

**EVER GOTESCO RESOURCES AND HOLDINGS, INC.**

**Annual Corporate Governance Report  
for the year 2014**

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SEC Form - ACGR

SECURITIES AND EXCHANGE COMMISSION

## **SEC FORM – ACGR**

### **ANNUAL CORPORATE GOVERNANCE REPORT**

#### **GENERAL INSTRUCTIONS**

**(A) Use of Form ACGR**

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

**(B) Preparation of Report**

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

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

- A. Three (3) complete set of the report shall be filed with the Main Office of the Commission.
- B. At least one complete copy of the report filed with the Commission shall be manually signed.
- c. All reports shall comply with the full disclosure requirements of the Securities Regulation Code.
- D. This report is required to be filed annually together with the company's annual report.

**(D) Filing an Amendment**

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

#### **SECURITIES AND EXCHANGE COMMISSION**

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT


1. Report is Filed for the Year : **2014**
2. Exact Name of Registrant as Specified in its Charter :  
**Ever Gotesco Resources and Holdings, Inc.**
3. **1958 C. M. Recto Avenue, Manila** **1001**  
Address of Principal Office Postal Code
4. SEC Identification Number : **AS094-8752** 5.  (SEC Use Only)  
Industry Classification Code
6. BIR Tax Identification Number : **032-004-817-595**
7. Issuer's Telephone number, including area code : **(02) 735-69-01**
8. Former name or former address, if changed from the last report : **N/A**

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## A. BOARD MATTERS

### 1) Board of Directors

<b>Number of Directors per Articles of Incorporation</b>	Seven (7)
<b>Actual number of Directors for the year</b>	Seven (7)

#### (a) Composition of the Board

Complete the table with information on the Board of Directors :

Director's Name	Type (Executive (ED), Non Executive (NED) or Independent Director (ID))	If nominee Identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID)	Elected when (Annual/ Special Meeting)	No. of years served as director
Jose C. Go	NED		Jose C. Go		August 2014	ASM*	18
Evelyn C. Go	NED		Evelyn C. Go		August 2014	ASM*	18
Lourdes G. Ortiga	NED		Lourdes G. Ortiga		August 2014	ASM*	
Joel T. Go	ED		Joel T. Go		August 2013	ASM*	3
Jonathan T. Go	NED		Jonathan T. Go		August 2014	ASM*	
Sennen Baccay	ID		Joel T. Go (not related to ID)		August 2014(New)	ASM*	3
Christian Grant Yu Tomas	ID		Joel T. Go (not related to ID)		August 2014(1)	ASM*	1

\*Annual Stockholders Meeting held on August 29, 2014

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

#### **Treatment of all shareholders**

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. The shareholders have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code. Voting procedures on matters presented for approval to the stockholders in the Annual Stockholders' Meeting are set out in the Definitive Information Statement, which is sent to all stockholders of record at least 15 days before the date of meeting.

#### **Respect for the rights of minority shareholders and of other stakeholders.**

The Board of Directors shall ensure that all rights of stockholders as mandated and set forth in the Corporation Code of the Philippines, Articles of Incorporation and By-Laws of the Company shall be respected. Among these rights of stockholders as provided for in the Corporation Code are : right to vote on all matters that require their consent or approval; pre-emptive right to all stock issuances of the corporation; right to inspect corporate books and records; right to information; right to dividends and appraisal right.

#### **Disclosure Duties**

The essence of corporate governance is transparency. The Board believes that the more transparent the internal workings of the corporation are, the more difficult it will be for Management and dominant stockholders to mismanage the corporation or misappropriate its assets. It is therefore essential that all material information about the corporation which could adversely affect its viability or the interest of the stockholders should be publicly and timely disclosed. Such information include, among others, earnings results, acquisition or disposition of assets, off balance sheet transactions, related party transactions, minimum public ownership, direct/indirect remuneration of members of the Board and Management and other corporate disclosures required for reporting by the regulators.

