COVER SHEET

SEC Registration Number

1	5	2	6	6	1					

COMPANY NAME

CITY & LAND DEVELOPERS,
INCORPORATED

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

3/F Cityland Condominium 10
Tower I, 156 H.V. Dela Costa
Street, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-C		N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
fmsd@cityland.net	893-6060	n/a

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
767 (as of March 31, 2017)	2nd Tuesday of June	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Rudy Go	cdc_rg@cityland.net	893-6060	n/a

CONTACT PERSON's ADDRESS

3rd Floor Cityland Condominium 10, Tower II, 154 H.V. dela Costa Street, Makati City

NOTE 1: *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.*

2: *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C
CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE AND
SRC RULE 17.2(c) THEREUNDER

1. May 29, 2017
   Date of Report (Date of earliest event reported)

2. SEC Identification Number 152661 3. BIR Tax Identification No. 000-444-840

4. CITY & LAND DEVELOPERS, INCORPORATED
   Exact name of registrant as specified in its charter

5. MAKATI CITY, PHILIPPINES
   Province, country or other jurisdiction of incorporation

6. (SEC Use Only)
   Industry Classification Code:

7. 3/F Cityland Condominium 10 Tower I, 156 H.V.dela Costa Street, Makati City, 1226
   Address of principal office Postal Code

8. (02) 893-60-60
   Registrant's telephone number, including area code

9. N/A.....
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares Issued and Outstanding
Unclassified common shares	1,236,830,960

11. Indicate the item numbers reported herein: ITEM # 9 –OTHER EVENTS

In compliance with SEC Memorandum Circular No.19 Series of 2016, we submit herewith the new Manual on Corporate Governance of City & Land Developers, Incorporated.

Certified true and correct:

RUDY GO
Senior Vice President / Compliance Officer

CITY & LAND DEVELOPERS, INCORPORATED

MANUAL ON
CORPORATE GOVERNANCE

(REVISED MAY 2017)

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ARTICLE I

INTRODUCTION

This Manual shall institutionalize the principles of corporate governance in the entire Corporation. The Corporation is committed to comply with the principles of good corporate governance. The Corporation hereby adopts this Manual and undertakes to observe its provisions (including amendments and supplements thereto), the Code of Corporate Governance for Publicly-Listed Companies, Securities Regulation Code and other applicable laws, rules and regulations of the Securities and Exchange Commission (SEC) and best corporate practices, with the objective of promoting transparency, accountability and fairness in the dealings/transactions of the Corporation.

The Board of Directors, Management, Employees, and Shareholders believe that corporate governance is a necessary component of what constitutes sounds strategic business management and will therefore undertake every effort necessary to create awareness within the organization as soon as possible.

All doubts or questions that may arise in the interpretation or application of this Manual shall be resolved in favor of promoting transparency, accountability and fairness to the stockholders and stakeholders of the Corporation.

ARTICLE II

DEFINITION OF TERMS

a) *Corporate Governance* – the system of stewardship and control to guide organizations in fulfilling their long-term economic, moral, legal, and social obligations towards their stakeholders.

Corporate governance is a system of direction, feedback and control using regulations, performance standards and ethical guidelines to hold the Board and senior management accountable for ensuring ethical behavior – reconciling long-term customer satisfaction with shareholder value – to the benefit of all stakeholders and society.

Its purpose is to maximize the organization's long-term success, creating sustainable value for its shareholders, stakeholders and the nation.

b) *Board of Directors* – the governing body elected by the stockholders that exercises the corporate powers of a corporation, conducts all its business and controls its properties.

c) *Exchange* – an organized market place or facility that brings together buyers and sellers, and executes trades of securities and/or commodities; refers to the Philippine Stock Exchange.

d) *Management* – a group of executives given the authority by the Board of Directors to implement the policies it has laid down in the conduct of the business of the corporation.

e) *Independent Director* – a person who is independent of management and the controlling shareholder, and is free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director.

f) *Executive Director* – a director who has executive responsibility of day-to-day operations of a part or the whole of the organization.

g) *Non-executive Director* – a director who has no executive responsibility and does not perform any work related to the operations of the corporation.

h) *Conglomerate* – a group of corporations that has diversified business activities in varied industries, whereby operations of such businesses are controlled and managed by a parent corporate entity.

i) *Non-audit Work* – the other services offered by an external auditor to a corporation that are not directly related and relevant to its statutory audit functions such as accounting, payroll, bookkeeping, reconciliation, computer project management, data processing, or information technology outsourcing services, internal audit, and other services that may compromise the independence and objectivity of an external auditor.

j) *Internal Control* – a process designed and effected by the Board of Directors, senior management, and all levels of personnel to provide reasonable assurance on the achievement of objectives through efficient and effective operations; reliable, complete and timely financial management information and compliance with applicable laws, regulations and the organization's policies and procedures.

k) *Internal Control System* – the framework under which internal controls are developed and implemented (alone or in concert with other policies or procedures) to manage and control particular risk or business activity or combination of risks or business activities, to which the Corporation is exposed.

l) *Internal Audit* – an independent and objective assurance activity designed to add value to and improve the Corporation's operations, and help it accomplish its objectives by providing a systematic and disciplined approach in the evaluation and improvement of the effectiveness or risk management, control and governance processes.

m) *Internal Audit Department* – a department or unit of the corporation and its consultants, if any, that provide independent and objective assurance services in order to add value and improve the Corporation's operations.

n) *Internal Audit Head* – heads the Internal Audit Group and is primarily responsible for internal audit activities. If internal audit activities are performed by outside service providers, he is the person responsible for overseeing the service contract, the overall quality of these activities, and follow-up of engagement results.

o) *Enterprise Risk Management* – a process, effected by an entity's Board of Directors, Management and other personnel, applied in strategy setting and across the enterprise that is designed to identify potential events that may affect the entity, manage risks to be within the its risk appetite and provide reasonable assurance regarding the achievement of entity objectives.

p) *Related Party* – shall cover the company's subsidiaries, as well as affiliates and any party (including their subsidiaries, affiliates and special purpose entities) that the Corporation exerts direct or indirect control over or that exerts direct or indirect control to the Corporation: the Corporation's directors; officers; shareholders and related interests (DOSRI), and their close family members, as well as corresponding persons in affiliated companies. This shall also include such other person or juridical entity whose interest may pose a potential conflict with the interest of the Corporation.

q) *Related Party Transactions* – a transfer of resources, services or obligations between a reporting entity and a related party, regardless whether a price is charged. It should be interpreted broadly to include not only transactions that are entered into with related parties, but also outstanding transactions that are entered into with an unrelated party that subsequently becomes a related party.

r) *Stakeholders* – any individual, organization or society at large who can either affect and/or be affected by the Corporation's strategies, policies, business decisions and operations, in general. This includes, among others, customers, creditors, employees, suppliers, investors, as well as the government and community in which it operates.

