:</i> The Company maintains considerable excess liquidity to meet a broad range of potential cash outflows from business needs including financial obligations.</li> <li>▲ <i>Funding Flexibility:</i> The Company has an objective to maintain a balance between continuity of funding and flexibility through the use of loans from banks and STCPs.</li> </ul> <p>As such, the Company addresses risk on liquidity by maintaining committed borrowing facilities in the form of bank lines and a established record in accessing these markets.</p> |
| Economic Factors | <p>The Company's business consists mainly of providing office and housing units in the Philippines and the results of its operations will be influenced by the general conditions of the Philippine economy. Any economic instability or failure to register improved economic performance in the future may adversely affect the Company's operations and eventually its financial performance.</p> <p>Assessments of the economic and political situations of the country as well as new developments in the industry are regularly conducted. The procedure/s involved in gathering of information of economic indicators and political events as well as being aware of the new developments in the industry is through media, business conferences, economic briefings and other sources.</p> | <p>External risk arising from the economic and political factors such as <u>economic factors, industry outlook and competition</u> are managed through the following:</p> <ul style="list-style-type: none"> <li>▲ Conducting assessments of the economic and political situations of the country as well as new developments in the industry. The procedures involved in gathering of information of economic indicators and political events as well as being aware of the new developments in the industry is through media, business conferences, economic briefings and other sources.</li> <li>▲ Maintaining our competitive edge by keeping up to date with the technological advances in the construction industry, improving our marketing strategies and</li> </ul>   |

| Risk Exposure    | Risk Assessment (Monitoring and Measurement Process)  | Risk Management and Control (Structures, Procedures, Actions Taken) |
|------------------|---|---|
| Industry Outlook | <p>The real estate is characterized by boom-bust cyclical pattern exhibited in the past couple of decades where the industry normally goes through years of robust growth following years of slowdown. The Company believes that the industry is in the boom cycle.</p> <p>Assessments of the economic and political situations of the country as well as new developments in the industry are regularly conducted. The procedure/s involved in gathering of information of economic indicators and political events as well as being aware of the new developments in the industry is through media, business conferences, economic briefings and other sources.</p>   | continuously updating the skills of our personnel.                  |
| Competition      | <p>The demand for housing especially in the medium-cost category has moderately stepped up. The situation has attracted both old and new players to develop projects that cater to this rising demand. As a result of the foregoing, competition in the area of medium-cost development is expected to intensify. The Company believes that it is in a better position to cope with the competition because of the affordability of the projects it offers in the market.</p> <p>Assessments of the economic and political situations of the country as well as new developments in the industry are regularly conducted. The procedure/s involved in gathering of information of economic indicators and political events as well as being aware of the new developments in the industry is through media, business conferences, economic briefings and other sources.</p> |   |

(b) Group

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

The control system set up to assess, manage and control the main issue/ faced by the Group is the same as the Company since all companies within the Group operate within the same industry which is the real estate.

| <b>Risk Exposure</b>   | <b>Risk Assessment<br/>(Monitoring and Measurement Process)</b> | <b>Risk Management and Control<br/>(Structures, Procedures, Actions Taken)</b> |
|--|---|--|
| Same as Item 3) a Company above since the companies within the Group operate within the same industry. |   |  |

(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:*

| <b>Committee/Unit</b>            | <b>Control Mechanism</b>   | <b>Details of its Functions</b>  |
|----------------------------------|--|--|
| Audit Committee                  | Oversight of the risk management and internal control system   | <p>The Audit Committee will continually perform the following to assist in internal control and risk management:</p> <ul style="list-style-type: none"> <li>⋄ Review of internal auditor's evaluation of internal controls</li> <li>⋄ Evaluation of internal control issues raised by external auditors</li> <li>⋄ Assess the control environment including IT systems and function.</li> <li>⋄ Evaluation of sufficiency and effectiveness of risk management processes and policies</li> </ul> <p>With thorough understanding and assessment of the company's activities, the Audit Committee shall assess the identified risks and deliberate on the findings of weaknesses in the control and reporting process.</p> |
| Internal Audit                   | <p>Regular, i.e., monthly, quarterly, annual examination of the different areas of operations of the Company and immediate reporting of the results to the Management or Audit Committee.</p> <p>Evaluation of the key risk areas in the internal control and operational controls of the company and assessment of its possible threat.</p> | <p>The internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the Corporation's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules and regulations;</p>   |
| Office of the Compliance Officer | Monitor and facilitate compliance with laws, rules and regulations and immediate reporting to the Board for any violations found.  | <p>Monitor compliance by the Corporation with the Manual and the rules and regulations of regulatory agencies and, if any violations are found, report the matter to the Board and recommend the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent a repetition.</p>  |

## 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;*

As defined in the Revised Manual on Corporate Governance of the Company, internal control system is the framework under which internal controls are developed and implemented (alone or in concert with other policies or procedures) to manage and control a particular risk or business activity, or combination of risks or business activities, to which the corporation is exposed.

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

The internal audit annually submits a report to the Audit Committee attesting that the internal audit, control and compliance system of the Company is evaluated to be sound, in place and working effectively.

The Audit Committee, in turn, reviews this internal audit evaluation and reports the same to the Board of Directors.

*(c) Period covered by the review;*

The period covered by the review was for the years 2013 and 2014.

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

Internal control system is being reviewed yearly and from time to time as the need arises.

*(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.*

| <b>Role</b>  | <b>Scope</b>   | <b>Indicate whether In-house or Outsource Internal Audit Function</b> | <b>Name of Chief Internal Auditor / Auditing Firm</b> | <b>Reporting Process</b>      |
|--|--|---|---|-------------------------------|
| The role of the internal audit is to provide an independent and objective assurance designed to add value to and improve the corporation's operations, and | The scope of work of internal audit involves the internal control, operational and | In-House  | Mrs. Dorothy U. So                                    | Audit Committee and President |

| Role  | Scope                                | Indicate whether In-house or Outsource Internal Audit Function | Name of Chief Internal Auditor / Auditing Firm | Reporting Process |
|---|--------------------------------------|--|--|-------------------|
| help it accomplish its objectives by providing a systematic and disciplined approach in the evaluation and improvement of the effectiveness of risk management, control and governance processes. | financial activities of the Company. |  |  |                   |

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

Yes.