All required information are fully disclosed through the submission and filing made to the SEC and the PSE.

#### **Board Responsibilities**

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

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

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

The Company's vision and mission statement is reviewed and approved as often as required.

**(d) Directorship in Other Companies**

**(i) Directorship in the Company's Group**

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.
Jose C. Go	Gotesco Properties, Inc.	Chairman
Joel T. Go	Gotesco Properties, Inc.	Non-Executive
Evelyn C. Go	Gotesco Properties, Inc.	Executive
Jonathan T. Go	Gotesco Properties, Inc.	Non-Executive

**(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:

N/A

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

Provide details, as and if applicable, or 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
Jose C. Go	Joel T. Go / Jonathan T. Go / Evelyn C. Go	Son / Son / Sister
Joel T. Go	Jose C. Go / Evelyn C. Go / Jonathan T. Go	Father / Aunt / Sibling
Evelyn C. Go	Jose C. Go / Joel T. Go / Jonathan T. Go	Sibling / Nephew / Nephew
Jonathan T. Go	Jose C. Go / Evelyn C. Go / Joel T. Go	Father / Aunt / Sibling

**(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 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:**  
Please provide

	Guidelines	Maximum Number of Directorship in other companies
Executive Director (We have only one (1) Executive Director, who is also our President & CEO.)		
Non-Executive Director		
CEO		

**(e) Shareholding in the Company (as of December 31, 2013)**

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
Jose C. Go	227,820,000	-	4.556500%
Joel T. Go	82,672,599	-	1.653452%



Evelyn C. Go	2,371,315	-	0.047426%
Lourdes G. Ortiga	81	-	0.000002%
Jonathan T. Go	65,000,000	-	1.300000%
Senen Baccay	1	-	nil
Christian Grant Yu Tomas	1	-	nil
<b>TOTAL</b>			

## 2) Chairman and CEO

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

Yes ☒

No ☐

Identify the Chair and CEO :

<b>Chairman of the Board</b>	Jose C. Go
<b>CEO/President</b>	Joel T. Go

## (b) Roles, Accountabilities and Deliverables

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

Definition	Chairman	Chief Executive Officer
Role	<p>He effectively manages the affairs of the Board.</p> <p>He exercises such powers which are given him by the company's By-Laws and such other duties customarily incident to the said office and those which may be prescribed by the Board of Directors from time to time.</p> <p>Generally he ensures that the Board is effective in its tasks of setting and implementing the company's direction and strategy.</p>	<p>Generally the President shall be the Chief Executive Officer of the Corporation and shall be responsible for the effective management of the Company.</p> <p>He shall supervise and manage the internal organization and business affairs of the Corporation and ensure that the administrative and operational policies of the Corporation are carried out under his supervision and control.</p>
Accountabilities	<p>Presiding at all the meetings of the Stockholders and of the Board of Directors.</p> <p>Maintaining qualitative and timely lines of communication and information between the Board and Management.</p> <p>Holding Board meetings in accordance with the by-laws or as he may deem necessary.</p>	<p>Upon authority granted by the Board of Directors, the President :</p> <ul style="list-style-type: none"> <li>• Signs deeds, bonds, contracts, or other instruments;</li> <li>• Authorizes the purchase or acquisition of personal properties, furniture, fixtures, or other office equipment;</li> <li>• Approves all expenses or disbursements authorized in the budget of the Corporation;</li> <li>• Represents the Corporation in any negotiation which may be necessary to make in the usual course of business;</li> <li>• Represents the Corporation in any judicial or administrative proceedings;</li> <li>• Appoints and discharge employee occupying the positions authorized by the Board of Director</li> <li>• Performs all other duties customarily incident to his office and as may be prescribed by the Board from time to time.</li> </ul>
Deliverables	<p>Meeting agenda prepared by the Corporate Secretary considers suggestions of the President, Management and the Directors.</p>	<p>Submits and recommends for Board approval :</p> <ul style="list-style-type: none"> <li>• Short and long range plans for the</li> </ul>