Unless otherwise stated, all references to the masculine gender in the salient provisions of this Manual shall likewise cover the feminine gender.

ARTICLE III

BOARD GOVERNANCE

1. BOARD OF DIRECTORS

The Board of Directors (the "Board") is vested with the authority to manage the affairs of the Corporation. It is the Board's responsibility to foster the long-term success of the corporation and to sustain its competiveness and profitability in a manner that it is consistent with the objectives of the corporation and the long-term interest of its shareholders and other stakeholders.

The Board is directly accountable to its shareholders and it shall provide an independent check on the Management.

1.1 Composition of the Board

The Corporation shall be headed by a competent, working Board with a collective working knowledge, experience or expertise that is relevant to the Corporation's industry/sector.

The Board of Directors shall be elected annually by the stockholders owning or representing the majority of the subscribed capital stock with a term of one (1) year and shall serve until the election and qualification of their successors. Any vacancy in the Board of Directors shall be filled by the remaining members of the Board constituting a quorum by a majority vote and the Director or Directors so chosen shall serve for the unexpired term.

The Board shall be composed of nine (9) members wherein more than 50% of whom shall be non-executive directors who possess the necessary qualifications to effectively participate and help secure objective, independent judgment on corporate affairs and to substantiate proper checks and balance.

The membership of the Board is a combination of executive and non-executive directors (which include independent directors) in order that no director or small group of directors can dominate the decision-making process. The Corporation determines that non-executive directors (NEDs) possess such qualifications and stature that would enable them to effectively participate in the deliberations of the Board. A Board composed of majority of NEDs assures protection of the Corporation's interest over the interest of the individual shareholders. NEDs should have a separate periodic meetings with the external auditor, heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation.

1.2 Diversity

The Board shall have a policy on board diversity which is not limited to gender diversity. It also includes diversity in age, ethnicity, culture, skills, competence and knowledge. Having a diversified Board contributes to a set of competencies, knowledge and experience which could lead to an effective corporate governance and good decision making. The diversity in the Board is a move to avoid groupthink and to ensure that the Board as a collective is competent enough to guide the operations and strategies of the Corporation.

1.3 Qualifications

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

a) College education or equivalent academic degree;
b) Practical understanding of the business of the Corporation;
c) Membership in good standing in relevant industry, business or professional organizations; and
d) Previous business experience.

1.4 Permanent Disqualifications

The following persons are permanently disqualified from being a director of the Corporation:

a) Any person convicted by final judgment or order by a competent judicial or administrative body of any crime: (i) involving the purchase or sale of securities, as defined in the SRC; (ii) arising out of the person's conduct as an underwriter, broker, dealer, investment Corporation, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor or floor broker; or (iii) arising out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;

b) Any person who, by reason of any misconduct, after hearing, is permanently or enjoined by final judgment or order of the SEC, Bangko Sentral ng Pilipinas (BSP) or any court or other administrative body of competent jurisdiction from: (i) acting as an underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or a floor broker; (ii) acting as a director or officer of a bank, quasi-bank, trust company, investment house or investment company (iii) engaging in or continuing any conduct or practice in connection with any of such capacities mentioned in subparagraphs (i) and (ii) above, or willfully violating the laws that govern securities and banking activities.

   The disqualification shall also apply when (i) such person is currently subject of an order of the SEC, BSP or any court or other administrative body refusing, revoking or suspending any registration, license or permit issued under the Corporation Code, SRC, or any other law administered by the SEC or BSP, or under any rule or regulation promulgated by the SEC or BSP; (ii) such person is otherwise restrained to engage in any activity involving securities and banking; (iii) such person is also disqualified when he is currently subject to an effective order of a self-regulatory organization suspending or expelling him from membership or participation or from association with a member or participant of the organization;

c) Any person convicted by final judgment or order by a court, or competent administrative body of an offense involving moral turpitude or fraud, embezzlement, thief, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury, and other fraudulent acts;

d) Any person who has been adjudged by final judgment or order of the SEC, BSP, court or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of, any provision of the SRC, the Corporation Code of the Philippines, or any other law administered by the SEC, or any rule, regulation or order of the SEC or the BSP;

e) Any person earlier elected as independent director who becomes an officer, employee or consultant of the same corporation;

f) Any person judicially declared to be insolvent;

g) Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the enumerated previously;

h) 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 date of his election or appointment; and

i) Other grounds as the SEC may provide.

1.5 Temporary Disqualifications

The Board provides for the temporary disqualification of a director for any of the following reasons:

a) Refusal to comply with the disclosure requirements of the SRC and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists;

b) Absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election;

c) Dismissal or termination for cause as director of any another publicly-listed company, registered issuer of securities and holder of a secondary license from the SEC. 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;

d) If the beneficial equity ownership of an independent director in the Corporation or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification from being elected as an independent director shall be lifted if the limit is later complied with; and

e) If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.

A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.

1.6 Multiple Board Seats

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

The Corporation shall ensure that its directors are able to fulfill their duties. Non-executive directors shall hold no more than five (5) board seats or directorships in any group of publicly-listed companies and executive directors shall hold no more than two (2) board seats in listed companies outside the Corporation's group.

1.7 Board Meetings and Quorum Requirements

The members of the Board should attend its regular and special meetings in person or through teleconferencing or videoconferencing conducted in accordance with the rules and regulations of the Commission, except when justifiable causes, such as, illness, death in the immediate family, and serious accidents, prevent them from doing so. In Board and Committee meetings, the director should review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations.

Independent directors should always attend Board meetings. Unless otherwise provided in the by-laws, their absence shall not affect the quorum requirement. However, the Board may, to promote transparency, require the presence of at least one independent director in all its meetings.

To monitor the directors' compliance with the attendance requirements, an advisement letter about the directors' record of attendance in Board meetings shall be submitted to the Commission every year as part of the Annual Corporate Governance Report (ACGR).

