

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is Filed for the Year: **2014**
2. Exact Name of Registrant as Specified in its Charter : **MILLENNIUM GLOBAL HOLDINGS, INC.** (formerly IPVG Corp.)
3. **2nd Floor Senses Spa Bldg., MIA Road corner Pildera St. Tambo, Paranaque City 1701**
Address of Principal Office Postal Code
4. SEC Identification Number **25160**
5. (SEC Use Only)
Industry Classification Code
6. BIR Tax Identification Number **000-000-189-138**
7. **(632) 551-2575**
Issuer's Telephone number, including area code
8. **IPVG Corp., 34F RCBC Plaza Tower 2, 6819 Ayala Avenue 1200, Makati City**
Former name or former address, if changed from the last report

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A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	11
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Actual number of Directors for the year	11
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(a) Composition of the Board

Below are the members of the Board of Directors of **Millennium Global Holdings, Inc.** (the “Company” or “MG”, formerly IPVG Corp.) as of December 31, 2014:

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
Michael Yang (Yang Chi Jen)	ED	N/A	Clemencia R. Cortezano	Oct. 22, 2012	Nov. 28, 2014	Annual	2 yrs
Hsien-Tzu Yang	NED	N/A	Maria Soledad C. Lim	Jan. 14, 2013	Nov. 28, 2014	Annual	2 yrs
Jaime Enrique Y. Gonzalez ¹	NED	N/A	Michael Yang (Yang Chi Jen)	June 11, 2003	Nov. 28, 2014	Annual	11 yrs
Jose Marie E. Fabella	NED	N/A	Clemencia R. Cortezano	Nov. 28, 2014	Nov. 28, 2014	Annual	0 yr
Clemencia R. Cortezano	ED	N/A	Norberto G. Tan	Oct. 22, 2012	Nov. 28, 2014	Annual	2 yrs
Willy O. Dizon	NED	N/A	Clemencia R. Cortezano	Dec. 21, 2012	Nov. 28, 2014	Annual	2 yrs
Nancy T. Golpeo	NED	N/A	Hsien-Tzu Yang	Jan. 14, 2013	Nov. 28, 2014	Annual	2 yrs
Maria Soledad C. Lim	NED	N/A	Hsien-Tzu Yang	Dec. 21, 2012	Nov. 28, 2014	Annual	2 yrs
Norberto G. Tan	NED	N/A	Clemencia R. Cortezano	Jan. 14, 2013	Nov. 28, 2014	Annual	2 yrs
Ernesto S. Go	ID	N/A	Norberto G. Tan/ No relationship	Oct. 22, 2012	Nov. 28, 2014/ 2 years	Annual	2 yrs
Rosa R. Cinco	ID	N/A	Clemencia R. Cortezano/ No relationship	Dec. 20, 2013	Nov. 28, 2014/ 1 year	Annual	1 yr

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

The Board of Directors and the Management of the Company recognize that a good corporate governance system is integral to the mandate bestowed upon them by the Company's stockholders, and is a necessary component of what constitutes sound strategic business management. Thus, the Board of Directors and the Management commit themselves to uphold their fiduciary duties, accountabilities and responsibilities to the Company, and subscribe to the belief that the pursuit of corporate goals must be bound by high ethical

¹ Resigned effective March 13, 2015. Mr. Hsin-Jan Wan has been appointed as director to serve Mr. Gonzalez's unexpired term.

standards respecting the rights of majority and minority shareholders and observing disclosure duties and board responsibilities.

Treatment of all shareholders

It is the Company’s policy that all stockholders must be treated equally and without discrimination, respecting their rights enshrined under the Company’s By-Laws, the Company’s Manual on Corporate Governance, the Corporation Code and other applicable and relevant sources.

Respect for the rights of minority shareholders and of other stakeholders

The Company respects the minority stockholders’ rights as provided for under the Company’s By-Laws, the Company’s Manual on Corporate Governance, the Corporation Code and other applicable and relevant sources.

Disclosure duties

The Company fully recognizes and observes the disclosure rules by complying with the rules and regulations imposed by the Philippine Stock Exchange and the Securities and Exchange Commission.

Board Responsibilities

The Company’s Board of Directors has the responsibility to foster the long-term success of the Company and sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders.

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

The Board reviews and approves the Company’s vision and mission as often as required.

(d) Directorship in Other Companies

(i) Directorship in the Company’s Group²

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

Director’s Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Yang Chi Jen (a.k.a Michael Yang)	Millennium Ocean Star Corporation*	ED/ Chairman

**Effective January 10, 2014*

(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,
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² The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

		Independent). Indicate if director is also the Chairman.
Jaime Enrique Y. Gonzalez	IP E-Game Ventures, Inc.	ED
Jose Marie E. Fabella	Calata Corporation	ED

(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
N/A		

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

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	The CEO and other executive directors may be covered by a lower indicative limit for membership in other boards.	No specific limit has been explicitly set. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards should not be compromised.
Non-Executive Director	A similar limit as above may apply to non-executive directors who, at the same time, serve as full executives in other corporations.	No specific limit has been explicitly set. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards should not be compromised.
CEO	The CEO and other executive directors may be covered by a lower indicative limit for membership in other boards.	No specific limit has been explicitly set. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards should not be compromised.

(e) Shareholding in the Company as of December 31, 2014:

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

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
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Michael Yang (Yang Chi Jen)	139,215,000	378,561,130 /PCD Nominee Corp.	24.26
Hsien-Tzu Yang	1,000		0.00
Jaime Enrique Y. Gonzalez	5,141,530	61,940,821 /PCD Nominee Corp.	3.14
Jose Marie E. Fabella		10,000 /PCD Nominee Corp.	0.00
Clemencia R. Cortezano	1,000		0.00
Willy O. Dizon	1,000		0.00
Nancy T. Golpeo	1,000		0.00
Maria Soledad C. Lim	1,000		0.00
Norberto G. Tan	1,000		0.00
Ernesto S. Go	1,000		0.00
Rosa R. Cinco	10,000		0.00
TOTAL	144,373,530	440,511,951	27.4

2) Chairman and CEO

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

Yes No /

Identify the Chair and CEO:

Chairman of the Board	Yang Chi Jen (a.k.a Michael Yang)
CEO/President	Yang Chi Jen (a.k.a Michael Yang)

The functions of the Chairman of the Board of Directors and the President/CEO are clearly delineated but since the positions are occupied by the same person, the Board lays down proper checks and balances to ensure that the Board gets the benefit of independent perspective.

- (b) Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	Fosters long-term growth.	Manages company operations.
Accountabilities	<p>The Chairman of the Board shall preside at the meeting of the stockholders and at all meetings of the Directors.</p> <p>He shall ensure that the meetings of the Board are held in accordance with the By-Laws or as he may deem necessary.</p> <p>He shall supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into</p>	<p>The President, in the absence of the Chairman of the Board, shall preside at all meetings of stockholders and at all meetings of the directors. He shall have the powers to sign certificates of stock, to sign and execute all contracts and instruments of conveyance in the name of the Company, to sign checks, drafts, notes and order for the payment of money and to</p>

	consideration the suggestions of the CEO, Management and the directors. He shall maintain qualitative and timely lines of communication and information between the Board of Directors and Management.	appoint and discharge agents and employees. He shall be the chief executive officer of the Company and shall have general and active management in the business of the Company and shall perform all the duties incident to the office of the President.
Deliverables	Meeting agenda prepared by the Corporate Secretary. Submits recommendations regarding the business of the Company. Casts the deciding vote in case of a tie in the Stockholders or in the Board of Directors' meetings.	Submits and recommends for Board approval: -short and long range plans for the Company -financial statements and budgets -annual Report on the operation and condition of the Company Oversees the execution of the resolutions of the stockholders and the Board of Directors.

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

The President and CEO and officers occupying the top key management positions are elected/ reelected on a yearly basis during the organizational meeting. The Board sees to it that the qualifications of persons elected are in accordance with what are required of their positions.

- 4) Other Executive, Non-Executive and Independent Directors

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

Yes. As much as possible, the Company encourages diversity of experience and background among the directors in the Board, albeit with a unifying force that makes every member work towards the common good of the Company.

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 measure gives assurance that the general direction of the Company is within the industry standards. The Company sees to it that 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 non-executive directors should possess such qualifications and stature that would enable them to effectively participate in the deliberations of the Board. The director must also keep himself abreast with industry developments and business trends in order to promote the Company's competitiveness.

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

	Executive	Non-Executive	Independent Director
Role	Represents the management.	Represents major shareholder's interests.	Provides neutral observation.
Accountabilities	Accountable for the Company's organizational and	Ensures that the Company is properly and effectively managed and	Remains independent of management and free from any business or

	operational controls. Actively manages and operates the Company in a sound and prudent manner.	supervised.	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.
Deliverables	Submits and recommends for Board approval: -business plans -operating budgets -financial reports -annual report on the operation and condition of the Company Executes resolutions of the stockholders and the Board of directors.	Establishes programs that can sustain the company's long-term viability and strength. Establishes and maintains an investor relations program that will keep the stockholders informed of important developments on the Company.	Attends board meetings to promote transparency.