	<p>Recommendations regarding the business of the Corporation is submitted for consideration of the Board of Directors.</p> <p>He casts the deciding vote in case of a tie in the Stockholders or in the Board of Directors' meetings.</p>	<p>Corporation;</p> <ul style="list-style-type: none"> <li>• Balance Sheet, Profit and Loss Statement, Budget of administration expenses and</li> <li>• Annual Report on the operation and condition of the Corporation;</li> <li>• Executes all resolutions of the stockholders and the Board of Directors.</li> </ul>
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**3) Explain how the board of directors plan for the succession of the CEO/Managing Director/President and the top key management positions?**

The Board of Directors through its Nomination and Compensation Committees, review and evaluate the qualifications of all persons nominated to the Board as well as those nominated to other positions which includes the CEO/President and the top key management positions to ensure that only qualified, competent, honest and highly motivated officials are appointed.

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

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

As stated in the Revised Manual of Code of Corporate Governance of the Corporation, in addition to the qualifications for membership in the Board provided for in the Corporation Code, Securities Regulation Code and other relevant laws, the Board may provide for additional qualifications which include, among others, the following : (i) College education or equivalent academic degree; (ii) Practical understanding of the business of the corporation; (iii) Membership in good standing in relevant industry, business or professional organizations; and (iv) Previous business experience.

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

The Company considers the previous business experience of the executive directors as an added factor so as to participate actively in the company's business affairs

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

	Executive	Non-Executive	Independent Director
Role	<p>Generally the President shall be the Chief Executive Officer of the Corporation and shall be responsible for the effective management of the Company.</p> <p>He shall supervise and manage the internal organization and business affairs of the Corporation and ensure that the administrative and operational policies of the Corporation are carried out under his supervision and control.</p>	<p>A director's office is one of trust and confidence.</p> <p>Director's should act in the best interest of the corporation in a manner characterized by transparency, accountability and fairness.</p> <p>He should also exercise leadership, prudence and integrity in directing the corporation towards sustained progress.</p> <p>In addition, an independent director identifies the most critical issues for the board to deal with and assist the board in achieving consensus on important issues.</p>	
Accountabilities	<p>Upon authority granted by the Board of Directors, the President:</p> <ul style="list-style-type: none"> <li>• Signs deeds, bonds, contracts, or other instruments;</li> <li>• Authorizes the purchase or acquisition of</li> </ul>	<p>He shall observe the following norms of conduct:</p> <ul style="list-style-type: none"> <li>• Conduct fair business transactions with the corporation and ensure that personal interest does not prejudice Board decisions;</li> <li>• Devotes time attention necessary to properly discharge his duties and responsibilities;</li> <li>• Acts judiciously;</li> <li>• Exercise independent judgment;</li> <li>• Have working knowledge of the statutory and</li> </ul>	