2. RESPONSIBILITIES, DUTIES AND FUNCTION OF THE BOARD

2.1 General Responsibility of the Board

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

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

2.2 Duties and Functions of the Board

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

a) Acts on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Corporation and all shareholders;

b) Implements a process for the selection of directors who ca n add value and contribute independent judgment to the formulation of sound corporate strategies and policies;

c) Be responsible for ensuring and adopting an effective succession planning program for directors, key officers and management to ensure growth and a continued increase in the shareholder's value;

d) Implements a process to appoint competent, professional, honest and highly motivated management officers who can add value to the Corporation. The performance of the management team should be monitored and assessed based on the established performance standards that are consistent with the strategic objectives of the Corporation;

e) Adopts an effective succession planning program for Management;

f) Establishes an effective performance management framework that will ensure that the Management, including the Chief Executive Officer, and the personnel's performance is at par with the standards set by the Board;

g) Oversees that an appropriate internal control system is in place including setting up a mechanism for monitoring and managing potential conflicts of interest of Management, Board members, and shareholders. The Board should also approve the Internal Audit Charter;

h) Provides sound strategic policies and guidelines to the Corporation on major capital expenditures, establish programs that can sustain its long-term viability and strength and periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance;

i) Ensures the Corporation's faithful compliance with all applicable laws, regulations and best business practices;

j) Establishes and maintains an investor relations program that will keep the stockholders informed of important developments in the Corporation. If feasible, the Corporation's CEO or Chief Financial Officer shall exercise oversight responsibility over this program;

k) Identifies the Corporation's stakeholders in the community in which it operates or are directly affected by its operations and formulate a clear policy of accurate, timely and effective communication with them;

l) Adopts a system of check and balance within the Board. A regular review of the effectiveness of such system should be conducted to ensure the integrity of the decision-making and reporting processes at all times. There should be a continuing review of the Corporation's internal control system in order to maintain its adequacy and effectiveness;

m) Identifies key risk areas and performance indicators and monitor these factors with due diligence to enable the Corporation to anticipate and prepare for possible threats to its operational and financial viability;

n) Formulates and implements 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;

o) Constitutes an Audit and Risk Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities.

p) Establishes and maintains an alternative dispute resolution system in the Corporation that can amicably settle conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties, including the regulatory authorities.

q) Meets at such times or frequency as may be needed. The minutes of such meetings should be duly recorded. Independent views during Board meetings should be encouraged and given due consideration.

r) Keeps the activities and decisions of the Board within its authority under the Articles of Incorporation and By-laws, and in accordance with existing laws, rules and regulations; and

s) Appoint a Compliance Officer who shall have the rank of at least Senior Vice President.

The Board should have a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties. The Board Charter should serve as a guide

to the directors in the performance of their functions and should be publicly available and posted on the Company's website.

2.3 Specific Duties and Responsibilities of each Director

A director's office is one of trust and confidence. A director 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.

A director should observe the following norms of conduct:

a) Conduct fair business transactions with the Corporation, and ensure that his personal interest does not conflict with the interests of the Corporation.

   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.

   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.

b) Devote the time and attention necessary to properly and effectively perform his duties and responsibilities.

   A director shall devote sufficient time to familiarize himself with the Corporation's business. He shall be constantly aware of and knowledgeable with the Corporation's operations to enable him to meaningfully contribute to the Board's work. He shall attend and actively participate in Board and committee meetings, review meeting materials and, if called for, ask questions or seek explanation.

c) Act judiciously

   Before deciding on any matter brought before the Board, a director should carefully evaluate the issues and, if necessary, make inquiries and request clarification.

d) Exercise independent judgment.

   A director shall view each problem or situation objectively. If a disagreement with other directors arises, he shall carefully evaluate and explain his position. He shall not be afraid to take an unpopular position. Corollary, he shall support plans and ideas that he thinks are beneficial to the Corporation.

e) 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.

   A director shall also keep abreast with industry developments and business trends in order to promote the corporation's competitiveness.

f) Observe confidentiality.

A director shall keep secure and confidential all non-public information he may acquire or learn by reason of his position as director. He shall not reveal confidential information to unauthorized persons without the authority of the Board.

g) Proper orientation upon joining the Board

The Corporation shall establish an orientation program for first-time directors and relevant annual continuing training for all directors. This is to promote an effective board performance and to ensure that the directors carry-out their duties and responsibilities properly.

The orientation program shall cover SEC-mandated topics on corporate governance and an introduction to the Corporation's business, Articles of Incorporation, By-Laws and other relevant manuals. On the other hand, the annual continuing training program should aim that the directors are continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to the Corporation.

h) Notify the Board where he/she is an incumbent director before accepting a directorship in another company.

i) Abstain from taking part in the deliberations when he/she has a material interest in any transaction affecting the Corporation.

j) Recommend to the stockholders the appointment of the external auditors based on the recommendation of the Audit and Risk Committee.

3. BOARD COMMITTEES

The Board shall establish Board Committees in order to support the effective performance of the Board's functions and in accordance with the By-Laws of the Corporation and to assist in good governance. All established committees shall have Committee Charters discussing their purposes, memberships, structures, operations, reporting processes, resources, standards for evaluating its performance and other relevant information.

3.1. Executive Committee

An executive committee shall be created, composed of not less than three (3) members of the Board of Directors to be elected from their own number. Said committee may act, by majority vote of all its members as may be delegated to it by a majority vote of the Board, except with respect to:

i. Any action which requires shareholders' approval;

ii. The filing of vacancies in the Board;

iii. The amendment or repeal of By-Laws or the adoption of new By-Laws;

iv. The amendment or repeal of any resolution of the Board which by its express terms is not amendable or repealable; and

v. A distribution of cash dividends to the shareholders.

3.2. Audit and Risk Committee

The Board shall establish an Audit and Risk Committee to enhance its oversight capability over the Corporation's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.

The Audit and Risk Committee should be composed of at least three (3) appropriately qualified non-executive directors and headed by an independent director. The members of the Audit and Risk Committee must have relevant background, knowledge, skills and/or experience in the areas of accounting, auditing and finance.