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

The "independence" of an independent director is observed when he, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director.

Pursuant to the applicable rules and regulations of the SEC, independent directors are nominated and elected during the Annual Stockholders' Meeting and each independent director issues a certification confirming his independence within 30 days from his election.

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

Yes, the Company has a term limit of five consecutive years for independent directors, subject to compliance with the provisions of the SEC Memorandum Circular 9, Series of 2011 on the Term Limits of Independent Directors (ID) effective January 2, 2012. It essentially provides that:

- IDs can serve as such for five consecutive years, provided that service for a period of at least 6 months shall be equivalent to one year, regardless of the manner by which the ID position was relinquished or terminated.
- After completion of the 5-year service period, ID shall be ineligible for election as such in the same company unless the ID has undergone a "cooling off" period of 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 same company.
- An ID re-elected as such in the same company after the "cooling off" period can serve for another 5 consecutive years.
- After serving as ID for 10 years, the ID shall be perpetually barred from being elected as such in the same company, without prejudice to being elected as ID in other companies outside of the business conglomerate,

where applicable, under the same conditions provided for in this Circular.

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

(a) Resignation/Death/Removal

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

Name	Position	Date of Cessation	Reason
N/A*			

*Except for the expiration of term, no director resigned, died or was removed from the directorship in 2014.

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

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

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors	<p>1. The Board through its Nomination Committee pre-screens the qualifications of all nominees to the Board of Directors, taking into consideration the relevant issuances of the Securities and Exchange Commission.</p> <p>2. Nomination for directors shall be made in writing and shall be delivered or mailed to the Chairman of the Board or Vice Chairman of the Board at the principal office of the Company, with the written consent of the nominees, at least 60 days before the scheduled date of the annual stockholders' meeting. The Chairman or Vice Chairman if the Board shall forward or refer such nominations to the Nomination Committee.</p> <p>3. Evaluation of</p>	<p>Under the Corporation Code of the Philippines, Directors sitting on the Board:</p> <ol style="list-style-type: none"> must own at least 1 share of the outstanding capital stock of the Company which share shall stand in his name in the books of the Company Majority of directors must be residents of the Philippines. <p>Under Art. 2 (D) of the Company's Manual on Corporate Governance, the Board may provide for additional qualifications which may include:</p> <ol style="list-style-type: none"> College education or equivalent academic degree; Practical understanding of the business of the Company; Membership in good standing in relevant industry, business

	<p>Qualifications of Candidates – Before the annual stockholders’ meeting, the Committee shall convene for the purpose of evaluating the qualifications of the nominees for directors of the Company. The Committee shall thereafter prepare the final list of qualified candidates. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as 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 annual stockholders’ meeting.</p> <p>4. The election of directors shall be done <i>viva voce</i> or by raising of hands and the votes for or against the matter submitted shall be tallied by the Corporate Secretary in case of a division of the house. Cumulative voting shall be allowed and each stockholder shall have the right to vote in person or by proxy the number of shares standing in his name at record date. He may also 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, provided that the total number of votes cast by him as shown in the books of the Company multiplied by the total number of directors to be elected. Provided further, that no delinquent stock shall be voted. Candidates receiving the highest number of votes shall be declared elected.</p> <p>5. At the organizational</p>	<p>or professional organizations; and</p> <p>iv) Previous business experience</p>
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	meeting of the Board of Directors, the Board shall elect the President from among the members of the Board.	
(ii) Non-Executive Directors	Same process adopted above for Executive Directors.	Same criteria provided above for Executive Directors.
(iii) Independent Directors	<p>Under the Company's By-Laws, the nomination and election of independent directors shall be governed by the following rules:</p> <p>a. The Nomination Committee (the "Committee") shall have at least 3 members, one of whom is an independent director. It shall promulgate the guidelines or criteria to govern the conduct of the nomination. The same shall be properly disclosed in the company's information or proxy statement or such other reports required to be submitted to the Commission.</p> <p>b. Nomination of independent directors shall be conducted by the Committee prior to a stockholders' meeting. All recommendations shall be signed by nominating stockholders together with the acceptance and conformity by the would-be nominees.</p> <p>c. 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 review the qualifications of the nominees for independent directors/s.</p> <p>d. After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, as required under Part IV(A) and (C) of Annex "C" of SRC Rule 12, which list shall be made available to the Commission and to all stockholders through the filing and distribution of the Information</p>	<p>Under SEC Memorandum Circular No. 16 Series of 2002, an independent director shall have the following qualifications:</p> <p>i. He shall have at least 1 share of stock of the Company;</p> <p>ii. He shall be at least a college graduate or he shall have been engaged or exposed to the business of the Company for at least 5 years;</p> <p>iii. He shall possess integrity/probity; and</p> <p>iv. He shall be assiduous.</p> <p>A candidate for independent director must be independent of the Company's management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director of the Company.</p>

	<p>Statement, in accordance with SRC Rule 20, or such other reports the company is required to submit to the Commission. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report including any relationship with the nominees.</p> <p>e. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Director/s. No other nominations shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting.</p> <p>f. Election of Independent Director/s</p> <p>i. Except as those required under the Implementing Rules and Regulations of the Securities and Exchange Commission and subject to pertinent existing laws, rules and regulations of the Commission, the conduct of the election of independent director/s shall be made in accordance with the standard election procedures of the Company or under its By-Laws.</p> <p>ii It shall be the responsibility of the Chairman of the Meeting to inform all stockholders in attendance of the mandatory requirement of electing independent director/s. He shall ensure that an independent director/s is elected during the stockholders' meeting.</p> <p>iii Specific slot/s for independent directors shall not be filled-up by unqualified</p>	
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	<p>nominees.</p> <p>iv In case of failure of election for independent director/s, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy.</p>	
b. Re-appointment		
(i) Executive Directors	The process for initial selection or appointment is likewise adopted for re-appointments.	Performances of Executive Directors are evaluated by the Nomination and Compensation Committee before renewal.
(ii) Non-Executive Directors	The process for initial selection or appointment is likewise adopted for re-appointments	The same criteria mentioned above for selection/appointment is likewise observed for re-election of directors.
(iii) Independent Directors	The process for initial selection or appointment is likewise adopted for re-appointments	If the Independent Director already completed the five-year service period, he shall be ineligible for election as such in the same company unless he has undergone a “cooling off” period of 2 years. After the “cooling off” period, the Independent Director can serve for another 5 consecutive years.
c. Permanent Disqualification		
(i) Executive Directors	The Nomination Committee reviews and evaluates the qualifications of all persons nominated to the Board of Directors, taking into consideration the relevant issuances of the Securities and Exchange Commission.	<p>Article 2 (E) (1)of the Company’s Manual on Corporate Governance, the Permanent Disqualification of Directors are as follows:</p> <p>(i) Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the 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> <p>(ii) Any person who, by</p>

		<p>reason of misconduct, after hearing, is 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, 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 subparagraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.</p> <p>The disqualification shall also apply if such person is currently the subject of an order of the 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) Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement,</p>
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		<p>theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;</p> <p>(iv) Any person who has been adjudged by final judgment or order of the Commission, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law administered by the Commission or BSP, or any of its rule, regulation or order;</p> <p>(v) Any person earlier elected as independent director who becomes an officer, employee or consultant of the same Company;</p> <p>(vi) Any person judicially declared as insolvent;</p> <p>(vii) Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in sub-paragraphs (i) to (v) above;</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>
(ii) Non-Executive Directors	Same process adopted above for Executive Directors.	Same criteria for permanent disqualifications, as stated above for Executive Directors.
(iii) Independent Directors	Same process adopted above for Executive Directors.	<p>Same criteria for permanent disqualifications, as stated above for Executive Directors.</p> <p>Under SEC Memorandum Circular</p>

		<p>No. 16 Series of 2002, an Independent Director shall be disqualified during his tenure under the following instances or causes:</p> <p>(i) He becomes an officer or employee of the corporation where he is such member of the board of directors/trustees, or becomes any of the persons enumerated under letter (A) hereof;</p> <p>(ii) His beneficial security ownership exceeds 10% of the outstanding capital stock of the company where he is such director;</p> <p>(iii) Fails, without any justifiable cause, to attend at least 50% of the total number of Board meetings during his incumbency unless such absences are due to grave illness or death of an immediate family.</p> <p>(iv) Such other disqualifications which the company's Manual on Corporate Governance provides.</p> <p>A securities broker-dealer is likewise disqualified from sitting as an independent director of listed companies and registered issuers of securities.</p>
d. Temporary Disqualification		
(i) Executive Directors	<p>The Nomination Committee reviews and evaluates the qualifications of all persons nominated to the Board of Directors, taking into consideration the relevant issuances of the Securities and Exchange Commission.</p>	<p>Article 2 (E) (2) of the Company's Manual on Corporate Governance Temporary Disqualification of Directors:</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 persists.</p> <p>(ii) Absence in more than 50 percent of all regular and special meetings of the Board during his</p>

		<p>incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election.</p> <p>(iii) Dismissal or termination for cause as director of any corporation covered by this 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> <p>A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.</p>
(ii) Non-Executive Directors	Same process stated above for Executive Directors is adopted.	(Same criteria for temporary disqualifications, as stated above for Executive Directors is adopted.)
(iii) Independent Directors		
e. Removal		
(i) Executive Directors	The Nomination Committee reviews and evaluates the qualifications of all persons nominated to the Board of Directors, taking into consideration the relevant issuances of the	He possesses any of the criteria enumerated for permanent disqualifications, as stated above.