	<p>personal properties, furniture, fixtures, or other office equipment;</p> <ul style="list-style-type: none"> <li>• Approves all expenses or disbursements authorized in the budget of the Corporation;</li> <li>• Represents the Corporation in any negotiation which may be necessary to make in the usual course of business;</li> <li>• Represents the Corporation in any judicial or administrative proceedings;</li> <li>• Appoints and discharge employee occupying the positions authorized by the Board of Director</li> <li>• Performs all other duties customarily incident to his office and as may be prescribed by the Board from time to time.</li> </ul>	<p>regulatory requirements affecting the Corporation, including the contents of its Articles of Incorporation, By-Laws, the requirements of the SEC, and where applicable the requirements of other regulatory agencies such as the PSE;</p> <ul style="list-style-type: none"> <li>• Observes confidentiality;</li> <li>• Ensures the continuing soundness, effectiveness and adequacy of the Company's internal control system;</li> </ul> <p>Directors shall have the duty of preparing and actively participating in Board Meetings.</p> <p>Independent Directors should always attend Board Meeting.</p>
Deliverable	<p>Submits and recommends for Board approval :</p> <ul style="list-style-type: none"> <li>• Short and long range plans for the Corporation;</li> <li>• Balance Sheet, Profit and Loss Statement, Budget of administration expenses and</li> <li>• Annual Report on the operation and condition of the Corporation;</li> </ul> <p>Executes all resolutions of the stockholders and the Board of Directors.</p>	<p>The Board establishes the general policies and guidelines which will enable Management to render an effective management of the Company and as part of which undertakes to :</p> <ul style="list-style-type: none"> <li>• Formulate company's <u>vision and mission</u>;</li> <li>• Approve and confirm management's <u>corporate strategies, major plans of actions, risk policy, annual budget and business plan</u>;</li> <li>• Adopts a <u>succession plan</u>;</li> <li>• Review annually the Company's <u>compliance with its Code of Corporate Governance</u>;</li> <li>• Ensures the adequacy and effectiveness of the Company's <u>internal control and management information systems</u>;</li> <li>• Approves <u>annual budget and general expenses</u> upon recommendation of the President;</li> <li>• Submits annually at regular General Meeting of Stockholders the <u>Balance Sheet, Profit and Loss Statement and Annual Report on the condition of the Corporation</u>;</li> </ul> <p>(emphasis supplied)</p>

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

**Independent Director** means a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in any covered company and includes, among others, any person who:

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

- B. Does not own more than two percent (2%) of the shares of the company and/or its related companies or any its substantial shareholders;
- C. Is not related to any director, officer or substantial shareholder of the company, any of its related companies or any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
- D. Is not acting as a nominee or representative of any director or substantial shareholder of the company, and/or any of its related companies and/or any of its substantial shareholders, pursuant to a Deed Trust or under any contract or arrangement;

Pursuant to the applicable rules and regulations of the SEC, independent directors are nominated and elected in the Annual Stockholders' Meeting and each director issues a certification confirming his independence within 30 days from his election. Messrs. Antonio P. Jamon, Jr. and Christian Grant Yu Tomas are currently the Company's Independent Directors.

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

The company follows the SEC's guidelines on setting the term limit for an Independent Director.

The company will formalize its policy which will be consistent with the related SEC Memorandum Circular 9, Series of 2011 on the Term Limit for Independent Directors, which took effect on January 2, 2012.

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

### **(a) Resignation/Death/Removal**

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

<b>Name</b>	<b>Position</b>	<b>Date of Cessation</b>	<b>Reason</b>
Edgar Pacis	Independent Director	August 30, 2013	5year term limit

### **(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:

<b>Procedure</b>	<b>Process Adopted</b>	<b>Criteria</b>
<b>a. Selection/Appointment</b>		
(i) Executive Directors	<p>1. The Board thru 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. [Nomination and Election Rules]</p> <p>2. Nominations for directors shall be made in writing and shall be delivered or mailed to the Chairman of the Board at the principal office of the Corporation, with the written consent of the nominees, at least sixty (60) days before the scheduled date of the annual stockholders' meeting. The Chairman of the Board shall forward or refer such nominations to the Nomination Committee.</p> <p>3. Evaluation of Qualifications of Candidates – Before the annual</p>	<p>In addition to the qualifications for membership in the Board provided for in the Corporation Code, Securities Regulation Code and other relevant laws, the Board may provide for additional qualifications which include, among others, the following:</p> <ul style="list-style-type: none"> <li>(i) College education or equivalent academic degree;</li> <li>(ii) Practical understanding of the business of the corporation;</li> <li>(iii) Membership in good standing in relevant industry, business or professional organizations; and</li> <li>(iv) Previous business experience..</li> </ul>