(Revised Manual of Corporate Governance: Article 3.K.i.f. Board Committees, Audit Committee)

(Audit Committee Charter: 4. Internal Audit)

It shall consider the appointment of an internal auditor: his qualifications and the terms and conditions of its engagement and removal.

*(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?*

(Revised Manual of Corporate Governance: Article 3.K.i.l. Board Committees, Audit Committee)

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

(Audit Committee Charter: 4. Internal Audit)

- The Audit Committee shall organize an internal audit department which shall directly report to the Committee.
- It shall ensure the internal auditor's independence and adequacy of resources in carrying out its audit functions.
- It shall ensure that the auditor are given unrestricted access to all reports, properties and personnel.

*(d) Resignation, Re-assignment and Reasons*

Not Applicable. There has been no resignation or re-assignment in the internal audit function for the years 2013 and 2014.

| Name of Audit Staff | Reason |
|---------------------|--------|
| N.A.                | N.A.   |

(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> | So far, audits were done by auditors within the schedule |
| <b>Issues<sup>6</sup></b>     | No major issues  |
| <b>Findings<sup>7</sup></b>   | No major findings  |
| <b>Examination Trends</b>     | Actual witnessing, review and checking of the documents  |

f) **Audit Control Policies**

*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 |
|---|----------------|
| a) Ascertain that cash in banks reconciled with books, that debit/ credit memos were properly verified and taken up by books if necessary | Implemented    |
| b) All collections are deposited on time and supported with Official Receipts and validated deposit slip                                  | Implemented    |
| c) Overdue accounts are properly monitored by collection group and sent with notices  | Implemented    |
| d) Revolving funds handled by different departments/ sections are intact and accurate   | Implemented    |
| e) Timely preparation of contracts  | Implemented    |
| f) To ascertain that loan principal and interest are paid on time   | Implemented    |
| g) Ocular inspection to check if our building projects are well-maintained  | Implemented    |
| h) Site inspection done to check on the progress of our construction  | Implemented    |

*[ 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 an examination based on plan;*
- 3) *Evaluation of the progress in the implementation of the plan;*
- 4) *Documentation of the 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.]*

<sup>6</sup> "Issues" are compliance matters that arise from adopting different interpretations.

<sup>7</sup> "Findings" are those with concrete basis under the company's policies and rules.

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):*

| <b>Auditors<br/>(Internal and External)</b>   | <b>Financial Analysts</b> | <b>Investment<br/>Banks</b> | <b>Rating<br/>Agencies</b> |
|---|---------------------------|-----------------------------|----------------------------|
| <p><b><i>Internal Auditors</i></b></p> <p><u><i>Audit Committee Charter: 4. Internal Audit</i></u></p> <p>The Audit Committee shall organize an internal audit department which shall directly report to the Committee.</p> <ul style="list-style-type: none"> <li>⌘ It shall ensure that in the performance of its functions, the internal auditor is free from interference from outside parties.</li> <li>⌘ It shall consider the appointment of an internal auditor: his qualifications and the terms and conditions of its engagement and removal.</li> <li>⌘ It shall ensure the internal auditor's independence and adequacy of resources in carrying out its audit functions.</li> <li>⌘ It shall ensure that the auditors are given unrestricted access to all reports, properties and personnel.</li> </ul> | N.A.                      | N.A.                        | N.A.                       |
| <p><b><i>External Auditor</i></b></p> <p><u><i>Audit Committee Charter: 5. External Audit</i></u></p> <p>To safeguard the independence of the external auditors, the Audit committee ensures the following:</p> <ul style="list-style-type: none"> <li>⌘ In the appointment and recommendation of the external auditor by the Board, the Audit Committee shall assess the independence and professional qualifications and competence of the external auditors. It shall also ensure that the external auditor shall comply with the applicable and proper accounting standards.</li> <li>⌘ Prior to the commencement of the audit, it shall discuss the nature, scope, and expenses of the audit.</li> </ul>   |                           |                             |                            |

| Auditors<br>(Internal and External)  | Financial Analysts | Investment<br>Banks | Rating<br>Agencies |
|--|--------------------|---------------------|--------------------|
| <ul style="list-style-type: none"> <li>⤴ The Audit Com shall ensure that the external auditors are given unrestricted access to all records, properties and personnel to enable them to perform their audit functions.</li> <li>⤴ It shall ensure the completeness and timeliness of communications with external auditors as to critical policies, alternative treatments, observations on internal controls, audit adjustments, independence, limitations on the audit work set by the Management, and other material issues that affect the audit and financial reporting.</li> <li>⤴ It shall also provide evaluation on the performance of external audit with regards the reappointment, resignation and rotation. Every external auditor-in-charge will only be allowed a maximum of five (5) audit year engagements. Such external auditor-in-charge may be allowed reappointment after three (3) years of cooling-off period.</li> <li>⤴ The Audit Committee shall also understand and perform any action in cases where there are any disagreements between the Management and the independent auditor. Findings of the external auditor shall also be evaluated for action of the Management.</li> <li>⤴ If any non-audit services will be performed, it shall evaluate and determine its scope of work and review the fees related to it.</li> </ul> |                    |                     |                    |

*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 instructions on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.*

As attested by the Chairman and the President, the Company continues to comply with the SEC Code of Corporate Governance and that all directors, officers and employees of the Company have been given proper instructions on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure its compliance.