	Securities and Exchange Commission.	
(ii) Non-Executive Directors	Same process as stated above is adopted.	He possesses any of the criteria enumerated for permanent disqualifications, as stated above.
(iii) Independent Directors	Same process as stated above is adopted.	He possesses any of the criteria enumerated for permanent disqualifications, as stated above.
f. Re-instatement		
(i) Executive Directors	Same process is adopted as stated above in the election/appointment and re-election of both regular and independent directors.	Same criteria are used as stated above in the election/appointment and re-election of both regular and independent directors.
(ii) Non-Executive Directors		
(iii) Independent Directors		
g. Suspension		
(i) Executive Directors	Same process is adopted as stated above in the election/appointment and re-election of both regular and independent directors.	He possesses any of the criteria enumerated for temporary disqualification, as stated above.

Voting Result of the last Annual General Meeting

Name of Director	Votes Received
1. Michael Yang (Yang Chi Jen)	1,494,399,239
2. Hsien-Tzu Yang	1,494,399,239
3. Jaime Enrique Y. Gonzalez	1,494,399,239
4. Jose Marie E. Fabella	1,494,399,239
5. Clemencia R. Cortezano	1,494,399,239
6. Willy O. Dizon	1,494,399,239
7. Nancy T. Golpeo	1,494,399,239
8. Maria Soledad C. Lim	1,494,399,239
9. Norberto G. Tan	1,494,399,239
10. Ernesto S. Go (independent)	1,494,399,239
11. Rosa R. Cinco (independent)	1,494,399,239

6) Orientation and Education Program

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

The Company does not have a formal orientation program but new directors are provided with reference reading materials to assist them in understanding better the business and operations of the Company. The Company provides an overview of the Company and other reading materials as follows: (a) Audited Financial Statements; (b) SEC Form 20-IS Information Statement; (c) Annual Report; (d) Revised Manual on Corporate Governance; (e) Amended Articles of Incorporation; (f) Amended by-Laws, (g) Minutes of Annual Stockholders' Meeting; (h) Minutes of the Board of Directors' Meeting; and (i) various current disclosures of the Company.

(b) State any in-house training and external courses attended by Directors and Senior Management³ for the past three (3) years:

The Company did not have in-house training program or company sponsored external courses for the past 3 years. Beginning 2014, in compliance with SEC Memorandum Circular No. 20, series of 2013, the Directors and Senior Management of the Corporation are required to attend a corporate governance training program at least once a year.

(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
The Company did not have company-sponsored programs, seminars and roundtables for directors during the year. Beginning 2014, in compliance with SEC Memorandum Circular No. 20, series of 2013, the Directors and Senior Management of the Corporation are required to attend a corporate governance training program at least once a year.			

B. CODE OF BUSINESS CONDUCT & ETHICS

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

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	Directors, senior management and employees, shall avoid any activity and interest that could significantly affect the objective or effective performance of duties and responsibilities in the Company, including business interests or unauthorized employment outside the Company, the receipt from and giving gifts of unusually high value to persons or entities with whom the Company relates, as well as insider dealing. They shall base all business decisions and actions on the best interests of the Company. Whenever opportunities arise, constantly advance the Company's legitimate interest.		
(b) Conduct of Business and Fair Dealings	In competition and fair dealings, the Company's directors, senior management and employees, shall: <ul style="list-style-type: none"> - not take unfair advantage of anyone through manipulation, collusion, concealment, abuse of privileged information, or misrepresentation of material fact; - not make false statements against competitors, their products and/or services; - exercise reasonable and prudent professional judgment when dealing with clients. - deal fairly with the Company's customers, service provider, suppliers, competitors and employees. 		
(c) Receipt of gifts from third parties	Everybody is enjoined to avoid the receipt from and giving of gifts of unusually high value to persons or entities with whom the company relates.		
(d) Compliance with Laws & Regulations	Directors, officers and employees shall uphold right conduct and shall personally adhere to the norms and restrictions imposed by applicable laws, rules and regulations. They shall not accept demands brought on by prevailing business conditions or perceived pressures as excuses to violate any law, rule or regulation.		
(e) Respect for Trade	Directors, officers and employees shall maintain and safeguard the confidentiality		

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

Secrets/Use of Non-public Information	of information entrusted by the Company, customers, business partners or such other parties with whom the Company relates, except when disclosure is authorized or legally mandated. They should not trade the Company's securities using price sensitive information that is not normally available publicly, and obtained by reason of position, contract within, or other relationship with the Company.
(f) Use of Company Funds, Assets and Information	Directors, officer and employees shall use Company property and resources including Company time, supplies and software, efficiently, responsibly and only for legitimate business purposes only. They shall safeguard Company assets from loss, damage, misuse or theft and shall respect intellectual property rights.
(g) Employment & Labor Laws & Policies	Employment in the Company signifies willingness and commitment to perform according to standards set by management and to abide by all the policies and procedures as well as rules and regulations of the Company which are consistent with and in accordance with relevant provisions of the Labor Code of the Philippines.
(h) Disciplinary action	Any officer or employee who commits a violation of the Code of Ethics shall be subject to disciplinary action (including termination), without prejudice to any civil or criminal proceedings that the Company or regulators may file for violation of existing law. There shall be no exception from or waivers of any provision of this Code of Ethics, except as expressly approved by the Board of Directors.
(i) Whistle Blower	Illegal or unethical behavior by a colleague or co-employee, regardless of his or her level of authority, should not be condoned. It is the responsibility of each employee to report legitimate concerns so that problems can be properly resolved and corrective measures instituted. An officer or employee who becomes aware of any violation of business conduct or ethics should immediately notify his Department/Division Head. The Division/Department Head shall in turn immediately inform the President and CEO. The President and CEO shall conduct or manage the necessary actions or investigation of any reported violations of this Code. In case Senior Management or any Board Member is involved, the same shall be referred to the Audit Committee.
(j) Conflict Resolution	The Audit Committee will handle resolution of reported illegal or unethical behavior involving Senior Management or any Board Member. The Audit Committee may ask assistance from External Audit or other 3 rd party/ies acceptable by the Audit Committee to conduct investigation of subject illegal acts or activities to further support subject reports and findings.

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

The Company is still in the process of formalizing its Code of Ethics.

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

While the Company does not have a formal Code of Ethics yet, the Company makes it the responsibility of each employee to report legitimate concerns so that problems can be properly resolved and corrective measures instituted. An officer or employee who becomes aware of any violation of this code, should immediately notify his Department/Division Head. The Department/Division Head shall in turn immediately inform the President and CEO. The President and CEO shall conduct or manage the necessary actions or investigation of any reported violations of this Code. In case Senior Management or any Board Member is involved, the same should be referred to the Audit Committee.

Generally, the Finance and Administration and/or the President and CEO (in the absence of HRD) shall be responsible for the company-wide implementation and monitoring of above-compliance.

4) Related Party Transactions

(a) Policies and Procedures

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

Related Party Transactions	Policies and Procedures
(1) Parent Company	<p>It is the policy of the Company that overlapping interests shall be disclosed to the Board and any material transaction involving such interests shall be similarly disclosed. Related party transactions shall be disclosed fully to the Board. Prior Board approval shall be obtained for related party transactions.</p> <p>Related party transactions shall be conducted in terms that are at least comparable to normal commercial practices to safeguard the best interest of the Corporation, its stockholders, creditors and other stakeholders.</p>
(2) Joint Ventures	
(3) Subsidiaries	
(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.

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s: Michael Yang (Yang Chi Jen)	<p>Mr. Yang is the Chairman/ President and CEO of the Company. He owns more than 5% of the issued and outstanding shares of the Company. He is also the majority owner of the subsidiary, Millennium Ocean Star Corporation.</p> <p>The policies and procedures for related party transactions are observed to avoid and/or address actual or probable conflicts of interest.</p>
Name of Officer/s: Michael Yang (Yang Chi Jen)	
Name of Significant Shareholders: Michael Yang (Yang Chi Jen)	

(ii) Mechanism

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

	Directors/Officers/Significant Shareholders
Company	<p>The Company promotes a culture of good corporate governance by formally adopting a Manual on Corporate Governance that is founded on the Company's core</p>
Group	

	<p>business principles of fairness, accountability, integrity, transparency and honesty. It serves as guide on individual behavior and decision making, and clarifies responsibilities and proper conduct for its directors, officers and employees. Violations of the same shall be subject to disciplinary action, without prejudice to any civil or criminal proceedings that the Company or regulators may file for violation of existing laws. In case Senior Management or any Board member is involved, the same will be referred to the Audit Committee for guidance on actions or investigations to be conducted for the proper resolution of subject findings or violation.</p> <p>In compliance with the disclosure requirements of related accounting standards and the Securities Regulation Code reporting requirements, the Corporate Information Officer and/or the Chairman/President and CEO shall promptly and properly disclose to the public all material information. The details of the related party transactions are also provided in the Related Notes to Financial Statements, SEC Form 17A (Annual Report) and SEC's Form 20-IS (Definitive Information Statement).</p>
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5) Family, Commercial and Contractual Relations

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

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
None		

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

Names of Related Significant Shareholders	Type of Relationship	Brief Description
Conqueror Space Ltd.	Stockholder	Investor
PCD Nominee Corporation (Filipino)	Stockholder	Investor
Yang Chi Jen	Stockholder/ President and CEO	Chairman/ Investor and Director/ Officer

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

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

⁴ Family relationship up to the fourth civil degree either by consanguinity or affinity.