The Committee has the following duties and responsibilities, among others:

a) Financial Reporting

i. Reviews and approves the Interim and Annual Financial Statements before their submission to the Board focusing particularly on the following matters:
   - Any change/s in accounting policies and practices;
   - Areas where significant amount of judgement has been exercised;
   - Significant adjustments resulting from the audit;
   - Going concern assumptions;
   - Compliance with accounting standards; and
   - Compliance with tax, legal and regulatory requirements.

ii. Coordinates, monitors and facilitates compliance with laws, rules and regulations.

b) Internal Audit

i. Recommends the approval of the Internal Audit Charter (IA Charter), which formally defines the role of the Internal Audit and the audit plan as well as oversees the implementation of the IA Charter. Any subsequent revisions to the IA Charter should be approved by the Audit Committee;

ii. Through the Internal Audit (IA) Department, monitors and evaluates the adequacy and effectiveness of the Corporation's internal control system, integrity of the financial reporting and security of physical and information assets;

iii. Ensures that the IA Department has a well-designed internal control procedures and processes that will provide a system of checks and balances. Such should be in place in order to:
   - Safeguard the resources of the Corporation and ensure their effective utilization;
   - Prevent occurrence of fraud and other irregularities;
   - Protect the accuracy and reliability of the Corporation's financial data; and
   - Ensure compliance with applicable laws and regulations.

iv. Oversees the IA Department and recommends the appointment and/or grounds for approval of the Head of the IA Department;

v. Establishes and identifies the reporting line of the internal auditor to enable him to properly fulfill his duties and responsibilities. The IA Department should directly report to the Audit Committee;

vi. Reviews and monitors Management's responsiveness to the findings and recommendations raised by the internal auditors;

vii. Performs oversight functions over the internal auditors; and

viii Ensures the independence of the internal auditors and that they are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions.

c) External Audit

i. Recommends to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the Commission who undertakes an independent audit of the Corporation, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders.

The Committee shall determine the independence of the external auditors including their professional qualifications and competence. It shall also ensure that the Corporation adheres with the rotation of the assigned engagement partner. The external auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Corporation, shall be changed with the same frequency.

ii. Prior to the commencement of the audit, discusses with the External Auditor the nature, scope and expenses of the audit, and ensures the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts.

iii. Evaluates and determines the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid and to the Corporation's overall consultancy expenses. The Committee should disallow any non-audit work that conflict with the duties of the External Auditor or may pose a threat to independence.

Any non-audit work, if allowed, should be disclosed in the Corporation's Annual Report and Annual Corporate Governance Report.

iv. Performs oversight functions over the external auditors.

v. Ensures that the external auditors are given unrestricted access to all records, properties and personnel to enable them to perform their audit functions.

vi. Reviews the disposition of the recommendation in the External Auditor's management letter.

vii. Reviews and monitors the external auditor's suitability and effectiveness on an annual basis.

d) Risk Oversight

i. Develops risk management policies and procedures for the Corporation which contains the following elements:
   - Common language or register of risks;
   - Well-defined risk management goals, objectives and oversight;
   - Uniform processes of assessing risks and developing strategies to manage prioritized risks;
   - Designing and implementing risk management strategies; and

- Continuing assessments to improve risk strategies, processes and measures.

ii. Evaluates the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The Committee revisits the defined risk management strategies, looks for emerging or changing material exposures, and stays abreast of significant developments that seriously impact the likelihood of harm or loss;

iii. Advises the Board on its risk appetite levels and risk tolerance limits;

iv. Reviews at least annually the Corporation's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic, and business environment, and when major events occur that are considered to have major impact on the Corporation;

v. Assesses the probability of each identified risk becoming a reality and estimates its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the Corporation and its stakeholders;

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

vii. Reports to the Board on a regular basis, or as deemed necessary, the Company's risk material risk exposures, the actions taken to reduce the risks,, and recommends further action or plans, as necessary.

e) Related Party Transactions

i. Evaluates on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships should be reflected in the relevant reports to the Board and regulators/supervisors;

ii. Evaluates all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g. price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the Corporation are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions.

In evaluating the RPTs, the Committee takes into account, among others, the following:

- The related party's relationship to the Corporation and interest in the transaction;
- The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
- The benefits to the Corporation of the proposed RPT;
- The availability of other sources of comparable products or services; and
- An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Corporation should have an effective price discover system in place and exercise due diligence in determining a fair price for RPTs.

iii. Ensures that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Corporation's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure should include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the Corporation's affiliation or transactions with other related parties;

iv. Reports to the Board on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;

v. Ensures that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process; and

vi. Oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

3.3. NOMINATION COMMITTEE

The Nomination Committee is composed of four (4) members and one of whom is an independent director, and shall have the following functions:

i. Determines the nomination and election process for the Corporation's directors and has the special duty of defining the general profile of Board members that the Corporation may need and ensuring appropriate knowledge, competencies and expertise that complement the existing skills of the Board;

ii. Reviews and evaluates the qualifications of all persons nominated to the Board and other appointments that require Board approval, and

iii. Assesses the effectiveness of the Board's processes and procedures in the election or replacement of directors.

The Nomination Committee should develop a policy regarding the process of board nomination. Such process should be explained in the Nomination Committee Charter. The policy should encourage shareholders' participation by including procedures on how the Board accepts nomination from minority shareholders. The policy should also promote transparency of the Board's nomination and election process.

The nomination and election process includes the review and evaluation of the qualifications of all persons nominated to the Board, including whether candidates: i) possess the knowledge, skills, experience and particularly in the case of non-executive directors, independence of mind given their responsibilities to the Board and in light of the entity's business and risk profile, ii) have a good integrity and good repute; iii) have sufficient time to carry out their responsibilities; and iv) have the ability to promote a smooth interaction between board members.

3.4. CORPORATE GOVERNANCE COMMITTEE

The Board should establish a Corporate Governance Committee that should be tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were assigned to Compensation and Remuneration Committee.

The Corporate Governance Committee shall be composed of three (3) members and one of whom is an independent director, and shall have the following duties and responsibilities:

i. Oversees the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the Corporation's size, complexity and business strategy, as well as its business and regulatory environments;

ii. Oversees the periodic performance evaluation of the Board and its committees as well as executive management, and conducts an annual self-evaluation of its performance;

iii. Ensures that the results of the Board evaluation are shared, discussed and that concrete action plans are developed and implemented to address the identified areas for improvement;

iv. Recommends continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the Board members and senior officers and remuneration packages for corporate and individual performance;

v. Adopts corporate governance policies and ensures that these are reviewed and updated regularly and consistently implemented in form and substance;

vi. Proposes and plans relevant trainings for the members of the Board;

vii. Establishes a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the Corporation's culture and strategy as well as the business environment in which it operates. No director should participate in deciding on his remuneration;

viii. Identifies the level of remuneration which is sufficient enough to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors may be structured or be based on corporate and individual performance;

ix. Provides in the Corporation's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and the ensuing year; and

x. Ensures that required disclosures regarding the compensation and remuneration of the directors are properly discussed in the Annual Report and other corporate reports as mandated by the Commission.

4. INDEPENDENCE

4.1 Independent Directors

The presence of independent directors in the Board is to ensure the exercise of independent judgment on corporate affairs and proper oversight of managerial performance, including prevention of conflict of interests and balancing of competing demands of the Corporation.