## H. ROLE OF STAKEHOLDERS

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

|  | Policy  | Activities  |
|--|---|---|
| Customers' welfare                     | <p>The Group recognizes the rights of its customers and clients. Prompt attention and courtesy to the public and the clients are to be observed at all times by the Company personnel.</p> <p>A policy on the proper conduct towards clients and customers is embodied in the Company's Personnel Manual which was duly disseminated to the company personnel through memoranda, circulars and other orders of the Company.</p> <p>Customers' health, safety and rights are also ensured and safeguarded through proper governmental registrations and approvals of the Company's real estate projects designed for commercial or residential uses.</p> | <p>Governmental Approvals for the following with regards the projects offered by the Company:</p> <ul style="list-style-type: none"> <li>- Housing and Land Use Regulatory Board (HLURB) Registrations before offering the projects for sale</li> <li>- Department of Environment and Natural Resources (DENR) Environmental Compliance Certificates (ECC)</li> </ul> <p>Supporting data are shown in the company website under the Corporate Governance Section, Other Stakeholders' Relations, Customers.</p> <p><a href="http://www.citylandcondo.com/main/corporate_governance.html#body">http://www.citylandcondo.com/main/corporate_governance.html#body</a></p> <p><a href="http://www.citylandcondo.com/main/cg_files/CDC/Corporate%20Governance/Board%20Values%20and%20Practices/CDC%20HLURB%20Registrations.pdf">http://www.citylandcondo.com/main/cg_files/CDC/Corporate%20Governance/Board%20Values%20and%20Practices/CDC%20HLURB%20Registrations.pdf</a></p> |
| Supplier/contractor selection practice | <p>It is the Company's policy to conduct proper selection process for the suppliers and contractors of its real estate projects under development.</p> <p>An accreditation process is undertaken for every contractor who wishes to participate in the bidding of the Company's on-going project works to ensure that the contractor's practices and works passes the standards of the Company.</p> <p>Major contractors of the Company should be accredited by the Philippine Contractors Accreditation Board (PCAB).</p>  | <p>Accreditation process is performed before accepting any offers from contractors with regards to the construction of its projects. This to ensure that the suppliers/ contractors will conform to the company's rules and standards.</p> <p>Major contractors selected by the company are accredited by the Philippine Contractors Accreditation Board (PCAB).</p> <p>Cityland Website: Corporate Governance Section, Other Stakeholders' Relations, Business Partners: Supplier / Contractor.</p> <p><a href="http://www.citylandcondo.com/main/corporate_governance.html#body">http://www.citylandcondo.com/main/corporate_governance.html#body</a></p>   |
| Environmentally friendly value-chain   | <p>Communities are valued by the Group by ensuring that the company's projects/developments passed the environment compliance procedures of the government. This is evidenced by the Certificates issued by the Department of Environment and</p>   | <p>All the projects are approved to be environmentally safe and friendly by the government approval of Environment Compliance Certificates (ECC) for all its on-going projects.</p>   |

|   | Policy   | Activities  |
|---|--|---|
|   | <p>Natural Resources (DENR) and Laguna Lake Development Authority (LLDA).</p> <p>Tree plantings are also supported by the Group to help contribute in environment-friendly works.</p>  | <p>Tree Plantings are conducted by the company to support environment friendly value-chain.</p> <p>Supporting data for the ECC and tree plantings are shown in the company website under the Corporate Governance Section, Other Stakeholders' Relations, Communities.</p> <p>&lt;<a href="http://www.citylandcondo.com/main/corporate_governance.html#body">http://www.citylandcondo.com/main/corporate_governance.html#body</a>&gt;</p> <p>&lt;<a href="http://www.citylandcondo.com/main/cg_files/CDC/Corporate%20Governance/Board%20Values%20and%20Practices/CDC%20Environmental%20Compliance%20Certificates.pdf">http://www.citylandcondo.com/main/cg_files/CDC/Corporate%20Governance/Board%20Values%20and%20Practices/CDC%20Environmental%20Compliance%20Certificates.pdf</a>&gt;</p> <p>&lt;<a href="http://www.citylandcondo.com/main/cg_files/CDC/Corporate%20Governance/Board%20Values%20and%20Practices/Certificate%20of%20Tree%20Planting/CDC%20Certificate%20of%20Tree%20Planting.pdf">http://www.citylandcondo.com/main/cg_files/CDC/Corporate%20Governance/Board%20Values%20and%20Practices/Certificate%20of%20Tree%20Planting/CDC%20Certificate%20of%20Tree%20Planting.pdf</a>&gt;</p> |
| Community interaction                     | <p>Interaction with other communities is also undertaken by the Group through its proper corporate foundations.</p>  | <p>The Group has two corporate foundations implementing socially responsible programs:</p> <ul style="list-style-type: none"> <li>▲ Cityland Foundation, Inc.</li> <li>▲ Cityland for Social Progress Foundation, Inc.</li> </ul> <p>&lt;<a href="http://www.citylandcondo.com/main/social_responsibility.html">http://www.citylandcondo.com/main/social_responsibility.html</a>&gt;</p>  |
| Anti-corruption programmes and procedures | <p>Anti-corruption programmes are included in the Company Personnel Manual.</p> <ul style="list-style-type: none"> <li>▲ <i>Accepting money or substantial gifts or favors from an outside person, firm, agency or organization which has dealings with the Company.</i> All Company officers and employees are prohibited from accepting gifts, fees and commissions from clients, in the course of duty. Gifts from clients have to be politely declined.</li> </ul> <p>The Company also embodies its anti-corruption programmes and procedures in all its contracts with its contractors.</p> | <p>Anti-corruption programmes such as refusal of gifts from clients are contained in the Company Personnel Manual and are disseminated to all officers and employees through proper memoranda and circulars.</p> <p>All contracts entered into by the Company with its contractors also embody the anti-corruption programmes and policies of the Company.</p>  |
| Safeguarding creditor's rights            | <p>The Group recognizes the rights of its creditors as evidenced by the Group's proper registration of its securities/commercial papers for sale with the</p>  | <p>The Group's financial liabilities only include securities and notes properly registered with proper agencies such as the Securities and Exchange</p>   |

|  | Policy  | Activities   |
|--|---|--|
|  | Securities and Exchange Commission (SEC) and Home Guaranty Corporation (HGC). | <p>Commission (SEC) and Home Guaranty Corporation (HGC). This registration of securities and notes with government agencies ensures the protection of the Company's creditors.</p> <p>Supporting data are disclosed in the company website under Corporate Governance section, Other Stakeholders Relations, Creditors.</p> <p>&lt;<a href="http://www.citylandcondo.com/main/corporate_governance.html#body">http://www.citylandcondo.com/main/corporate_governance.html#body</a>&gt;</p> <p>&lt;<a href="http://www.citylandcondo.com/main/docs_pdf/CDC%20PERMIT%20AND%20ORDER%202014.pdf">http://www.citylandcondo.com/main/docs_pdf/CDC%20PERMIT%20AND%20ORDER%202014.pdf</a>&gt;</p> <p>&lt;<a href="http://www.citylandcondo.com/main/cg_files/CDC/Corporate%20Governance/Board%20Values%20and%20Practices/Creditors%20Rights/CDC%20HGC%20Certificates%20of%20Guaranty.pdf">http://www.citylandcondo.com/main/cg_files/CDC/Corporate%20Governance/Board%20Values%20and%20Practices/Creditors%20Rights/CDC%20HGC%20Certificates%20of%20Guaranty.pdf</a>&gt;</p> |

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

Yes. The Corporate Social Responsibility Report of the Company is disclosed in its website.  
 <[www.cityland.net](http://www.cityland.net)>  
 <[http://www.citylandcondo.com/main/social\\_responsibility.html](http://www.citylandcondo.com/main/social_responsibility.html)>

3) *Performance-enhancing mechanisms for employee participation.*

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

The Group recognizes the role of its employees in the good performance and success of the business of the Company. In return, the Group values the health, safety and welfare of its employees.