6) Alternative Dispute Resolution

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

Alternative Dispute Resolution System	
Corporation & Stockholders	The Company promotes the policy that the Board of Directors shall establish and maintain an alternative dispute resolution system that can amicably settle conflicts or differences between the Company and its stockholders and the Company and third parties, including the regulatory authorities.
Corporation & Third Parties	
Corporation & Regulatory Authorities	

C. BOARD MEETINGS & ATTENDANCE

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

Pursuant to the Company's Manual on Corporate Governance and By-Laws, regular meetings of the Board shall be held at least twice a year on such dates as the Chairman, or in his absence, the President, may determine, or upon the request of a majority of the directors and shall be held at such places as may be designated in the notice.

2) Attendance of Directors

The attendance of the Directors of the Company in 2014 is as follows:

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Yang Chi Jen (a.k.a Michael Yang)	Dec. 20, 2013/ Nov. 28, 2014	5	5	100
Member	Jaime Enrique Y. Gonzalez	Dec. 20, 2013/ Nov. 28, 2014	5	3	60
Member	Nancy T. Golpeo	Dec. 20, 2013/ Nov. 28, 2014	5	5	100
Member	Liza M. Aguilar	Dec. 20, 2013	4	3	75
Member	Jose Marie E. Fabella	Nov. 28, 2014	1	1	100
Member	Hsien-Tzu Yang	Dec. 20, 2013/ Nov. 28, 2014	5	5	100
Member	Willy O. Dizon	Dec. 20, 2013/ Nov. 28, 2014	5	4	80
Member	Maria Soledad C. Lim	Dec. 20, 2013/ Nov. 28, 2014	5	5	100
Member	Norberto G. Tan	Dec. 20, 2013/ Nov. 28, 2014	5	5	100
Member	Clemencia R. Cortezano	Dec. 20, 2013/ Nov. 28, 2014	5	5	100
Independent	Ernesto S. Go	Dec. 20, 2013/ Nov. 28, 2014	5	4	80
Independent	Rosa R. Cinco	Dec. 20, 2013/ Nov. 28, 2014	5	5	100

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

When there are matters of concern that need to be discussed in an executive session, the non-executive directors request the President and other senior management officials present during the regular board meeting to be excused from the board room so they can conduct their executive session accordingly. On the average, this executive session is done at least twice a year.

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

Under the Company’s By-Laws, a “majority of the Board shall constitute a quorum for the transaction of business, and every decision of a majority of the quorum duly assembled as a Board shall be valid as a corporate act”.

5) Access to Information

(a) How many days in advance are board papers⁵ for board of directors meetings provided to the board?

Notice of the meeting, agenda and reference materials, presentations and other related reports are sent to the members of the Board of Directors at least three days prior to the date of the meeting.

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

Yes.

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

Yes. The Corporate Secretary’s duties and functions are provided for under the Company’s By-Laws and Manual on Corporate Governance.

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

Yes. The Company’s Corporate Secretary is a CPA-Lawyer by profession. She is also Corporate Secretary to a number of publicly-listed and private companies.

(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	Notice of the meeting and related Agenda and presentation materials (if any), are sent at least three days before the scheduled meeting date.
Audit	
Nomination	
Compensation/ ESOP	
Others (specify)	

6) External Advice

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

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

Procedures	Details
Request for legal advice/opinion	Refer to the Corporate Secretary or legal counsel for advice and guidance on possible legality or implications.
Request for independent opinion on financial matters and related regulatory concerns	Refer to the external auditors for proper guidance on the correct accounting treatment and other financial statement disclosure requirements.

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:

Existing Policies	Changes	Reason
None		

D. REMUNERATION MATTERS

1) Remuneration Process

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

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	None of the officers receive direct or indirect compensation from the Company. Some officers receive compensation from the subsidiary. In line with the Company's Restructuring Plan with in 2011, all individuals who were then employed by or under the payroll of the Company were transferred to IPVI.	
(2) Variable remuneration		
(3) Per diem allowance		
(4) Bonus		
(5) Stock Options and other financial instruments		
(6) Others (specify)		

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

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

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	Since the date of their elections, except for per diems, the directors		

Non-Executive Directors	have served without compensation. The directors did not also receive any amount or form of compensation for committee participation or special assignments. Under Section 7, Article III of the By-Laws of the Company, the compensation of directors, which shall not be more than 10% of the net income before income tax of the Company during the preceding year, shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting. As of this date, no standard or other arrangements have been made in respect of director's compensation.
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Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years.

Remuneration Scheme	Date of Stockholders' Approval
No change from the policy and scheme mentioned above and all acts of the Board have been approved/ratified during the respective stockholders' meeting.	November 28, 2014
	December 20, 2013
	October 22, 2012
	May 22, 2012

3) Aggregate Remuneration

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

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	Since the date of their elections, except for per diems, the directors have served without compensation. The directors did not also receive any amount or form of compensation for committee participation or special assignments. Under Section 7, Article III of the By-Laws of the Corporation, the compensation of directors, which shall not be more than 10% of the net income before income tax of the Company during the preceding year, shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting. As of this date, no standard or other arrangements have been made in respect of director's compensation.		
(b) Variable Remuneration			
(c) Per diem Allowance			
(d) Bonuses			
(e) Stock Options and/or other financial instruments			
(f) Others (Specify)			
Total			

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	Since the date of their elections, except for per diems, the directors have served without compensation. The directors did not also		
2) Credit granted			

3) Pension Plan/s Contributions	receive any amount or form of compensation for committee participation or special assignments. Under Section 7, Article III of the By-Laws of the Corporation, the compensation of directors, which shall not be more than 10% of the net income before income tax of the Company during the preceding year, shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting. As of this date, no standard or other arrangements have been made in respect of director's compensation.
(d) Pension Plans, Obligations incurred	
(e) Life Insurance Premium	
(f) Hospitalization Plan	
(g) Car Plan	
(h) Others (Specify)	
Total	

4) Stock Rights, Options and Warrants

(a) Board of Directors

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

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock
None				

(b) Amendments of Incentive Programs

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

Incentive Program	Amendments	Date of Stockholders' Approval
No amendment or discontinuance of any incentive program was introduced during the period.		

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
None of the officers receive direct or indirect compensation from the Company. Some officers receive compensation from the subsidiary.	

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

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

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	2	2	1		During the intervals between the meetings of the Board of Directors, the Executive Committee shall possess and may exercise all the powers of the Board of Directors in the management and direction of all the business and affairs of the company, in such manner as the Executive Committee shall deem forth the interest of the Company in all cases in which specific directions shall not have been given by the Board of Directors.	Management and direction of the business and affairs of the Company.	The Executive Committee shall possess and may exercise all the powers of the Board of Directors in the management and direction of all the business and affairs of the company.
Audit	1	1	1	Audit Committee Charter (to be formalized)	To assist the Board in fulfilling its oversight responsibilities on (1) financial reporting process, (2) system of internal control, (3) external and internal auditors' independence, qualification and performance, (4) Company's process for monitoring compliance with laws and regulations and the code of conduct.	Its key responsibilities focuses on areas pertaining to: (1) <u>Financial Statements</u> -generally reviews significant accounting and financial reporting issues and understands its impact on the financial statements, (2) <u>Internal Control</u> -considers effectiveness of the company's internal control system, including I.T. security and control; (3) <u>Internal Audit</u> -review the effectiveness of internal audit function; and	It has the authority to: (1) Recommend the appointment and compensation of the independent external auditor; (2) Resolve any disagreements between management & the auditor regarding financial reporting; (3) Recommend approval of all auditing and audit-related services; (4)

						(4) <u>External Audit</u> -review and confirm independence of the external auditors.	Conduct or authorized investigations into any matters within its scope of responsibility; (5) Retain independent counsel, accountants, or others to advise the Committee; (6) Seek any information it requires from Company Officers and employees; (7) Meet with company officers, external auditors or outside counsel as necessary.
Nomination	1	1	1	Committee Charter still to be formalized.	Reviews and evaluates the qualifications of all persons nominated to the Board as well as those nominated to other position requiring appointment by the Board and provide assessment on the Board's effectiveness in directing the process of renewing and replacing Board members.	Pre-screens qualifications of all nominees to the Board of directors; supervise and coordinate the conduct of elections of the Board; hear and decide election controversies, including, but not limited to, validation of proxies, appreciation of ballots, and election protests.	The Committee shall have the exclusive power to enforce and administer the Nomination and Election Rules of the Company. A majority of all members of the Committee shall constitute a quorum. The affirmative vote of a majority of the members present, there being a quorum, shall be sufficient to pass any motion,

							affirm any resolution, render any decision, or effectuate any other business, requiring the exercise of the Committee's discretion.
Compensation/ ESOP	1		2	Committee Charter still to be formalized	Provides oversight over remuneration of senior management and other key personnel.	Establish a formal and transparent procedure for developing a policy on executive remuneration, and for fixing the remuneration packages of corporate officers and directors.	Make recommendations to the Board on matters pertaining to remuneration and compensation packages of corporate officers and directors, after conducting review and evaluation.