The Board should ensure that its independent directors possess the necessary qualifications and none of the disqualifications for an independent director to hold the position. The Independent Directors should possess a good general understanding of the industry they are in. It is also important to note that independence and competence should go hand in hand. Further, the non-executive directors, including the independent directors, should possess the qualifications and stature that would enable them to effectively and objectively participate in the deliberations of the Board.

An Independent Director refers to a person who ideally:

i. is not, or has not been a senior officer or employee of the Corporation unless there has been a change in the controlling ownership of the company;

ii. is not, and has not been in the three years immediately preceding the election, a director of the Corporation; a director, officer, employee of the Corporation's subsidiaries, associates, affiliates or related companies, or a director, officer, employee of the Corporation's substantial shareholders and its related companies;

iii. has not been appointed in the Corporation, its subsidiaries, associates, affiliates or related companies as Chairman "Emeritus", "Ex-Officio" Directors/Officers or Members of any Advisory Board or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within three (3) years immediately preceeding his election;

iv. is not an owner of more than two percent (2%) of the oustanding shares of the Corporation its subsidiaries, associates, affilates or related companies;

v. is not a relative of a director, officer, or substantial shareholder of the Corporation or any of its related companies or any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;

vi. is not acting as a nominee or representative of any director of the Corporation or any of its related companies;

vii. is not a securities broker-dealer of listed companies and registered issuers if securities. "Securities broker-dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal stockholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk or the broker or dealer;

viii. is not retained, either in his personal capacity or through a firm, a professional adviser, auditor, consultant, agent or counsel of the Corporation, any of its related companies or substantial shareholder, or is otherwise independent of Management and free form any business or other relationship within the three (3) years immediately preceding the date of his election;

ix. does not engage or has not engaged, whether by himself or with other persons or through a firm of which he is a partner, director or substantial shareholder, in any transaction with the Corporation or any of its related companies or substantial shareholders, other than such transactions that are conducted at arm's length and could not materially interfere with or influence the exercise of his independent judgment;

x. is not affiliated with any non-profit organization that receives significant funding from the Corporation or any of its related companies or substantial shareholders; and

xi. is not employed as an executive officer of another company where the Corporation's executive officers serve as a director

The Corporation shall have at least two (2) independent directors or equivalent to 20% of the members of the Board.

The Board's independent directors shall serve for a maximum cumulative term of nine years. After which, the independent director should be perpetually barred from re-election as such in the same company, but may continue to qualify for nomination and election as a non-independent director.

5. Assessment of Board Performance

The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees.

Board assessment helps the directors to thoroughly review their performance and understand their roles and responsibilities. The periodic review and assessment of the Board's performance as a body, the board committees, the individual directors, and the Chairman show how the aforementioned should perform their responsibilities effectively. In addition, it provides a means to assess a director's attendance at board and committee meetings, participation in the board room discussions and manner of voting on material issues.

The Board should also have in place a system that provides at a minimum, criteria and process to determine the performance of the Board, the individual directors, committees and such system should allow for feedback mechanism from the shareholders.

6. Business Conduct and Ethics

The Board shall adopt a Code of Business Conduct and Ethics, which would provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings. The Code shall be properly disseminated to the Board, Management and employees. It shall also be disclosed and made available to the public through the company website. The Board shall ensure the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.

ARTICLE IV

MANAGEMENT

1. General Responsibilities of the Management

The Management is tasked to oversee the day-to-day operations of the Corporation. They also ensure that the strategies of the Corporation are aligned in achieving its objectives. The Management should also provide the Board accurate and timely information that would enable the Board to comply with its responsibilities to the stockholders.

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

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

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

c) On the basis of the approved audit plans, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the 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; and

d) The Corporation shall consistently comply with the financial reporting requirements of the Commission.

2. Executive Officers

2.1 Chairman of the Board

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

If the role of the Chairman and the CEO are separated, this facilitates effective decision making and good governance. Further, the division of responsibilities and accountabilities between the Chairman and the CEO should be clearly defined and delineated and disclosed in the Board Charter.

The duties and responsibilities of the Chairman in relation to the Board include, among others, the following:

a) Makes certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the Corporation, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;

b) Guarantees that the Board receives accurate, timely, relevant, insightful, concise and clear information to enable it to make sound decisions;

c) Facilitates discussion on key issues by fostering an environment conducive for constructive

debate and leveraging on the skills and expertise of individual directors;

d) Ensures that the Board sufficiently challenges and inquires on reports submitted and representations made by the Management;

e) Assures the availability of proper orientation for first-time directors and continuing training opportunities for all directors;

f) Makes sure that performance of the Board is evaluated at least once a year and discussed/followed up on; and

g) Ensures that the meetings of the Board are held in accordance with the by-laws or as the Chairman may deem necessary.

2.2 Chief Executive Officer (CEO) / President

The President shall be elected by the Board of Directors and shall be the Chief Executive Officer of the Corporation and, as such, shall have general management supervision of the affairs of the Corporation, except as otherwise prescribed by the Board. He shall act as presiding officer at stockholders' or board meetings in the absence or incapacity of both the Chairman and the Vice Chairman.

The President shall have the following roles and responsibilities, among others:

a) Determines the Corporation's strategic direction, formulates and implements its strategic plan on the direction of the business;

b) Communicates and implements the Corporation's vision, mission, values and overall strategy and promote any organization or stakeholder change in relation to the same;

c) Oversees the operations of the Corporation and manage human and financial resources in accordance with the strategic plan;

d) Has good working knowledge of the Corporation's industry and market and keeps up-to-date with its core business purpose;

e) Directs, evaluates and guides the work of the key officers of the Corporation;

f) Manages the Corporation's resources prudently and ensures a proper balance of the same;

g) Provides the Board with timely information and interface between the Board and the employees;

h) Builds the corporate culture and motivate the employees of the Corporation; and

i) Serves as the link between internal operations and external stakeholders.

The President shall have such other responsibilities as the Board of Directors may impose upon him.

2.3 Vice President

The Vice President shall be appointed by the Board of Directors, provided, that when necessity demands and for the interest of the Corporation, the Board of Directors may elect an Executive Vice President and/or Senior Vice Presidents and or Vice Presidents.

In case an Executive Vice President, Senior Vice President and/or Vice President/s is elected, he shall be vested with powers, authority, and duties from the President and other functions which from time to time may be assigned to him by the Board.