Benefits include medical assistance benefit, annual physical check-up, accident insurance, semi-annual socials, loans and donations as needed, in addition to the work leaves and bonuses.

Company Personnel Manual

To give recognition to its greatest asset, its human resources, the Company realizes that the best utilization and development of this asset is the key to continued success. The Company gives consideration to certain basic aims in regard to employees. These are:

- a. To provide each employee the opportunity and stimulation for growth and development so that he will become increasingly effective in his job, and will also be prepared, in proportion to his ability, for greater responsibilities to enable the organization to be sustained by promotion from within;
- b. To contribute to the economic security of employees by providing a safe work environment, and a fair wage for the job performed;

- c. To maintain effective channels of communication to provide employees with adequate knowledge of the Company's objectives, activities, plans and progress. Each employee should know how his job contributes to the Company's objectives, what his duties and responsibilities are, to whom he is accountable, how he is performing in his job, advised of changes which will affect him in advance of the change, and to be fairly evaluated of his performance;
- d. To encourage every employee to express freely his ideas and suggestions concerning the Company, its operations and activities, and to make maximum utilization of the employee's contributions;
- e. To instill in each employee pride and confidence in the policies, products and continued progress of the Company.

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

The company values its employees through provision of benefits which include medical assistance benefit, annual physical check-ups, accident insurance, semi-annual socials, loans and donations as needed, in addition to the work leaves and bonuses.

Supporting data are disclosed in the Cityland website: Corporate Governance Section, Other Stakeholder Relations, Employees.

[www.cityland.net](http://www.cityland.net)

[http://www.citylandcondo.com/main/corporate\\_governance.html#bodv](http://www.citylandcondo.com/main/corporate_governance.html#bodv)

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

The Company provides training and development programs to its employees for their continuing professional development and to improve their productivity.

The following are the Company's employee training and development programs for the year 2015, among others:

- i. Technical Group (Engineering Department);
- ii. Legal Department; and
- iii. Financial Management Services Department

Reference:

a) Advisement Letter dated January 4, 2016

[http://www.citylandcondo.com/main/docs\\_pdf/CDCAdvisement%20Letter%20Re%20Updates%20and%20Changes%20in%20ACGR%201.04.16.pdf](http://www.citylandcondo.com/main/docs_pdf/CDCAdvisement%20Letter%20Re%20Updates%20and%20Changes%20in%20ACGR%201.04.16.pdf)

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

It is the Company's reward/ compensation policy to give performance bonuses on account of the good performance of the Company by reaching the Group's yearly sales goal.

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

Company Personnel Manual

Any employee having proof of the dishonesty, negligence or disloyalty on the part of the Company's personnel should promptly report the matter, either verbally or in writing to his immediate supervisor or to any higher officer of the Company.

The Company protects its employees as embodied in the Company Personnel Manual.

The Management upholds the “No Discrimination” policy towards its employees. All employees are given due respect regardless of race, creed, sex and socio-economic status.

It is also the Board of Directors policy to ensure the protection of any reporting member of the board, officer or employee of any violations of any company rules and regulation and governmental laws. This is done through implementation of whistle blower policies wherein members of the Board, officer or employee are encouraged to speak up any problems within the Company without fear of retaliation.

## I. DISCLOSURE AND TRANSPARENCY

### 1. Ownership structure

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

| Shareholder      | Number of Shares | Percent  | Beneficial Owner |
|------------------|------------------|----------|------------------|
| Cityland, Inc.   | 1,800,826,325    | 50.4159% | N.A.             |
| Stephen C. Roxas | 263,132,018      | 7.3666%  | N.A.             |
| Grace C. Liuson  | 190,582,667      | 5.3355%  | N.A.             |

| Name of Senior Management | Number of Direct Shares | Number of Indirect Shares / Through (name of record owner) | % of Capital Stock |
|---------------------------|-------------------------|--|--------------------|
| Not Applicable            |                         |  |                    |
| <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   | Yes  |
| Attendance details of each director/commissioner in respect of meetings held   | (Up to 2011 Annual Report; starting 2012, the Corporate Governance Section in the SEC Form 17-A was deleted and incorporated in the SEC Annual Corporate Governance Report as per SEC Memorandum Circular No. 5, Series of 2013) |

|  |     |
|--|-----|
| Details of remuneration of the CEO and each member of the board of directors/commissioners | Yes |
|--|-----|

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

These items are disclosed in the previous Annual Reports of the Company under the Corporate Governance Section.

However, as mandated by SEC Memorandum Circular No. 5, Series of 2013, the Corporate Governance Section in the Annual Report (SEC Form 17-A) shall be deleted starting the Annual Report for the year 2012 and shall be disclosed in this Annual Corporate Governance Report.

3) External Auditor's fee

| Name of Auditor             | Audit Fee   | Non-audit Fee |
|-----------------------------|-------------|---------------|
| Sycip, Gorres, Velayo & Co. | Php 775,000 | N.A.          |

4) Medium of Communication

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

The Company disseminates information through disclosures in the Philippine Stock Exchange (PSE) and the Philippine Securities and Exchange Commission (SEC), up-to-date uploading of information in its website (www.cityland.net) and company press releases on its current operations and projects.

5) Date of release of audited financial report: For the 2014 Audited Financial Statements: April 14, 2015

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                              | N.A. |
| 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.

Not applicable. The above-enumerated items, as applicable, are disclosed in the Company's website, under the *Corporate Governance and Investor Relations Section*.