2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment*	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ED)	Yang Chi Jen (a.k.a Michael Yang)	Nov. 28, 2014	1	1	100	2 yr
Member (NED)	Hsien-Tzu Yang	Nov. 28, 2014	1	1	100	1 yr

Member (NED)	Jose Marie E. Fabella	Nov. 28, 2014	1	1	100	0 yr
Member (ED)	Clemencia R. Cortezano	Nov. 28, 2014	1	1	100	2 yr
Member (ID)	Ernesto S. Go	Nov. 28, 2014	1	1	100	2 yr

*latest

(b) Audit Committee

Office	Name	Date of Appointment*	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Ernesto S. Go	Nov. 28, 2014	1	1	100	2 yrs
Member (ID)	Rosa R. Cinco	Nov. 28, 2014	1	1	100	0 yr
Member (ED)	Clemencia R. Cortezano	Nov. 28, 2014	1	1	100	2 yrs

*latest

Disclose the profile or qualifications of the Audit Committee members.

Ernesto S. Go holds a Bachelor of Laws degree from the Ateneo De Manila University Law School and placed 20th in the 1975 Bar Examinations. He is a Senior Partner at the Cerilles Navarro Nuval & Go Law Offices since 1978. He has an extensive background in Corporate and Litigation practice.

Rosa R. Cinco is the Chairman and President of MRC Beauty Products and Equipment, Inc. and General Manager of New Summit Colors Distribution, Inc. She has been a wholesaler at Tutuban Centre, Tondo Manila, since 1995 and importer of RTW, wholesaler/retailer for SM, Robinsons, Bayo and Mint since 1998. She is also a doctor of medical dentistry.

Clemencia R. Cortezano holds a Bachelor of Science in Commerce degree, major in Accounting from St. Paul College of Manila. Ms. Cortezano is currently a Consultant to Millennium Ocean Star Corporation (2009 to present). Prior to that, she held the position of Assistant Vice President at Card Bank, Inc. (2008-2009). She likewise worked as Senior Manager for Maybank, Inc. (2007-2008). Ms. Cortezano also has an extensive 17 years of banking experience in BPI Family Bank (1982-1999).

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

The Audit Committee recognizes its responsibility in confirming personal identification and professional qualifications of the company's independent external auditor. It reviews the proposed scope and approach in the annual audit and special engagements, including coordination of audit effort with internal audit and the terms of engagements. It conducts due diligence checks with guidance from SEC requirements on independent auditors for publicly listed companies, maintains complete documentation of selected independent auditor's accreditation certifications, and performs an annual evaluation of its independent auditor together with key Company officers. On a regular basis, it meets separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

(c) Nomination Committee

Office	Name	Date of Appointment*	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Ernesto S. Go	Nov. 28, 2014	1	1	100	2 yrs
Member (ED)	Yang Chi Jen	Nov. 28, 2014	1	1	100	2 yrs
Member (NED)	Hsien-Tzu Yang	Nov. 28, 2014	1	1	100	1 yr

*latest

(d) Compensation

Office	Name	Date of Appointment*	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Rosa R. Cinco	Nov. 28, 2014	1	1	100	1 yr
Member (ED)	Yang Chi Jen	Nov. 28, 2014	1	1	100	2 yrs
Member (ED)	Clemencia R. Cortezano	Nov. 28, 2014	1	1	100	2 yrs

*latest

(e) Others: None

3) Changes in Committee Members

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

Name of Committee	Name	Reason
Executive	The members were elected during the Organizational Meeting which followed shortly after the Annual Stockholders' Meeting on Nov. 28, 2014.	
Audit		
Nomination		
Compensation		

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	Assisted the Board in the management and general direction of the business and affairs of the Company.	Saw to it that the resolutions were carried out and executed.
Audit	Assisted the Board in fulfilling its oversight responsibilities for financial reporting process, system of internal control, audit process and the company's process for monitoring compliance with laws and regulations and the code of conduct.	Reviewed and discussed quarterly unaudited financial statements, audited annual financial statements including Management's Discussion and analysis of financial condition and results of operations, adequacy of the company's enterprise risk management framework, and the effectiveness of the system for monitoring compliance with laws and regulations. Approved the overall scope and audit plans of Internal and external audits, effectiveness of the internal audit function and recommended for approval the re-appointment of the current external auditors.
Nomination	Reviewed and evaluated the qualifications of all persons nominated to the Board as well as those nominated to other positions	Reviewed the qualifications of all nominees to the Board of directors, taking into consideration the relevant requirements of the

	requiring the appointment by the Board.	Insurance Commission and the Securities and Exchange Commission relative to qualifications and disqualifications of both regular and independent director nominees.
Compensation/ ESOP	Provided a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration of corporate officers and directors.	Provided oversight over remuneration of senior management and other key personnel.

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	Assist the Board in the management and general direction of the business and affairs of the Company.	Pending resolutions to be carried out and executed.
Audit	<p>Formalize charter and align with other Board Committee charters.</p> <p>Deliver 2013-2014 Internal Audit Work Plan & 2013 Compliance Work plan.</p> <p>Conduct Board self-evaluation of the company's current and potential state of CG practices using existing CG scorecards and best practice guidelines.</p> <p>Conduct learning sessions for the company-toward improving audit consciousness and compliance awareness throughout the organization.</p>	<p>Audit Committee Charter and assessment</p> <p>Review financial reporting process, system of internal control and the company's process for monitoring compliance with laws and regulations and the code of conduct.</p> <p>A more-focused compliance function will ensure that all regulatory requirements are generally complied as well as internal policies and procedures are implemented accordingly.</p> <p>CG practices to evolve from mere compliance to performance improvement and consistent implementation.</p> <p>Better understanding of roles, responsibilities, business policies, processes and procedures as well as laws, rules and good conduct lead to well-informed and more productive work force.</p>
Nomination	Formalize a Board Committee Charter	Define the purpose, roles and responsibilities, membership, authority, frequency of meetings and other matters affecting the committee.
Compensation/ ESOP	Pre-screen qualifications of all	Ensure that all nominees to the

	<p>nominees to the Board of Directors</p> <p>Establish and formalize a succession plan for senior management</p> <p>Provide oversight over remuneration of senior management and other key personnel.</p>	<p>Board, both regular and independent directors, possess all the qualifications and none of the disqualifications enumerated under the SEC Code of Corporate Governance and related SRC Rule 38-Requirements on Nomination and Election of Independent Directors.</p> <p>Recommend adoption of a formal succession plan for the company.</p> <p>Review/evaluate existing remuneration policy and procedures on executives' compensation and for fixing the remuneration of directors and corporate officers.</p>
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F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

The Board and the Management believe that 'risk management' should be an integral part of the planning and operations process of the Company in order to meet corporate goals and objectives.

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

The Company continues to adopt appropriate risk management tools as well as conservative finance and operational controls and policies to manage the various business risks the Group will encounter. The directors review the effectiveness of the risk management system, as may be necessary.

(c) Period covered by the review;

2013-2014

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

The risk management system is updated and assessed, as may be necessary, to determine whether the risks identified, assessed, quantified and aggregated remain current and are among the key risks priorities. Measures and/or controls identified to address these key risk priorities are evaluated if still effective in mitigating subject risks. Risk monitoring and reporting activities are reviewed to ensure its effectiveness such that these risks priorities and control activities are optimized and utilized to help Management meet its goals and objectives.

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

N/A

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:

Risk Exposure	Risk Management Policy	Objective
Financial Risk	The Company faces various categories and levels of risk. Inherent in all of the businesses is Counterparty risk, or the risk that clients may stop or delay payments of their service invoices, and that suppliers may fail to deliver the goods and services.	To address these issues through continuous dialogue with, and management of, the specific counterparty at risk. But we do not see, at this point, any failure on the part of our customers, our suppliers, or a group thereof, that would materially affect the financial conditions and results of the Company.
Currency Risk	During the period when the Peso was still strong, the Company decided to hedge its net USD inflows with a foreign bank, by fixing the USD-Peso exchange rate until the end of the contract. Since then, the Peso has depreciated and we may see the USD to strengthen as the other economies are affected by the credit crisis, and inflows from OFW remittances may slow down.	To minimize exposure to currency risk

(b) Group

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

Risk Exposure	Risk Management Policy	Objective
Same as above.		