2.4 Treasurer

The Treasurer shall be elected by the Board of Directors, and he may or may not be a stockholder of the Corporation. He shall have the following powers and duties:

a) To have custody, and be responsible for all the funds, securities and bonds of the Corporation, and keep a complete and accurate record of receipts and disbursements and expenditures and other commercial transactions in the corresponding books of accounts of the Corporation, and see to it that all disbursements and expenditures are evidenced by appropriate vouchers;

b) To deposit in the name and to the credit of the Corporation in such bank or banks as may be designated, from time to time, by the President, all the monies, funds, securities, bonds and similar valuable effects belonging to the Corporation which may come under his contract;

c) To render an annual statement showing the financial condition of the Corporation on the thirty-first (31st) day of December of each year and such other financial report as the Board of Directors or the President may, from time to time, require;

d) To receive and give receipts for all monies paid to the Corporation from any source whatsoever, and generally perform such other duties as may be required by the Board of Directors or the President to give bond with sufficient sureties for the faithful performance of his duties.

The Treasurer may delegate the routine duties of his office to one or more employees of the Corporation with the approval of the President. He may be required by the Board of Directors or the President to give bond with sufficient sureties for the faithful performance of his duties.

2.5 Compliance Officer

The Board shall ensure that it is assisted in its duties by a Compliance Officer, who should have a rank of Senior Vice President; or an equivalent position with adequate stature and authority in the Corporation.

The Compliance Officer should not be a member of the Board of Directors and shall primarily liable to the Corporation and its shareholders, and not to the Chairman or President of the Corporation.

He performs the following duties:

a) Ensures proper onboarding of new directors (i.e., orientation on the Corporation's business, charter, articles of incorporation and by-laws, among others);

b) Monitors, reviews, evaluates and ensures compliance by the Corporation, its officers and

directors with the relevant laws, the Code, rules and regulations and all governance issuances of regulatory agencies;

c) Oversees the periodic performance evaluation of the Board and its committees as well as executive management and ensures that the results of the Board evaluation are shared, discussed and concrete action plans are developed and implemented;

d) Reports matter to the Board if violations are found and recommends the imposition of appropriate disciplinary action;

e) Ensures the integrity and accuracy of all documentary submissions to regulators;

f) Appears before the SEC when summoned in relation to compliance with the Code;

g) Collaborates with other departments to properly address compliance issues, which may be subject to investigation;

h) Identifies possible areas of compliance issues and works towards the resolution of the same;

i) Ensures the attendance of board members and key officers to relevant trainings; and

j) Performs such other duties and responsibilities as may be provided by the SEC.

2.6 Corporate Secretary

The Board should ensure that it is assisted in its duties by a Corporate Secretary, who should be a separate individual from the Compliance Officer. The Corporate Secretary should not be a member of the Board of Directors and should annually attend a training on corporate governance.

The Corporate Secretary should be a Filipino citizen and a resident of the Philippines, is an officer of the Corporation. He is primarily responsible to the Corporation and its shareholders, and not to the Chairman or President of the Corporation and has, among others, the following duties and responsibilities:

a) Assists the Board and the board committees in the conduct of their meetings including preparing an annual schedule of Board and committee meetings and the annual board calendar, and assisting the chairs of the Board and its committees to set agendas for those meetings;

b) Safe keeps and preserves the integrity of the minutes of meetings of the stockholders, the Board of Directors, the Board Committees, as well as other official records of the Corporation in a book or books kept for that purpose, and shall furnish copies thereof to the Chairman, the President and other members of the Board as appropriate;

c) Be loyal to the mission, vision and objectives of the Corporation;

d) Keeps abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of the corporation; and advises the Board and the Chairman on all relevant issues as they arise;

e) Works fairly and objectively with the Board, Management and stockholders and contributes to the flow of information between the Board and management, the Board and its

committees, and the Board and its stakeholders, including shareholders;

f) Advises on the establishment of the board committees and their terms of reference;

g) Informs members of the Board, in accordance with the by-laws, of the agenda of their meetings at least five (5) working days in advance, and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;

h) Attends all Board meetings, except when justifiable cases, such as illness, death in the immediate family and serious accidents, prevent him from doing so;

i) Performs required administrative functions;

j) Oversees the drafting of the By-laws or amendments thereto and to the Articles of Incorporation of the Corporation and ensures that they conform with regulatory requirements;

k) Ensures that all Board procedures, rules and regulations are strictly followed by the members; and

l) Performs such other duties and responsibilities as may be provided by the SEC.

ARTICLE V

AUDIT, RISK OVERSIGHT AND COMPLIANCE

1. Internal Control and Risk Management

The Corporation shall have an adequate and effective internal control system and enterprise risk management framework to ensure the integrity, transparency and proper governance in the conduct of its affairs.

An effective internal control system embodies management oversight and control culture; risk recognition and assessment; control activities; information and communication; monitoring activities and correcting deficiencies. Moreover, an effective enterprise risk management framework includes such activities as the identification, sourcing, measurement, evaluation, mitigation and monitoring of risks

2. Internal Control Responsibilities of the Board

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.

(i) The minimum internal control mechanisms for the performance of the Board's oversight responsibility may include:

a) Definition of the duties and responsibilities of the CEO who is ultimately accountable for the Corporation's organizational and operational controls;

b) Selection of the person who possesses the ability, integrity and expertise essential for the position of CEO;

c) Evaluation of proposed senior management appointments;

d) Selection and appointment of qualified and competent management officers; and

e) Review of the Corporation's human resource policies, conflict of interest situations, compensation program for employees, and management succession plan.

(ii) The scope and particulars of the systems of effective organizational and operational controls may differ among corporations depending on, among others, the following factors: nature and complexity of the business and the business culture; volume, size and complexity of transactions; degree of risks involved; degree of centralization and delegation of authority; extent and effectiveness of information technology; and extent of regulatory compliance.

(iii) A Corporation may establish an internal audit system that can reasonably assure the Board, Management and stockholders that its key organizational and operational controls are faithfully complied with. The Board may appoint an Internal Auditor to perform the audit

function, and may require him to report to a level in the organization that allows the internal audit activity to fulfill its mandate.

3. Internal Audit

The Corporation shall have in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the Corporation's objectives

The following are the functions of the internal audit, among others:

a) Provides an independent risk-based assurance service to the Board, Audit and Risk Committee and Management, focusing on reviewing the effectiveness of the governance and control processes in (i) promoting the right values and ethics, (ii) ensuring effective performance management and accounting in the Corporation, (iii) communicating risk and control information, and (iv) coordinating the activities and information among the Board, External and Internal Auditors, and Management;

b) Performs regular and special audit as contained in the annual audit plan and/or based on the company's risk assessment;

c) Performs consulting and advisory services related to governance and control as appropriate for the Corporation;

d) Performs compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments, which could have a significant impact on the Corporation;

e) Reviews, audits and assesses the efficiency and effectiveness of the internal control system of all areas of the Corporation;

f) Evaluates operations or programs to ascertain whether the results are consistent with established objectives and goals, and whether the operations or programs are being carried out as planned;

g) Evaluates specific operations at the request of the Board or Management, as appropriate; and

h) Monitor and evaluates governance process.