[www.cityland.net](http://www.cityland.net) >

<[http://www.citylandcondo.com/main/corporate\\_governance.html#body](http://www.citylandcondo.com/main/corporate_governance.html#body)>

<[http://www.citylandcondo.com/main/investor\\_relations.html](http://www.citylandcondo.com/main/investor_relations.html)>

7) Disclosure of Related Party Transactions (RPT)

| RPT  | Relationship                                 | Nature   | Value   |
|--|--|--|---|
| <u>2014 Audited Consolidated Financial Statements: Note 25. Related Party Transactions</u> |  |  |   |
| a) Sharing of expenses charged by (to) the Company   | a) Parent company and subsidiaries           | a) Transactions and account balances entered into in the normal course of business   | a) Outstanding amounts in:<br><u>2014</u><br>Receivables= P3,174,322<br>Payables= P411<br><br><u>2013</u><br>Receivables= P5,858,085<br>Payables= P302,447  |
| b) Existing management contract with Cityland, Inc. (CI)                                   | b) Parent Company                            | b) CI provides management services to the Company. The agreement is for a period of five years renewable automatically for another five years unless either party notifies the other party six months prior to expiration. | b) The management fee is based on a certain percentage of net income as mutually agreed upon by both parties. The management fees for 2014 and 2013 were waived by CI. There are no conditions attached to the waiver of these management fees. |
| c) Sale of real estate properties to Cityplans, Inc. (CPI)                                 | c) Subsidiary                                | c) Sale of real estate properties to CPI   | c) Amounts of real estate properties sold to CPI:<br><br>2014= --<br>2013= P20.49 million   |
| d) Shares of stock held by members of the Board of Directors (BOD)                         | d) Board of Directors (BOD)                  | d) Shares of stock held by members of the BOD  | d) Number of shares<br><br>2014= 862,440,881 shares<br>2013= 821,622,480 shares   |
| e) Shares of stock held by ultimate parent and affiliate                                   | e) Parent company and affiliate              | e) Shares of stock held by ultimate parent and affiliate   | e) Number of shares<br><br>2014= 1,800,826,325 shares<br>2013= 1,717,056,617 shares   |
| f) Retirement Plan of Employees  | f) Parent company, subsidiary and affiliates | f) Trust fund under common control of the Company and its affiliates for the retirement plan of their employees. The trust fund is   | f) Company's share on the fair value of plan assets:<br><br>2014= P50.16 million<br>2013= P51.82 million  |

| RPT   | Relationship                                | Nature                                      | Value   |
|---|---|---|---|
|   |   | being maintained by a trustee bank.         |   |
| g) Compensation of key management personnel | g) Board of Directors and Senior Management | g) Compensation of key management personnel | g) Amounts of compensation:<br>2014= P18.77 million<br>2013= P24.92 million |

*When RPT 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?*

Transactions entered into by the Company with related parties are disclosed to shareholders in the Company's annual report and annual audited financial statements. The disclosure includes the nature and extent of transactions with the affiliated and related parties.

For the past five years up to present, there has been no complaint, dispute or problem on related party transactions.

#### 2014 Audited Consolidated Financial Statements: Note 25. Related Party Transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by or under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries, are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals, and companies associated with these individuals also constitute related parties. In considering each possible related entity relationship, attention is directed to the substance of the relationship and not merely the legal form.

The Company discloses the nature of the related party relationship and information about the transactions and outstanding balances necessary for an understanding of the potential effect of the relationship on the financial statements, including, as a minimum, the amount of outstanding balances and its terms and conditions including whether they are secured, and the nature of the consideration to be provided in settlement.

#### Revised Manual of Corporate Governance: Article 3.F.2. Duties and Functions of the Board

Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the Corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board.

## 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 Stockholder's Meeting as set forth in its By-laws.*

|                        |  |
|------------------------|--|
| <b>Quorum Required</b> | <p><u>Company Amended By-Laws: Article VII. Stockholders' Meeting, Section 3. Quorum</u></p> <p>The stockholder's meeting shall be competent to decide any matter or to transact any business, unless a majority of the outstanding capital stock is present or represented thereat, except in those cases in which the corporation law requires the affirmative vote of a greater proportion (<i>such as approval of 20% stock dividends, increase in capital stock and amended of the Articles of Incorporation which require at least 2/3 vote of the outstanding capital stock</i>).</p> |
|------------------------|--|

#### (b) System Used to Approve Corporate Acts

*Explain the system used to approve corporate acts.*

|                    |  |
|--------------------|--|
| <b>System Used</b> | Votation   |
| <b>Description</b> | <p><u>Definitive Information Statement: SEC Form 20-IS</u></p> <p>At least majority of the outstanding capital stock of the Registrant is required for the approval of corporate acts such as approval of minutes of the Annual Stockholder's Meeting, appointment of external auditor and acts of the Management and of the Board of Directors relative to Annual report and related financial statements.</p> <p>However, at least 2/3 vote of the outstanding capital stock of the Registrant is required for the approval of the Board Resolution declaring 20% stock dividends, increase in capital stock and amendment of Articles of Incorporation.</p> <p>The 'Ayes' and 'Nayes' are requested to raise their hands during the stockholders' meeting where they are counted by the Corporate Secretary.</p> <p>Methods by which votes will be counted: plurality of votes by ballot system or viva voce.</p> |

#### (c) Stockholders' Rights

*List any Stockholders' Rights concerning Annual/Special Stockholders' Meeting set forth from those laid down in the Corporation Code.*

| Stockholders' Rights under The Corporation Code                         | Stockholders' Rights <u>not</u> in The Corporation Code |
|---|---|
| a) Right to vote on all matters that require their consent or approval; | N.A.  |

| Stockholders' Rights under The Corporation Code                 | Stockholders' Rights <u>not</u> in The Corporation Code |
|---|---|
| b) Pre-emptive right to all stock issuances of the Corporation; |   |
| c) Right to inspect corporate books and records;                |   |
| d) Right to information;  |   |
| e) Right to dividends; and                                      |   |
| f) Appraisal right  |   |

### *Dividends*

|  | Declaration Date | Record Date   | Payment Date  |
|--|------------------|---------------|---------------|
| 2015                                   |                  |               |               |
| <i>Cash Dividends of P0.027/ share</i> | May 28, 2015     | June 26, 2015 | July 22, 2015 |
| <i>Stock Dividends</i>                 | -                | -             | -             |
| 2014                                   |                  |               |               |
| <i>Cash Dividends of P0.03/ share</i>  | May 30, 2014     | June 24, 2014 | July 18, 2014 |
| <i>5% Stock Dividends</i>              | April 21, 2014   | July 3, 2014  | July 29, 2014 |
| 2013                                   |                  |               |               |
| <i>Cash Dividends of P0.03/ share</i>  | June 4, 2013     | June 19, 2013 | July 15, 2013 |
| <i>5% Stock Dividends</i>              | April 25, 2013   | July 4, 2013  | July 30, 2013 |