(c) Minority Shareholders

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

Risk to Minority Shareholders
<p>While there is a risk that the exercise of the controlling shareholders' voting power may be restrictive or authorizing preferences in their favor, the Board in its commitment to practice good governance, is committed to respect the rights of the shareholders as provided for in the Corporation Code. These include the <i>right to vote on all matters that require their consent or approval</i>, such that a director shall not be removed without cause if it will deny minority shareholders representation in the Board.</p>

3) Control System Set Up

(a) Company

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

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Significant amount of invested assets will be subject to changes in interest rates, exchange rates and market volatility.	<p>Creation of or delegation to a group or body to oversee investment performance relative to Company's adherence to approved investment policy/guidelines.</p> <p>Prepares an annual budget for investment income and related strategies involved is submitted for review and evaluation of the Investment committee prior to seeking final Board approval.</p>	<p>Renders regular investment report to the Investment Committee and the Board on the following:</p> <p>Actual results vs. budgeted figures; Monitoring of non-Philippine peso cash flows (foreign currency risk);</p> <p>Maintaining investment limits per asset class (market price risk); Establishing limits on the duration and average maturity of the variable investment income portfolio (interest rate risk); and</p> <p>General adherence to established investment policy and guidelines.</p>
Company's financial condition may be affected by delays in the payment of customers/ investors.	Continuously review and evaluate companies' financial capacity, payment history, other available credit information and compliance with requirements such as capitalization, latest available certificate of authority and any relevant reports.	A list of companies with provision for impairment due to long outstanding receivable balances are reviewed regularly for possible account write off.

(b) Group

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

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

(c) Committee

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Committee/Unit	Control Mechanism	Details of its Functions
Risk Management	Assists the Board in the development and oversight of the company's risk management program.	Generally oversees the risk management process to be an integral part of planning and operations of the Company to meet corporate goals and objectives.
Audit Committee	Assists the Board in fulfilling its oversight responsibilities for financial reporting process,	Mainly responsible for recommending the appointment of external

	system of internal control, audit process for monitoring compliance with laws and regulations and the code of conduct.	auditors whose report they review; monitor the system of internal controls and corporate compliance with laws, regulations and code of ethics; serve as a direct channel of communications to the Board for the internal auditor, compliance officer and the general counsel.
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G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

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

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

The internal audit activities are performed by management who maintains strict controls over all financial transactions and are governed by the Company’s Board of Directors.

While policies are set by the Board, Management is primarily responsible for the design, implementation and maintenance of the internal control system of the Company. The Board through its Audit Committee oversees the actions of Management and monitors the effectiveness of the internal control system put in place. Recommendations are provided by the management and/or the Board, and in some cases by the external auditor, to address certain issues and concerns of the Company.

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

The Management evaluates, as needed, the internal control system of the Company that includes its policies, procedures, processes as well as an attestation that a sound internal control and compliance system is in place and working effectively. The evaluation is presented to the Audit Committee of the Board for review.

(c) Period covered by the review;

2013-2014

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

The Audit Committee is tasked by the Board to review the internal control system of the Company. Part of their regular meeting (which on the average is minimum of 2 times/year) is to review the internal control system through the reports of the external auditors and representation made by the Management.

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

N/A

2) Internal Audit

(a) Role, Scope and Internal Audit Function

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

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
Provide independent, assurance and consulting services. Evaluate the effectiveness of corporate governance, risk management, and internal control	The Internal Audit function was given full and complete access to any Company's records, physical properties and personnel. Details of the scope of IA can be found on approved Internal Audit Plan submitted and approved by the Audit Committee.	The Company is planning to outsource this function in 2014.	N/A	Functional reporting to the Audit Committee and Administrative reporting to CEO.

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

Yes.

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

Yes.

(d) Resignation, Re-assignment and Reasons

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

Name of Audit Staff	Reason
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.

Progress Against Plans	N/A
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Issues⁶	N/A
Findings⁷	N/A
Examination Trends	N/A

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

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

(f) Audit Control Policies and Procedures

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

Policies & Procedures	Implementation
1. Governance frameworks must be established to define the scope of work and policies that will regulate and control the unit’s activities.	Implemented
2. Risk-based plans must be established to determine the priorities of the internal audit activity, consistent with the Company’s goals	40% Implemented
3. The unit must effectively communicate the results of its work, thereby helping to drive changes that contribute to the achievement of organizational objectives	Implemented
4. To help ensure the efficient functioning of the people management system, the CAE shall issue written instructions, guidelines or other communications that deal with policies and procedures regarding leave, attendance reporting and record keeping, and other administrative requirements.	Implemented
5. Audit Committee will make all decisions regarding the performance evaluation, appointment, or removal of the CAE and its Staff, as well as approval of annual compensation and salary adjustment for the CAE and its Staff, as recommended by Human Resource Head and the President / CEO.	Implemented

(g) Mechanisms and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the company’s shares and

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

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

imposition of internal approval procedures for these transactions, limitation on the non-audit services that an external auditor may provide to the company):

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
<p><u>EXTERNAL AUDITORS</u> Under the Company’s policy of auditor independence, the External Auditor may not provide the following services to the Company: 1.Management responsibilities; 2.Preparing accounting records and financial statements; 3.Financial information systems design and implementation; and 4.Litigation support and legal services.</p>	<p>There are no independence concerns involving financial analyst, investment banks and rating agencies. The Company highly observes the rules on disclosure of material public information to the regulators within the prescribed time period for reporting.</p>		

(h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company’s full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

Pursuant to the existing requirements, the Company issues an annual certification on compliance with the SEC’s Code of Corporate Governance in accordance with the requirements of SEC Memorandum Circular 6, Series of 2009 and the same was signed by the Corporate Information and Compliance Officer and duly noted by the Chairman /President &CEO.

H. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' welfare	Customer satisfaction is a primary concern.	Significant risk concentrations may result in potential losses in a given area, including losses that could arise from catastrophes such as earthquakes and typhoons and thereby the company gets an excess of loss protection to limit the Company’s exposure up to a specified amount.
Supplier/contractor selection practice	For major suppliers or service providers, a request for proposal is required to be submitted based on an approved term of reference. A	A bidding process may be observed where at least three suppliers or service providers are required to submit their bid

	separate committee may be designated to review and evaluate proposals submitted and make recommendations for Board consideration.	proposal for review and evaluation of the designated official and a recommendation is submitted for consideration.
Environmentally friendly value-chain	The Company's efforts are currently focused on mitigating the consequences of natural catastrophes.	It also participates jointly in community related projects undertaken by other entities from time to time through donations and sponsorship.
Community interaction		
Anti-corruption programmes and procedures?	<p>The Company does not condone dishonest, unethical or unprofessional behavior and actions displayed by an employee, regardless of his/her level of authority.</p> <p>It is the responsibility of each employee to report legitimate concerns so that issues can be properly investigated or resolved and corrective measures can be instituted.</p> <p>These concerns may involve commission of fraud, theft or corruption, unauthorized use of Company funds and properties, breach of a legal obligation, internal or external regulation or any procedure regarding accounting, auditing matters, as well as alleged irregularities of a general, operational and financial nature in the company.</p>	<p>Concerns may be raised verbally or in writing to the immediate supervisor/department head while concerns involving the immediate supervisor/department head should be raised to the President and CEO and complaints concerning the President and CEO should be raised to the Chairman of the Nomination and Compensation Committee of the Company's Board of Directors.</p> <p>Management shall maintain the confidentiality of all the concerns or complaints raised and the anonymity of the person making the complaint to the fullest extent reasonably practicable within the legitimate needs of law.</p>
Safeguarding creditors' rights	The company manages its cash and investment position to meet its financial obligations.	Financial obligations are settled promptly and judiciously, as part of its commitment to various creditors. Accepts series of private placements for its business expansion.

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

Yes. Corporate responsibility section is included in the Annual Report, SEC Form 17A, Corporate Governance section.

3) Performance-enhancing mechanisms for employee participation.

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

The Company's policy on Health, Safety, Security and Proper Use of Company Assets affirms the Company's commitment in providing and maintaining a safe, secure and healthy work environment. In turn, the employee has

the responsibility to work safely, to keep work areas and common areas in the company neat and clean, not just to reduce the chances of injury but also to make the office a more attractive and pleasant place to work in.

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

The regular employees of the Company are encouraged to undergo annual medical check-up. There have been no reported work-related accidents or health concerns in the Company.

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

The Company is still in the process of developing formal training and development programmes for its employees.

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

It is the policy of the Company to promote advancement among its employees for consistently exceeding expectations over 7 years, meeting organizational requirements and facilitating the achievement of long-term corporate goals and objectives. Depending on the performance of the Company and also taking into consideration various qualitative performance parameters such as succession planning and corporate governance, the Board also grants performance bonus.