	<p>stockholders' meeting, the Committee shall convene for the purpose of evaluating the qualifications of the nominees for directors of the Corporation. 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 nomination 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. [Nomination and Election Rules]</p> <p>4. For the purpose of electing directors during the scheduled annual stockholders' meeting, each shareholder shall have the option of cumulating his votes by giving one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal as of record date, or he may distribute them on the same principle among as many candidates as he shall see fit. In accordance with Section 24 of the Corporation Code, provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Corporation as of Record Date multiplied by the whole of directors to be elected.</p> <p>The total number of votes that may be cast by a stockholder of the Corporation for the selection of directors computed as follows :  Number of Shares held on records as of Record Date x number of Directors.</p> <p>5. At the organizational meeting of the Board of Directors, the Board shall elect the President from among the members of the Board.</p>	
(ii) Non-Executive Directors	(Process adopted is similar as stated above)	Same as above.
(iii) Independent Directors	(Process adopted is similar as stated above)	Same as above
<b>b. Re-appointment</b>		
(i) 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.
(ii) Non-Executive Directors	(Process adopted is similar as stated above)	Same as above.
(iii) Independent Directors	(Process adopted is similar as	Same as above.

	stated above)	
<b>c. Permanent Disqualification</b>		
(i) Executive Directors	<p>Nomination Committee shall review and evaluate the qualifications of all persons nominated to the Board of Directors.</p> <p>It shall pre-screen the qualifications of all nominees to the Board of Directors, taking into consideration the relevant issuances of the Securities and Exchange Commission.</p>	<p>Permanent Disqualifications</p> <ol style="list-style-type: none"> <li>1. 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;</li> <li>2. Any person who, by 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. 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 self-regulatory organization suspending or expelling him from membership, participation or association with a member or</li> </ol>

		<p>participant of the organization;</p> <p>3. Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;</p> <p>4. 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>5. Any person earlier elected as independent director who becomes an officer, employee or consultant of the same corporation;</p> <p>5. Any person judicially declared as insolvent;</p> <p>6. 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 subparagraphs (i) to (v) above;</p> <p>7. 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. (Revised Manual of Corporate Governance)</p>
(ii) Non-Executive Directors		Same as above
(iii) Independent Directors		Same as above
<b>d. Temporary Disqualification</b>		
(i) Executive Directors	<p>Nomination Committee shall review and evaluate the qualifications of all persons nominated to the Board of Directors.</p> <p>It shall pre-screen the qualifications of all nominees to the Board of Directors, taking into consideration the relevant issuances of the Securities and</p>	<p>Any of the following shall be a ground for the temporary disqualifications of a director:</p> <p>1. 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>

	Exchange Commission.	<p>2. Absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election.</p> <p>3. 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>4. 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>5. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final. A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent. (Revised Manual of Corporate Governance)</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	(Same process stated above for Executive Directors is adopted.)	(Same criteria for temporary disqualifications, as stated above for Executive Directors is adopted.)
<b>e. Removal</b>		
(i) Executive Directors	<p>(Same process stated above for Executive Directors is adopted.)</p> <p>Vacancy in the Board. Any vacancy in the Board of Directors, other than those caused by removal by the stockholders or expiration of term, shall be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum; otherwise, said vacancies must be filled by the stockholders in a regular or special meeting called for that purpose. A director so elected to fill a vacancy shall be elected only for the unexpired term of his</p>	He possesses any of the criteria enumerated for permanent disqualifications, as stated above.



	predecessor in office.	
(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	<p>Nomination Committee shall review and evaluate the qualifications of all persons nominated to the Board of Directors.</p> <p>The termination and cessation of an independent director shall be governed by the provisions of SEC Memorandum Circular 2, otherwise known as the Code of Corporate Governance, the Securities Regulation Code and its Amended Implementing Rules and Regulations, and such other relevant issuances of the Securities and Exchange Commission.</p>	He possesses any of the criteria enumerated for permanent disqualifications, as stated above.
<b>f. Re-instatement</b>		
(i) Executive Directors	(Same process as stated above in the selection/appointment and re-election of both regular and independent directors is adopted.)	(Same criteria is used as stated above in the selection/appointment and re-election of both regular and independent directors is adopted.)
(ii) Non-Executive Directors		
(iii) Independent Directors		
<b>g. Suspension</b>		
(i) Executive Directors	(Same process as stated above in the removal of both regular and independent directors is adopted.)	(Same criteria is used as stated above in the removal of both regular and independent directors is adopted.)
(ii) Non-Executive Directors		
(iii) Independent Directors		