### 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.*

| 2. Measure Adopted  | 3. Communication Procedure |
|---|----------------------------|
| As part of the Other Matter in the Agenda and after discussion of the items in the Agenda, the Chairman normally asks the stockholders present if there are other matter or business which they would like to present in the meeting. If necessary, the raised matter is normally discussed and/or answered to the satisfaction of the concerned stockholder. |                            |

8. *State the company policy of asking shareholders to actively participate in corporate decisions regarding:*

#### *a. Amendments to the company's constitution*

All shareholders are asked to actively participate in the amendment/s to the company's constitution through sending out written notices of the date, place and other details of the meeting to each shareholder of record at his place of residence as shown in the books of the corporation and disclosing the same through PSE and SEC disclosures and uploading of notices to the company's website.

During a stockholders' meeting where a Resolution needs to be submitted for discussion and approval of the stockholders, the approved Board Resolution will be read by the Corporate Secretary. The Chairman will wait for comments. If none, votation will be done through AYE (approved) and NAY (disapproved).

*b. Authorization of additional shares*

All shareholders are asked to actively participate in the authorization of additional shares company's through sending out written notices of the date, place and other details of the meeting to each shareholder of record at his place of residence as shown in the books of the corporation and disclosing the same through PSE and SEC disclosures and uploading of notices to the company's website.

During a stockholders' meeting where a Resolution needs to be submitted for discussion and approval of the stockholders, the approved Board Resolution will be read by the Corporate Secretary. The Chairman will wait for comments. If none, votation will be done through AYE (approved) and NAY (disapproved).

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

All shareholders are asked to actively participate in corporate decisions through sending out written notices of the date, place and other details of the meeting to each shareholder of record at his place of residence as shown in the books of the corporation and disclosing the same through PSE and SEC disclosures and uploading of notices to the company's website.

During a stockholders' meeting where a Resolution needs to be submitted for discussion and approval of the stockholders, the approved Board Resolution will be read by the Corporate Secretary. The Chairman will wait for comments. If none, votation will be done through AYE (approved) and NAY (disapproved).

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

Yes.

a. Date of sending out notices:

|  | <b>No. of days</b> |
|--|--------------------|
| For 2015 Annual Stockholders' Meeting: <u>April 17, 2015</u> | <u>31</u>          |
| For 2014 Annual Stockholders' Meeting: <u>April 16, 2014</u> | <u>31</u>          |
| For 2013 Annual Stockholders' Meeting: <u>April 19, 2013</u> | <u>31</u>          |

b. Date of Annual/Special Stockholders' Meeting:

2015 Annual Stockholders' Meeting: June 2, 2015  
2014 Annual Stockholders' Meeting: June 3, 2014  
2013 Annual Stockholders' Meeting: June 4, 2013

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

*There were no questions raised during the Annual Stockholders' Meeting.*

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

| 12. Resolution   | 13. Approving  | 14. Dissenting | 15. Abstaining |
|--|--|----------------|----------------|
| Approval and / or ratification of the following by the stockholders:   |  |                |                |
| • Minutes of previous meeting  | • 2,689,885,064 votes representing 75.30% of the outstanding capital stock | • -0-          | • -0-          |
| • President's Report   | • 2,689,885,064 votes representing 75.30% of the outstanding capital stock | • -0-          | • -0-          |
| • Election of Directors (including Independent Directors)  | • 2,689,885,064 votes representing 75.30% of the outstanding capital stock | • -0-          | • -0-          |
| • Appointment of external auditor: SyCip Gorres Velayo & Co. (SGV & Co.)   | • 2,689,885,064 votes representing 75.30% of the outstanding capital stock | • -0-          | • -0-          |
| • Confirmation of all acts of the Board of Directors for the period covering January 1, 2014 through December 31, 2014 adopted in the ordinary course of business. | • 2,689,885,064 votes representing 75.30% of the outstanding capital stock | • -0-          | • -0-          |

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

For June 2, 2015 Annual Stockholders' Meeting, the result of the meeting was disclosed in the Philippine Stock Exchange on June 3, 2015.

This was also uploaded in the Company Website under Corporate Governance Section, Latest Disclosures.

(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 are no modifications made in the stockholders' meeting regulations during the most recent year.

| Modifications | Reason for Modification |
|---------------|-------------------------|
| N.A.          | N.A.                    |

f) Stockholders' Attendance

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

At the Annual Stockholders' Meeting held on June 2, 2015, approximately over **2,689,885,064** or **75.30%** of the total issued and outstanding 3,571,940,453 were represented in person and by proxy.

|            | Number of Shares |
|------------|------------------|
| With Proxy | 2,069,224,154    |
| In Person  | 620,660,910      |
| Total      | 2,689,885,064    |

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

Yes. Professional Stock Transfer, Inc., a registered stock transfer agent of Securities and Exchange Commission (SEC) and Philippine Stocks Exchange (PSE) counted and validated the above attendance during the Annual Stockholders' Meeting held on June 2, 2015. The Company's external auditors, SGV & Co., were present and observed that there were no dissenting and abstaining votes during the said meeting.

References:

a) Advisement Letter dated June 5, 2015

(Annual Stockholders' Meeting for the Year 2015)

<[http://www.citylandcondo.com/main/docs\\_pdf/CDC%20Stockholders%20Meeting%202006.02.2015.pdf](http://www.citylandcondo.com/main/docs_pdf/CDC%20Stockholders%20Meeting%202006.02.2015.pdf)>

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

(Definitive Information Statement: SEC Form 20-IS: Control and Compensation Information, IV.1 Voting Securities and Principal Holders Thereof)

Each common share shall be entitled to one vote with respect to all matters to be taken up during the annual stockholders' meeting.

(Company's Amended By-Laws: Article VII, Section 4. Vote)

Voting upon all questions at all meeting of the stockholders shall be by shares of stock and not per capital.