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

- i. Concerns may be raised verbally or in writing to the Division/ Department Head, the Company CEO or to the Chairman of the Nomination and Compensation Committee of the Company's Board of Directors for complaints concerning the CEO should be raised.
- ii. When raising a concern or complaint, the employee should give the background, the nature of the alleged wrongdoing or a description of the event, relevant dates, reasons for the concern, witnesses and the names of the individual involved.
- iii. If the concern is raised verbally, then the person receiving the information should prepare the outline of the matters raised.
- iv. Employees are assured that Management shall maintain the confidentiality of all the concerns and complaints raised and the anonymity of the person making the complaint to the fullest extent reasonably practicable within the legitimate needs of law.
- v. The person receiving the information/ monitoring officer shall be responsible for deciding whether there are grounds for proceeding further with the case. Potential action may include a clarification of facts, a more formal investigation, or referral to external auditors or legal consultants. Concerns that fall within the scope of specific procedures shall be referred for consideration under those procedures.
- vi. The monitoring officer shall inform the reporting employee in writing within seven (7) working days of the following:
 - a. What has been done or how monitoring officer plans to deal with the matter;
 - b. An estimate of how long it might take to give a final response;
 - c. If an initial inquiry has been made;
 - d. If further investigation will take place;
 - e. Any further information that may be sought from the employee
- vii. The monitoring officer, subject to legal constraints, will provide the employee with information on the outcome of any investigation.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

- (a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
PCD NOMINEE CORPORATION (FILIPINO)	1,062,636,289	49.79%	PCD participants
PCD NOMINEE CORPORATION (FOREIGN)	788,352,058	36.93%	PCD participants
YANG CHI JEN	139,215,000*	6.52%	YANG CHI JEN

*excluding direct shares under PCD participants

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
YANG CHI JEN	139,215,000	378,561,130/ PCD NOMINEE CORPORATION	24.26%
TOTAL	139,215,000	378,561,130	24.26%

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	Yes
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	Yes
Number of board of directors/commissioners meetings held during the year	Yes
Attendance details of each director/commissioner in respect of meetings held	Yes
Details of remuneration of the CEO and each member of the board of directors/commissioners	Yes

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

3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
BDO Alba Romeo & Company (2014)	400,000	N/A
BDO Alba Romeo & Company (2013)	400,000	N/A
BDO Alba Romeo & Company (2012)	440,000	N/A

4) Medium of Communication

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

Shareholders are provided public records through communication media, the Company’s website, the disclosures, announcements and reports filed with the SEC and PSE.

5) Date of release of audited financial report:

The 2013 Audited Financial Statements were filed with the SEC and PSE on April 30, 2014. The 2014 Audited Financial Statements are not yet due and are expected to be released by April 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	Yes
Shareholding structure	Yes
Group corporate structure	Yes
Downloadable annual report	Yes
Notice of AGM and/or EGM	Yes
Company's constitution (company's by-laws, memorandum and articles of association)	Yes

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

7) Disclosure of RPT

RPT	Relationship	Nature	Value
RPT are disclosed under Note 23 of the 2013 Consolidated Financial Statements.			

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

All related party transactions are fully disclosed to the Board of Directors and are presented for ratification by the stockholder during the Annual Stockholders’ Meeting.

J. RIGHTS OF STOCKHOLDERS

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

(a) Quorum

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

Quorum Required	Under the Company's By-Laws, the holders of the majority of the shares of the capital stock of the Company, issued and outstanding and entitled to vote present in person, or by proxy, shall constitute a quorum for all purposes, unless the presentation of a larger number shall be required by law. If the holders of the amount of stock necessary to constitute a quorum shall fail to attend in person or by proxy at the time and place of the meeting, the Chairman of the meeting or a majority on interest of those present in person or by proxy, may adjourn the meeting from time to time without notice other than by announcement at the meeting until such time as the holders of the amount of stock requisite to constitute a quorum shall attend. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally notified.
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(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	For the ratification of the acts of the board of Directors and Officers, the vote required is a majority of the outstanding common stock present in person or by proxy.
Description	The method by which votes shall be counted: Each outstanding common stock shall be entitled to 1 vote. Voting shall be done <i>viva voce</i> or by raising of hands and the votes for or against the matter submitted shall be tallied by the Corporate Secretary in case of a division of the house.

(c) Stockholders' Rights

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

Stockholders' Rights under The Corporation Code	Stockholders' Rights <u>not</u> in The Corporation Code
Stockholders' Rights concerning Annual/Special Stockholders' Meeting are in accordance with provisions stated in the Corporation Code.	There are no stockholders' rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code.

Dividends

Declaration Date	Record Date	Payment Date
There has been no dividend declaration in the last 3 years.		

(d) Stockholders' Participation

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

Measures Adopted	Communication Procedure
<p>The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the Company.</p> <p>Stockholders should be encouraged to personally attend subject meeting and if not possible, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the by-laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.</p> <p>To promote stockholders participation in the Annual Stockholders' Meeting, 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.</p> <p>Accurate and timely information should be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.</p> <p>Although all stockholders should be treated equally or without discrimination, the Board should give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Company.</p>	<ol style="list-style-type: none"> 1. Shareholders are provided through public records, communication media, and the Company's website, the disclosures, announcements and reports filed with the SEC, PSE and other regulating agencies. 2. Shareholders are allowed to inspect corporate books and records in accordance with the Corporation Code. 3. Shareholders, upon request, are provided with periodic reports which disclose personal and professional information about the directors, officers and certain other matters such as their shareholdings, dealings with the Company, relationships among directors and key officers, and the aggregate compensation of directors and officers. 4. Stockholders are informed at least 15 business days before the scheduled date of the Annual Stockholders' Meeting. The Notice of Meeting includes the date, time, venue and agenda of the meeting, the record date of stockholders entitled to vote, and the date and place of proxy validation. 5. Each share entitles the holder to one vote that may be exercised in person or by proxy at stockholders meetings, including the Annual Stockholders' meeting. Shareholders have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code. 6. Voting procedures on matters presented for approval to the stockholders in the Annual Stockholders' meeting are set out in the Definitive Information Statement, (SEC Form

	20-IS) which is sent to all stockholders of record at least 15 days before the date of meeting.
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2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
 - a. Amendments to the company's constitution
 - b. Authorization of additional shares
 - c. Transfer of all or substantially all assets, which in effect results in the sale of the company

Shareholders have the right to actively participate in the above corporate decisions (a,b,c) through shares held as each share entitles the holder to one vote that may be exercised in person or by proxy at shareholder meetings, including the Annual Stockholders' Meeting. Stockholders have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code of the Philippines.

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

The Company observes the minimum requirement of 15 business days under SRC Rule 20.

- a. Date of sending out notices: November 7, 2014
- b. Date of the Annual/Special Stockholders' Meeting: November 28, 2014

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

None.

5. Result of Annual Stockholders' Meeting's Resolutions (Nov. 28, 2014):

Resolution	Approving	Dissenting	Abstaining
<p>On the said meeting, the following matters were approved and/or ratified by the stockholders:</p> <ol style="list-style-type: none"> 1. Minutes of the Annual Meeting of the Stockholders held on December 20, 2013; 2. Audited Financial Statements for the calendar year ended December 31, 2013, as contained in the Annual Report; 3. All Prior Acts, Proceedings, Transactions and Resolutions of the Board of Directors, Corporate Officers and Management; 4. Issuance and listing of 9.215 Million shares with par value of P1.00/share, subscribed to by the Company's Chairman/President and CEO, Yang Chi Jen (a.k.a. Michael Yang); 5. Waiver by minority shareholders of the requirement to conduct a rights or public offering with respect to the immediately preceding item; 	<p>Stockholders owning 1,494,399,239 issued and outstanding shares, equivalent to 70.02 % of the capital stock, unanimously approved the resolutions.</p> <p>There were holders of 55,308,000 issued and outstanding shares representing minority shareholders.</p>		

<p>6. Acquisition of Cebu Canning Corporation to make it a wholly-owned subsidiary of the Company, with authority to the Board to finalize the terms and conditions thereof; and</p> <p>7. Appointment of BDO Alba Romeo & Co. as External Auditor for the calendar year 2014</p> <p>The stockholders also elected the members of the Board of Directors.</p>	
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6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:

The result of the votes taken during the annual stockholders' meeting on Nov. 28, 2014 were immediately disclosed to the PSE on the same day.

(e) Modifications

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

Modifications	Reason for Modification
No modifications were made in the Annual/Special Stockholders' Meeting regulations during the most recent year.	

(f) Stockholders' Attendance

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

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	Yang Chi Jen Hsien-Tzu Yang Clemencia R. Cortezano Nancy T. Golpeo Maria Soledad C. Lim Norberto G. Tan Jose Marie E. Fabella Rosa R. Cinco/ Yang Chi Jen Amelia T. Tan Lyra Gracia Y. Lipae-Fabella	Nov. 28, 2014	<i>Viva Voce</i>	25.28%	44.74%	70.02%

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

The Company engages the services of its stock transfer agent, STSI, to count and/or validate the votes at the ASM/SSMs, in coordination with the Corporate Secretary.

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

Yes, each common share is entitled to 1 vote. The Company has only 1 class of shares—common.