#### Voting Result of the last Annual General Meeting

Name of Director	Votes Received
Jose C. Go	3,209,605,897
Joel T. Go	3,209,605,897
Evelyn C. Go	3,209,605,897
Lourdes G. Ortiga	3,209,605,897
Jonathan T. Go	3,209,605,897
Senen Baccay	3,209,605,897
Christian Grant Yu Tomas	3,209,605,897

#### 6) Orientation and Education Program

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

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

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

None.

##### (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
Senen D. Baccay	December 19, 2014	Corporate Governance	Risks, Opportunities

		Seminar	Assessment and Management (ROAM), Inc.
Christine P. Base	November 21, 2014	Corporate Governance Seminar	SGV and Co

## 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 of 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"> <li>• Not take unfair advantage of anyone through manipulation, collusion, concealment, abuse of privileged information, or misrepresentation of material fact;</li> <li>• Not make false statements against competitors, their products and/or services;</li> <li>• Exercise reasonable and prudent professional judgment when dealing with clients; and</li> <li>• Deal fairly with the Company's customers, service providers, suppliers, competitors and employees.</li> </ul>		
(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 Secrets/Use of Non-public Information	Directors, officers and employees shall maintain and safeguard the confidentiality 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, contact within, or other relationship with the Company.		
(f) Use of Company Funds, Assets and Information	Directors, Officers 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 the policies and procedures as well as rules and regulations of the company. The company has an Employees' Manual of Policies on employee-related matters to ensure uniformity and consistency in the interpretation and implementation of Human Resources Policies and Programs, which are consistent with and in accordance with relevant provisions of the Labor Code.		
(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 or employee who become aware of any violation on Code of Ethics should immediately notify his Department/Division Head. The Division/Department Head shall in turn immediately inform the Human Resources Department (HRD). HRD shall conduct or manage		

	the necessary actions or investigation of any reported violations of this Code. In case Senior Management or any Board Member is involved, the same shall be referred to 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 Internal Audit and Human Resources Department (HRD) to conduct investigation of subject illegal acts or activities to further support subject reports and findings.

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

Yes. For the proper implementation and monitoring of the Code of Ethics and Rules of Conduct, these were distributed to the directors, senior management and employees of the company, who signified that they received, read and understood these Codes.

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

A copy of the Code of Ethics and Rules of Conduct was distributed to all Directors, Senior Management and Employees for strict compliance and they have signified that they have received, read and understood subject Code. 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 this Code should immediately notify his Department/Division Head. The Department/Division Head shall in turn immediately inform the HRD. The company's HRD shall conduct or manage the necessary actions or investigation of any reported violations of this Code. In case Senior Management or any Board Member is involved, the same should be referred to the Audit Committee.

**4) Related Party Transactions**

**(a) Policies and Procedures**

**Described 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 relationship of members of the Board.**

<b>Related Party Transactions</b>	<b>Policies and Procedures</b>
(1) Parent Company	Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or significant influence. Related parties may be individuals or corporate entities. Transactions between related parties are on arm's length basis in a manner similar to transactions with non-related parties.
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Group	
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/ parents	Overlapping interests in the company 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.
(7) Directors including spouse/children/siblings/ parents	
(8) Interlocking director relationship of Board of Directors	
	Related party transactions shall be conducted in terms that are at least comparable to normal commercial practices to safeguard the best interest of the company, its stockholders, creditors, and claimants.