(Company Website: Corporate Governance Section, Stockholders' Rights and Protection of Minority Interests <[www.cityland.net](http://www.cityland.net)>:

<[http://www.citylandcondo.com/main/corporate\\_governance.html#bodv](http://www.citylandcondo.com/main/corporate_governance.html#bodv)>)

Each share of stock entitles the person in whose name it is registered in the books of the Company to one vote.

g) Proxy Voting Policies

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

|                                     | <b>Company's Policies</b>  |
|-------------------------------------|--|
| Execution and acceptance of proxies | <p><u>Company's Amended By-Laws: Article VI. Section 2. Proxy</u></p> <p>All proxies, voting trusts and other voting arrangements must be received by the Corporate Secretary or the Assistant Corporate Secretary at the Corporation's head office not later than five (5) working days before the date of the meeting within which period such proxies, voting trusts and other voting arrangements may be accepted or rejected by a special committee of inspectors if they do not have the appearance of prima facie authenticity.</p>   |
| Notary                              | N.A.   |
| Submission of proxy                 | <p><u>Company's Amended By-Laws: Article VI. Section 2. Proxy</u></p> <p>All proxies, voting trusts and other voting arrangements must be received by the Corporate Secretary or the Assistant Corporate Secretary at the Corporation's head office not later than five (5) working days before the date of the meeting.</p>   |
| Several proxies                     | N.A.   |
| Validity of proxy                   | <p><u>Definitive Information Statement, SEC Form 20-IS: Proxy Form and Notice of Agenda</u></p> <p>This proxy, when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this proxy will be voted for the election of all nominees and for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the information statement and/or as recommended by Management or the board of directors.</p> <p>A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. A proxy is also considered revoked if the stockholder attends the meeting in person and expresses his/her intention to vote in person.</p> |
| Proxies executed abroad             | N.A.   |
| Invalidated proxy                   | <u>Company's Amended By-Laws: Article VI. Section 2. Proxy</u>   |
| Validation of proxy                 | All proxies, voting trusts and other voting arrangements must be received by the Corporate Secretary or the Assistant Corporate Secretary at the Corporation's head office not later than five (5) working days before the date of the meeting within which period such proxies, voting trusts and other voting arrangements may be accepted or rejected by a special committee of inspectors if they do not have the appearance of prima facie authenticity.  |
| Violation of proxy                  | <p><u>Definitive Information Statement, SEC Form 20-IS: Proxy Form and Notice of Agenda</u></p> <p>This proxy, when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this proxy will be voted for the election of all nominees and for the approval of the matters stated above and for such other matters as may properly</p>  |

|  | <b>Company's Policies</b>  |
|--|--|
|  | <p>come before the meeting in the manner described in the information statement and/or as recommended by Management or the Board of Directors.</p> <p>A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. A proxy is also considered revoked if the stockholder attends the meeting in person and expresses his/her intention to vote in person.</p> <p><u>Revised Manual of Corporate Governance: Article 6.B. Stockholders' Rights and Protection of Minority Stockholders' Interests</u></p> <p>The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the Corporation. The stockholders are encouraged to personally attend such meetings.</p> <p>If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the by-laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.</p> |

h) Sending of Notices

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

| <b>Policies</b>   | <b>Procedures</b> |
|---|-------------------|
| <u>Policies and Procedures on Sending out Notices of Annual and Special Stockholders' Meeting</u>   |                   |
| <u>Company's Amended By-Laws: Article VI. Section 5. Annual Meeting</u>   |                   |
| Written notice of annual meeting shall be sent to each registered shareholder at least fifteen (15) days prior to such meeting. Waiver of notices for annual and special meetings may only be made in writing.                          |                   |
| Only stockholders of record at the close of business hours thirty calendar days prior the date shall be entitled to receive the notice of said meeting and to vote and be voted thereat.  |                   |
| <u>Company's Amended By-Laws: Article VI. Section 5. Special Meeting</u>  |                   |
| For special meetings, written notice stating the day and place of meeting and the general nature of the business to be transacted shall be sent to each stockholder at least fifteen (15) working days before the date of such meeting. |                   |

i) Definitive Information Statements and Management Report

|   | <b>2015</b>      | <b>2014</b>      | <b>2013</b>      |
|---|------------------|------------------|------------------|
| <b>Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials</b>   | 689 stockholders | 707 stockholders | 715 stockholders |
| <b>Date of Actual Distribution of Definitive Information Statements and Management Report and Other Materials held by market participants/certain beneficial owners</b> | May 12, 2015     | May 13, 2014     | May 14, 2013     |
| <b>Date of Actual Distribution of Definitive Information Statements and Management Report and Other Materials held by stockholders</b>                                  | May 12, 2015     | May 13, 2014     | May 14, 2013     |

|   | 2015   | 2014   | 2013   |
|---|--|--|--|
| <b>State whether CD format or hard copies were distributed</b>                    | CD format  | CD format  | CD format  |
| <b>If yes, indicate whether requesting stockholders were provided hard copies</b> | Yes. Upon written request, requesting stockholders were provided hard copies | Yes. Upon written request, requesting stockholders were provided hard copies | Yes. Upon written request, requesting stockholders were provided hard copies |

(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 directorship in other listed companies) nominated for election/ re-election. | Yes |
| The auditors to be appointed or re-appointed.   | Yes |
| An explanation of the dividend policy, if any dividend is to be declared.   | Yes |
| The amount payable for final dividends.   | Yes |
| Documents required for proxy vote.  | Yes |

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

The above items are disclosed in the Definitive Information Statement, SEC Form 20-IS.

## 2) Treatment of Minority Stockholders

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

| Policies   | Implementation   |
|--|--|
| <p><u>Revised Manual of Corporate Governance: Article 6.B, Stockholders' Rights and Protection of Minority Stockholders' Interests</u></p> <p>All stockholders should be treated equally or without discrimination, the Board should give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Corporation.</p> <p><u>Company Website: &lt;<a href="http://www.cityland.net">www.cityland.net</a>&gt;</u><br/> <u>Corporate Governance Section, Stockholders' Rights and Protection of Minority Stockholders' Interests</u><br/> <u>&lt;<a href="http://www.citylandcondo.com/main/corporate_governance.html#bodv">http://www.citylandcondo.com/main/corporate_governance.html#bodv</a>&gt;</u></p> <p>All stockholders, including minority interests are treated equally and without discrimination.</p> | <p>Equal treatment and protection of minority interests are implemented through the following:</p> <ul style="list-style-type: none"> <li>▲ Ensuring that minority stockholders are properly communicated of information relating to the business of corporation and all items needing corporate actions in the stockholders' meeting. This is done through sending of Notices to all stockholders, including the minority stockholders and disclosing adequate and timely information to PSE and SEC and company website.</li> <li>▲ The rights of minority stockholders are protected through the independent directors which act in their interests in every actions of the Board for the Corporation.</li> </ul> |

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

Yes. All stockholders including the minority or non-controlling stockholders are entitled to nominate and vote for board of directors.