(g) Proxy Voting Policies

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

	Company's Policies
Execution and acceptance of proxies	<p>Proxies shall be in writing, signed by the stockholders and submitted to the Corporate Secretary not later than 5 calendar days prior to the date of the stockholders' meeting.</p> <p>The Corporate By-laws shall be controlling in determining the proper procedure to be followed in the execution and acceptance of proxies, provided that the minimum required formalities prescribed under Section 58 of the Corporation Code and SRC Rule 20 shall be complied with.</p>
Notary	Unless required by the corporate by-laws, a proxy need not be notarized.
Submission of Proxy	Proxies shall be submitted not later than 5 calendar days prior to the annual stockholders' meeting.
Several Proxies	If the stockholder intends to designate several proxies, the number of shares of stock to be represented by each proxy shall be specifically indicated in the proxy form. If some of the proxy forms do not indicate the number of shares, the total shareholdings of the stockholder shall be tallied and the balance thereof, if any, shall be allotted to the holder of the proxy form without the number of shares. If all are in blank, the stocks shall be distributed equally among the proxies. The number of persons to be designated as proxies may be limited by the By-Laws.
Validity of Proxy	A proxy shall be valid only for the meeting for which it is intended.
Proxies executed abroad	Proxies executed abroad shall be duly authenticated by the Philippine Embassy or Consular Office.
Invalidated Proxy	<p>A proxy shall not be invalidated on the ground that the stockholder who executed the same has no signature card on file with the Corporate Secretary or Transfer Agent, unless it can be shown that he/she had refused to submit the signature card despite written demand to that effect duly received by the said stockholder at least 5 days before the annual stockholders' meeting.</p> <p>There shall be a presumption of regularity in the execution of proxies and shall be accepted if they have the appearance of prima facie authenticity in the absence of a timely and valid challenge.</p>
Validation of Proxy	<p>Validation of proxies shall be held at the date, time and place as may be stated in the Notice of the stockholders' meeting which in no case shall be less than 5 calendar days prior to the date of stockholders meeting.</p> <p>In the validation of proxies, a special committee of inspectors shall be designated or appointed by the Board of Directors which shall be empowered to pass on the validity of proxies. Any dispute that may arise pertaining thereto, shall be</p>

	<p>resolved by the SEC upon formal complaint filed by the aggrieved party, or by the SEC officer supervising the proxy validation process.</p> <p>All issues relative to proxies including their validation shall be resolved prior to the canvassing of votes for purposes of determining a quorum.</p>
Violation of Proxy	Any violation of this Rule on Proxy shall be subject to the administrative sanctions provided for under Section 144 of the Corporation Code and Section 54 of the Securities Regulation Code, and shall render the proceedings null and void.

(h) Sending of Notices

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

Policies	Procedure
<p>Except as otherwise provided by law, written or printed notice of every annual meeting or special meeting of stockholders, stating the place, day and hour of the meeting and the purposes for which the meeting is called shall be transmitted through personal delivery, telefax, electronic mail or by mail to each stockholder at his address as the same appears on the stock book of the Company at least 15 business days before the date of the meeting.</p>	<ol style="list-style-type: none"> 1. Personal Delivery of such Notice to a stockholder shall be equivalent to mailing. 2. Except as otherwise provided by law or regulatory bodies, no publication of notice of annual meeting of stockholders shall be required. 3. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice. 4. Notice of meeting need not be given to any shareholder who signs a waiver of notice, in person or by proxy, whether before or after the meeting. 5. The attendance of any shareholder at a meeting, in person or by proxy, without protesting prior to the conclusion of the meeting for lack of notice of such meeting, shall constitute a waiver of notice by him. 6. No notice shall be necessary for any adjourned meeting. 7. The notice of stockholders' meeting shall also set the date, time and place of the validation of proxies. 8. A copy of the Definitive information Statement which includes the 'Notice of Annual Meeting of Stockholders', shall be sent to all stockholders of record at least 15 business days from the date of the stockholders' meeting. Distribution is done through personal or courier services.

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	748
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Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	November 7, 2014
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	November 7, 2014
State whether CD format or hard copies were distributed	CD format
If yes, indicate whether requesting stockholders were provided hard copies	Yes

Copies of the SEC Form 20-IS are sent to the stockholders least 15 business days prior to the Annual Stockholders' meeting. Disclosure of the Notice for the November 28, 2014 Annual Stockholders' Meeting was initially made via PSE Edge on October 14, 2014.

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

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

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

No dividends were declared/paid in the last 3 years.

2) Treatment of Minority Stockholders

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

Policies	Implementation
<p>The Board shall respect the following rights of the stockholders as mandated or set forth in the Corporation Code of the Philippines, Articles of Incorporation and By-Laws of the Company:</p> <ul style="list-style-type: none"> i. Right to vote on all matters that require their consent or approval; ii. Right to inspect corporate books and records; 	<ol style="list-style-type: none"> 1. Shareholders are informed at least 15 business days before the scheduled date of the Annual Stockholders' Meeting. 2. Each share entitles the holder to one vote that may be exercised in person or by proxy at shareholders meeting, including the Annual Stockholders' Meeting. 3. Voting procedures on matters presented for

<ul style="list-style-type: none"> iii. Right to information; iv. Right to dividends; and v. Appraisal right. <p>The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the Company. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy.</p>	<p>approval to the stockholders in the Annual Stockholders' meeting are set out in the Definitive Information Statement, which is sent to all stockholders of record at least 15 days before the date of meeting.</p> <p>4. Cumulative voting shall be allowed and each stockholder shall have the right to vote in person or by proxy the number of shares standing in his name at record date. He may also 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> <p>5. Shareholders are provided through public records, communication media, and the Company's website, the disclosures, announcements and reports filed with the SEC, PSE, and other regulating agencies.</p> <p>6. The Board of Directors are authorized to declare dividends out of the unrestricted retained earnings of the Company, which may be payable in cash, in property, or in stock to all stockholders.</p>
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(b) Do minority stockholders have a right to nominate candidates for board of directors?

Yes.

K. INVESTORS RELATIONS PROGRAM

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

The Company has set-up communication channels that promote effective communication with its shareholders and the investing community. Aside from the regular reporting and disclosures to the various regulating agencies such as the SEC and PSE, the Company maintains its website to provide timely information updates on tis governance, operational, and financial performance.

The President/CEO and the Corporate Secretary exercises oversight responsibility over this investor relations program.

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

Details	
(1) Objectives	To build better understanding and cultivate a relationship of

	trust with stakeholders, the Company has set-up communication channels that promote effective communication with its shareholders and the investing community.
(2) Principles	Handle investors and stockholders queries and requests as a top priority matter and therefore, immediate resolution is required.
(3) Modes of Communications	PSE Website, SEC disclosures and Company website for all our corporate disclosures which includes the Company's stock performance, security information, company profile, chart, and historical data.
(4) Investors Relations Officer	c/o The President and CEO/ The Corporate Secretary

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

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

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

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiative	Beneficiary
The Company has not actively undertaken similar initiatives during the past year.	

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	The Board, through its Audit Committee is tasked to perform a self-evaluation in which the current and potential state of the Company's corporate governance practices were rated using best practice guidelines.	
Board Committees	The Audit Committee is tasked to conduct annual performance evaluation in compliance with SEC requirement per SEC Memo Circular No. 4, Series of 2012.	Guidelines for the Assessment of the Performance of Audit Committee of Companies Listed on the Exchange.
Individual Directors	No formal evaluation process in place.	
CEO/President	The Nomination and Compensation Committee conducts a performance evaluation of the CEO/President.	

N. INTERNAL BREACHES AND SANCTIONS

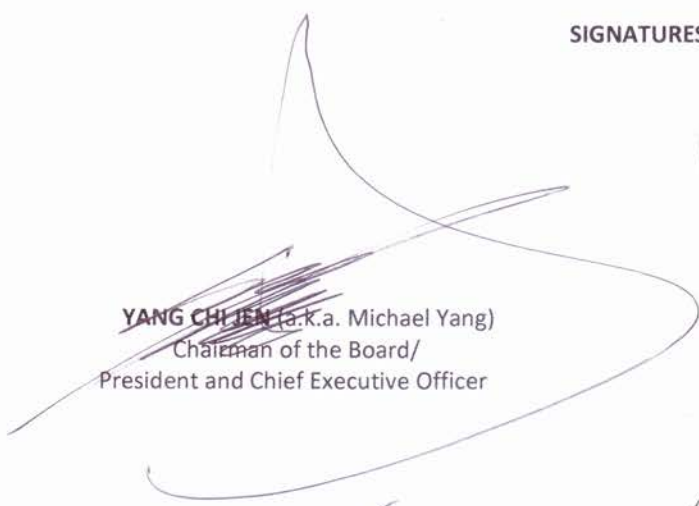
Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees

Violations	Sanctions
First Violation	Subject person shall be reprimanded.
Second Violation	Suspension from office shall be imposed to the subject person.
Third Violation	The maximum penalty or removal from office shall be imposed.

-END-

Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Paranaque on April 7, 2015.

SIGNATURES



YANG CHI JEN (a.k.a. Michael Yang)
Chairman of the Board/
President and Chief Executive Officer



ROSA C. RAMOS
Independent Director



ERNESTO S. GO
Independent Director



LYRA GRACIA Y. LIPAE-FABELLA
Corporate Secretary/ Corporate Information and
Compliance Officer