The Internal Audit Department should have a qualified Chief Audit Executive/Internal Audit Head appointed by the Board. The IA Head shall oversee and be responsible for the internal audit activity of the Corporation, including that portion that is outsourced to a third party service provider. The IA Head shall directly report functionally to the Audit and Risk Committee and administratively to the CEO.

The following are the responsibilities of the CAE, among others:

a) Periodically reviews the Internal Audit Charter and present it to Management, Audit and Risk Committee and the Board for approval;

b) Establishes risk-based internal audit plan, including policies and procedures, to determine the priorities of the internal audit activity, consistent with the Corporation's goals;

c) Communicates the internal audit activity's plans, resource requirements and impact of resource limitations, as well as significant interim changes, to Management, Audit and Risk Committee for review and approval;

d) Spearheads the performance of the internal audit activity to ensure it adds value to the Corporation;

e) Reports periodically to the Audit and Risk Committee on the internal audit activity's performance relative to its plan; and

f) Presents findings and recommendations to the Audit and Risk Committee and gives advice to Management and the Board on how to improve internal processes.

4. External Audit

The Corporation shall establish standards for the appropriate selection of an External Auditor, and exercise effective oversight of the same to strengthen the External Auditor's independence and enhance quality of audit.

4.1 Appointment, Reappointment and Dismissal

The Audit and Risk Committee shall be in charge for approving and recommending the appointment, reappointment, removal, and fees of the External Auditor, subject to Board approval and ratification by the shareholders.

The Audit and Risk Committee shall also ensure that reason/s for the resignation, dismissal or cessation from service and the date thereof of an External Auditor shall be reported in the Annual and current reports of the Corporation. Any disagreement on any matter of accounting disclsoure, principles and practices with the former External Auditor shall be discussed in the said report.

4.2 Roles and Responsibilities

a. Conducts the audit in a fair manner and ensures that it is independent from the Corporation, its management and controlling shareholders, so that shareholders and other users of the financial statements may put reliance on their report;

b. Evaluates the appropriateness of accounting policies used, the reasonableness of accounting estimates and related disclosures made by Management and the overall presentation, structure and content of the financial statements prepared by the Management;

c. Reviews the internal controls implemented by the Corporation, identifies any significant deficiencies in internal control and communicates such to those charged with governance;

d. Meets with the Audit and Risk Committee to discuss the findings noted during the audit engagement; and

e. Attends the Annual Stockholders' Meeting and answers any questions related to their audit report and work/services rendered.

4.3 Non-audit Services

The Corporation shall disclose the nature of non-audit services performed by its External Auditor to deal with the potential conflict of interest. The Audit and Risk Committee shall be alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the External Auditor's objectivity.

4.4 Rotation

The Corporation's External Auditor shall be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Corporation, should be changed with the same frequency.

4.5 Other Corporate Reports

The Corporation shall have its External Auditor review the Annual Reports and other pertinent corporate reports.

ARTICLE VI

DISCLOSURE AND TRANSPARENCY

1. Disclosure Policies and Procedures

The essence of corporate governance is transparency. The more transparent the internal workings of the corporation are, the more difficult it will be for Management and dominant stockholders to mismanage the Corporation or misappropriate its assets.

The Corporation should establish corporate disclosure policies and procedures which are in compliant with the disclosure requirement as provided in Rule 68 of the SRC, Philippine Stock Exchange Listing and Disclosure Rules, and other regulations such as those required by the Bangko Sentral ng Pilipinas, Securities and Exchange Commission and Bureau of Internal Revenue, to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of the Corporation's financial condition, results and business operations.

2. Disclosure Requirements

The directors of the Corporation often have access to material inside information on the Corporation. As such, the Corporation should implement policies in order to reduce the risk that a director may take advantage of the information. To address the said risk, the Corporation should establish a policy requiring all directors and officers to disclose/report to the Corporation any dealings in the shares of Corporation within three business days.

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

The Board should fully disclose all relevant and material information on individual board members and key executives to evaluate their experience and qualification, and assess any potential conflicts of interest that might affect their judgment.

It is essential that all material information about the Corporation which could adversely affect its viability or the interests of its stockholders and other stakeholders should be publicly and timely disclosed. Such information should include, among others, earnings results, acquisition or disposition of assets, off- balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board and Management.

The Board shall have a clear and focused policy on the disclosure of non-financial information with emphasis on the management of economic environmental, social and governance issues of its business, which underpin sustainability.

The Corporation should make a full, accurate and timely disclosure to the public of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and stakeholders.

3. Related Party Transactions

The Board should have the overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions, particularly those which pass certain thresholds of materiality.

The Board should initiate policies and measures which are geared towards prevention of abuse and promotion of transparency, and in compliance with applicable laws and regulations to protect the interest of all shareholders.

The Corporation should establish a related party transactions policy which would cover the following:

- Definition of related parties;
- Coverage of RPT policy;
- Guidelines in ensuring arm's-length terms;
- Identification and prevention or management of potential or actual conflicts of interest which arise;
- Adoption of materiality thresholds;
- Internal limits for individual and aggregate exposures;
- Whistle-blowing mechanisms, and
- Restitution of losses and other remedies for abusive RPTs.

4. Non-financial and Sustainability Issues

The Corporation should ensure that the material and reportable non-financial and sustainability issues are disclosed.

The Board should have a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance issues of its business, which underpin sustainability.

5. Communication

5.1 Investor Relations

The Board should establish an Investor Relations Office (IRO) to ensure constant engagement with shareholders. The Investor Relations Office shall be headed by the Investor Relations Officer and shall have the following functions:

a. Creates an avenue to receive feedback, complaints and queries from shareholders to assure their active participation with regard to activities and policies of the Corporation;
b. Ensures that all information regarding the activities of the Corporation are properly and timely communicated to shareholders;
c. Attends every stockholders' meeting.