## 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's external and internal communications are reviewed from time to time, as the need arises. This is being reviewed and approved by the Management.

The Committee in-charge with this responsibility is the Executive Committee.

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

|                                 | Details  |
|---------------------------------|--|
| (1) Objectives                  | The objective of the company's investor relations program is to provide up-to-date information; financial and non-financial to all stakeholders to apprise them of the company's current condition and position in the market.   |
| (2) Principles                  | The Company's principles for its Investor Relations Program are as follows: <ul style="list-style-type: none"> <li>⤴ Transparency</li> <li>⤴ Materiality of disclosures</li> <li>⤴ Accurate and timely information</li> </ul>  |
| (3) Modes of Communication      | <ul style="list-style-type: none"> <li>⤴ Company Website- up to date uploading of business information: financial and non-financial</li> <li>⤴ PSE and SEC disclosures</li> <li>⤴ Press releases in newspapers</li> </ul>  |
| (4) Investors Relations Officer | <p><u>Michelle Marcelino of FMSD</u><br/> Tel. (+632)893-6060 local 152<br/> Fax (+632)892-8656<br/> Email: stocks@cityland.net</p> <p>This is disclosed in the Company website, Investor Relations section, Investor Contacts.</p> <p><a href="http://www.cityland.net">www.cityland.net</a><br/> <a href="http://www.citylandcondo.com/main/investor_relations.html">http://www.citylandcondo.com/main/investor_relations.html</a></p> |

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

The Company's rules and procedures governing the acquisition of corporate control, mergers and sale of substantial portions of corporate assets shall cover the same rules and procedures involving other corporate decisions such as amendment of the Company's constitution and authorization of additional shares.

Written notice of the proposed corporate action and of the time and place of the stockholder's meeting at which the proposed corporate action is to be considered and decided through votation, will be sent and addressed to each stockholder at his place of residence as shown on the books of the corporation.

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

Not applicable. There is no event such as acquisition of corporate control, mergers and sale of substantial portions of corporate asset that will need appointment of independent party to evaluate any fairness in the transaction price.

## L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

| Initiative   | Beneficiary   |
|--|---|
| <p><b>Cityland Foundation, Inc. Programs:</b></p> <ol style="list-style-type: none"> <li>1. CityScholars Program <ul style="list-style-type: none"> <li>^ Grant of tuition payments, book subsidy and monthly allowance for transportation, food and other incidental expenses to qualified college students</li> </ul> </li> <li>2. Schools for Better Tomorrow <ul style="list-style-type: none"> <li>^ Support of educational, cultural, charitable, humanitarian institutions by way of infrastructure, repairs, reconstruction, development, improvement and others of schools and facilities.</li> </ul> </li> </ol> | <ol style="list-style-type: none"> <li>1. Beneficiaries for Scholarship are as follows: <ul style="list-style-type: none"> <li>^ Financially challenged but qualified college students from different state universities</li> <li>^ Qualified students from the following schools/ organizations: <ul style="list-style-type: none"> <li>^ Febias College of Bible</li> <li>^ Biblical Seminary of the Philippines</li> <li>^ Mindanao Christ's Gospel Academy, Inc.</li> </ul> </li> </ul> </li> <li>2. The following are the schools being supported: <ul style="list-style-type: none"> <li>^ Center for Community Transformation</li> <li>^ Institute of Foundational Learning</li> <li>^ International Graduate School of Leadership</li> <li>^ Shining Light Academy</li> </ul> </li> </ol> |
| <p><b>Cityland for Social Progress Foundation, Inc. Programs:</b></p> <ol style="list-style-type: none"> <li>1. Feeding Program</li> <li>2. Livelihood Training Program</li> <li>3. Youth Development</li> </ol>   | <ol style="list-style-type: none"> <li>1. Underprivileged children/ families within Metro Manila. Financial donation to Makati Gospel Church and Center for Community Transformation usually every Christmas time.</li> <li>2. Support and assistance to Center for Community Transformation's Kaibigan Community Center.</li> <li>3. Support and assistance to for the development of youth through camps, retreats and workshops in the following ministries: <ul style="list-style-type: none"> <li>- Chosen for Life Change Ministry; and</li> <li>- Integrity Sunday School Ministry.</li> </ul> </li> </ol>   |

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

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

|                      | Process   | Criteria   |
|----------------------|---|--|
| Board of Directors   | Self-Assessment Rating System   | The Board in its governance of the Company shall be self-evaluated in terms of its performance with respect to the following criteria: <ul style="list-style-type: none"> <li>⌘ Board structure</li> <li>⌘ Board duties and responsibilities</li> <li>⌘ Board meetings attendance</li> </ul> |
| Board Committees     | Self-Assessment Rating System <ul style="list-style-type: none"> <li>⌘ Audit Committee Self-Assessment Worksheet</li> </ul> <p>As disclosed in the Company website: <a href="http://www.citylandcondo.com/main/cg_files/CDC/Corporate%20Governance/Board%20Committees/Audit%20Committee%20Assessment%20Worksheet.pdf">http://www.citylandcondo.com/main/cg_files/CDC/Corporate%20Governance/Board%20Committees/Audit%20Committee%20Assessment%20Worksheet.pdf</a></p> | The Board committees shall be self-evaluated in terms of its performance of its respective duties and responsibilities as well as the effectiveness of its functions, as contained in its charter, as applicable.  |
| Individual Directors | Self-Assessment Rating System   | Individual directors shall be self-evaluated in terms of the performance of his duties and responsibilities (executive, non-executive and independent).  |
| CEO/President        | Semi-Annual Performance Evaluation by the Board of Directors  | The President shall be evaluated of his performance in criteria involving the effective and efficient performance of his duties and responsibilities as delegated by the Board.  |

## N. INTERNAL BREACHES AND SANCTIONS

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

| Violations   | Sanctions |
|--|-----------|
| Any willful violations or breach of the provisions contained in the corporate governance manual by any member of the Board of Directors, Management or employee of the Company shall after due notice, evaluation and review shall be subject to penalties and/or sanctions as may be imposed by the Board of Directors. |           |