**(b) Conflict of Interest.**

**(i) Director/Officers and 5% or more Shareholders**

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

Details of Conflict of Interest (Actual or Probable)	
Name of Director/s	No related party transaction with subject director/officer, other than the Per Diem received for attendance at Board Meeting.
Name of Officer/s	
Name of Significant Shareholders	

**(ii) Mechanism**

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

Directors/Officers/Significant Shareholders	
<b>Company Group</b> (This pertains to Directors, officers and significant shareholders)	<p>EGRHI promotes a culture of good corporate governance by formally adopting a Code of Ethics that is founded on the Company's core business principles of fairness, accountability, integrity, transparency and honesty. The Code guides individual behavior and decision making, and clarifies responsibilities and proper conduct for its directors, officers and employees. Violations of the Code shall be subject to disciplinary action, without prejudice of 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 disclosure requirements of related accounting standards and the Securities Regulation Code reporting requirements, we promptly and properly disclose to the public all material information, including all related party transactions through detailed disclosures provided in the related Notes to Financial Statements, SEC Form 17-A, Annual Report and SEC's Form 20-IS, Definitive Information Statement.</p>

**5. Family, Commercial and Contractual Relations**

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

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
	Not Applicable	

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

Names of Related Significant Shareholders	Type of Relationship	Brief Description
	Not Applicable	

- (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
The company is not aware of any person hold more than 5% of the shares of the Corporation under a voting trust or similar agreement which may result in a change in control of the Corporation.		

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 Board of Directors shall establish and maintain an alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders and the corporation and third parties, including the regulatory authorities.
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?

Meetings are conducted quarterly and on a as needed basis.

2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Jose C. Go	12-18-08			
Member	Evelyn C. Go	12-07-95			
Member	Lourdes G. Ortiga	12-18-08			
Member	Joel T. Go	12-18-08			
Member	Jonathan T. Go	08-31-2013			
Independent	Christian Grant Yu Tomas	08-29-14			
Independent	Senen Baccay	08-29-14			

3) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times? None

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

The company's By-Laws state under Article III, Section 6, Quorum. – "a majority of the number of directors as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of corporate business, and every decision of at least a majority of the directors present at a meeting at which there is a quorum shall be valid as a corporate act"

5) Access to Information.

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

*Notice of the meeting, agenda and reference materials, presentations and other related reports are required to be sent to the members of the Board of Directors at least three (3) 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 changes, etc? YES

The Corporate Secretary who should be a Filipino citizen and a resident of the Philippines, is an officer of the corporation and as such is responsible for : safekeeping and preserving the integrity of Board Minutes of Meetings; working fairly and objectively with the Board, Management and stockholders; informing members of the Board, in accordance with the by-laws, meeting agenda; ensuring that all

Board procedures rules and regulations are strictly followed by the members; keeping them updated regarding relevant statutory and regulatory changes which impacts their respective roles and responsibilities as members of the Board.

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

(e) Committee Procedures

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

Yes

☒

No

☐

Committee	Details of the procedures
Executive	Notice of the meeting and related Agenda and presentation materials (if any), are sent at least three (3) days before the scheduled meeting date.
Audit	
Nomination	
Remuneration	
Others (specify)	

## 6) External Advice

Indicate whether or not a procedure exists whereby directors can receive external advice and, if so, provide details: Generally, the members either individually or as a Board, in furtherance of their duties and responsibilities, have access to independent professional advice at the corporation's expense.

Procedures	Details
<ul style="list-style-type: none"> <li>Seeking legal advice/opinion</li> </ul>	Refer to the Corporate Secretary or legal counsel for advice and guidance on possible legality or implications.
<ul style="list-style-type: none"> <li>Seek independent opinion on financial matters and related regulatory concerns.</li> </ul>	Refer to the external auditors for proper guidance on the correct accounting disclosure requirements.
<ul style="list-style-type: none"> <li>Seeking guidance or clarification on application system – I.T. related matters</li> </ul>	Refer to I.T. solution providers/Consultants.