ARTICLE VII

STOCKHOLDERS' RIGHTS AND PROTECTION OF MINORITY STOCKHOLDERS' INTEREST

1. Shareholders' Rights

The Board shall respect the rights of the stockholders as provided for in the Corporation Code, namely:

(i) Dividend policies;
(ii) Right to propose the holding of meetings and to include agenda items ahead of the scheduled Annual and Special Stockholders' Meeting;
(iii) Right to nominate candidates of the Board of Directors;
(iv) Nomination process; and
(v) Voting procedures that would govern the Annual and Special Stockholders' Meeting.

Shareholders are also encouraged to participate given sufficient information prior to voting on fundamental corporate changes such as:

(i) Amendments to the Articles of Incorporation and By-Laws of the Company;
(ii) Authorization on the increase in authorized capital stock; and
(iii) Extraordinary transactions, including the transfer of all or substantially all assets that in effect result in the sale of the Corporation.

1.1 Dividend Policies

Shareholders have the right to receive dividends depending upon the earnings, cash flow and financial conditions of the Corporation. The Corporation Code prohibits stock corporations from retaining surplus profits in excess of 100% of its paid-in capital stock, except: a) when justified by definite corporate expansion projects or programs approved by the Board or b) when the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent , and such consent has not been secured; or c) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is a need for special reserve for probable contingencies.

1.2 Right to propose the holding of meetings and to include agenda items ahead of the scheduled Annual and Special Stockholders' Meeting

The right to propose the holding of meetings and items for inclusion in the agenda is given to all shareholders, including minority and foreign shareholders provided the items are for legitimate business purposes and relate directly to the business of the Corporation.

1.3 Right to nominate candidates of the Board of Directors and Nomination process

All shareholders are given the opportunity to nominate candidates to the Board of Directors in accordance with the existing laws. The procedures of the nomination process should be discussed clearly by the Board.

1.4 Voting procedures that would govern the Annual and Special Stockholders' Meeting

The Corporation shall provide a clear explanation of the voting procedures that would govern the Annual and Special Stockholders' Meeting. The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the Corporation. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the by-

laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.

2. Duties of the Board of Directors in Promoting Shareholders' Rights

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

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

Although all stockholders should be treated equally or without discrimination, the Board should give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Corporation. The Board shall determine which matters are appropriate for inclusion in the agenda during the Annual and Special Stockholders' Meeting.

The Board shall encourage active shareholder participation by sending the Notice of Annual and Special Stockholders' Meeting with sufficient and relevant information at least 28 days before the meeting and such should be posted on the company website. The Notice should include the date, location, meeting agenda and its rationale and explanation and details of issues to be deliberated on an approved or ratified at the meeting. The Board shall make the result of the votes taken during the most recent Annual or Special Stockholders' Meeting publicly available the next working day. In addition, the Minutes of the Annual and Special Stockholders' Meeting should be available on the Corporation's website within five (5) business days from the end of the meeting.

The Board shall make available established Alternative Dispute Resolution procedures to resolve intra-corporate disputes in an amicable and effective manner

ARTICLE VIII

ENCOURAGING EMPLOYEES' PARTICIPATION, SUSTAINABILITY AND SOCIAL RESPONSIBILITY

1. ENCOURAGING EMPLOYEES' PARTICIPATION

The Board should establish policies, programs and procedures that encourage employees to actively participate in the realization of the Corporation's goals and in its governance.

The establishment of policies and programs covering, among others, the following:

- Health, safety and welfare
- Training and development
- Reward / compensation for employees

These policies should encourage employees to perform better and motivate them to take a more dynamic role in the Corporation. Active participation is further fostered when the Corporation recognizes the firm-specific skills of its employees and their potential contribution in corporate governance.

The Board should set the tone and make a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct. Further, the Board should disseminate the policy and program to employees across the organization through trainings to embed them in the Corporation's culture. The employees are also encouraged to report corrupt practices and outlines procedures on how to combat, resist and stop these corrupt practices. Anti-corruption programs are more effective when the Board sets the tone and leads the Corporation in their execution.

The Board shall also establish a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an independent member of the Board or unit created to handle whistleblowing concerns

2. ENCOURAGING SUSTAINABILITY AND SOCIAL RESPONSIBILITY

The Corporation should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balance d development.

The Corporation should recognize and place an important on the interdependence between business and society, and promote a mutually beneficial relationship that allows the Corporation to grow its business, while contributing to the advancement of the society where it operates.

ARTICLE IX

STAKEHOLDERS' INTEREST

The Board should identify the Corporation's various stakeholders and promote cooperation between them and the Corporation in creating wealth, growth and sustainability. The stakeholders in corporate governance include, but are not limited to, customers, employees, suppliers, shareholders, investors, creditors, the community where the Corporation operates in, society, the government, regulators, competitors, external auditors, etc. It is the duty of the Board that due consideration be given to those who have an interest in the Corporation and are directly affected by its operations.

The Board should establish clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders. Further, the Corporation's stakeholders play a significant role in the growth and long-term viability. As such, the Board should adopt a transparent framework and process that allow stakeholders to communicate with the Corporation and to obtain redress for the violation of their rights.

ARTICLE X

REGULAR REVIEW OF THE MANUAL

The Manual of Corporate Governance shall be reviewed annually to ensure that any changes in the Corporation's operations are being considered in the Manual. Any revision made should be reviewed and approved by the majority of the Board of Directors.

The Corporation may also establish and implement corporate governance rules which can be used by the employees, management and Board of Directors as reference in obtaining the objectives of the Corporation.

ARTICLE XI

SANCTIONS FOR NON-COMPLIANCE WITH THE MANUAL

To strictly observe and implement the provisions of this Manual, the following penalties shall be imposed after notice and hearing, on the Corporation's directors, officers, staff, in case of violation of any of the provisions of this Manual:

1. In case of first violation, the subject person shall be reprimanded;

2. In case of second violation, suspension from office shall be imposed. The duration shall be at the reasonable discretion of the Board, depending on the gravity of the violation;

3. For third violation, removal from office. The commission of a third violation of this Manual by any member of the Board shall be a sufficient cause for removal from directorship. The third violation by an officer or employee of the Corporation shall be a ground for termination of employment.

   The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend to the Chairman of the Board the imposable penalty for such violation, subject to further review and approval of the Board.

ARTICLE XII

ADOPTION AND EFFECTIVITY OF THE MANUAL

This Manual was adopted by the Board of Directors of the Corporation on 23 May 2017. It shall be effective on 01 June 2017. Amendments to comply with regulatory issuances of the SEC shall be deemed adopted and effective upon effectivity of the relevant regulatory issuance.

SIGNED:

ATTY. SABINO R. PADILLA, JR.
Chairman of the Board

RUDY GO
Compliance Officer / Senior Vice President