## 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 business of the company and the reason/s for the change:

Existing Policies	Changes	Reason
n/a	n/a	n/a

## D. REMUNERATION MATTERS

### 1) Remuneration Process

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

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	Company Salary Structure, market rates used as a guide; salary adjustments based on performance and changes in responsibilities and authorities.	
(2) Variable remuneration	None	

(3) Per diem allowance	None
(4) Bonus	None
(5) Stock Options and other financial instruments	None
(6) Other (specify)	None

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

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

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	Follows Company's salary structure and benefit package and Board approved rate/package.	Compensation/Salary package is composed of basic monthly pay plus 13th month pay as approved by the Board.	Basic monthly salary is computed by multiplying the daily rate factor by 26, which is used in computing other benefits (e.g. sick leave, vacation leave, etc.)
Non-Executive Directors	Each director receives the following schedule of per diem for attendance in meetings of the Board of Directors/Committees:  Board Meetings : P5,000.00 each for every meeting attended by the members of the Board of Directors. Independent Directors receives a monthly honorarium of P15,000.00		

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 is approved by the management which consists of Executive Directors.

Remuneration Scheme	Date of Stockholders' Approval
n/a	n/a

## 3) Aggregate Remuneration

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

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	1,040,000	2,700,000	360,000
(b) Variable Remuneration			
(c) Per diem Allowance			
(d) Bonus			
(e) Stock Options and/or other financial instrument			
(f) Other (specify)			
Total	1,040,000	2,700,000	360,000

Other Benefits	Executive Directors	Non-Executive Director (other than independent director)	Independent Directors
a) Advances	n/a	n/a	n/a
b) Credit granted	n/a	n/a	n/a
(c) Pension Plan/s Contribution	n/a	n/a	n/a
(d) Pension Plans, Obligations incurred	n/a	n/a	n/a
(e) Life Insurance Premium	n/a	n/a	n/a
(f) Hospitalization Plan	Health card	Health card	Health card

(g) Car Plan	n/a	n/a	n/a
(h) Other (Specify)	n/a	n/a	n/a
Total			

#### 4) Stock Rights, Option 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 share :

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrant	Number of equivalent Shares	Total % from Capital Stock
None of the company's common shares are subject to outstanding options or warrants to purchase, or securities convertible into common shares of the company.				

##### (b) Amendment 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.		

#### 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
Senior Management as a group	3,740,000

### 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)				
Audit	1	1	1			Its key responsibilities focuses on areas pertaining to : (1) Financial Statements – generally reviews significant accounting and financial reporting issues and understands its	It has the authority to : (1) Recommend the appointment and compensation of the independent external auditor; (2) Resolve any disagreement between management & the auditor regarding financial



						<p>impact on the financial statements;</p> <p>(2) Internal Control – considers effectiveness of the company's internal control system, including I.T. security and control;</p> <p>(3) Internal Audit – review the effectiveness of the internal audit function; and</p> <p>(4) External Audit – review and confirm independence of the external auditors.</p>	<p>reporting; (3) Recommend approval of all auditing and audit related services; (4) 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 its requires form Company Officers and employees; (7) Meet with company officers, external auditors or outside counsel as necessary.</p>
Nomination	1	2			<p>Review and evaluate the qualifications of all persons nominated to the Board and other appointment that require Board approval, and to assess the effectiveness of the board's processes and procedures in the election or replacement of directors; (Revised Manual of Corporate Governance)</p>	<p>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.</p>	<p>The Committee shall have the exclusive power to enforce and administer the Nomination and Election Rules of the Company.</p> <p>A majority of all members of the Committee shall constitute a quorum. The affirmative vote 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.</p>
Remuneration	1	2			<p>Establish a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the corporation's</p>		<p>Make recommendations to the Board on matters pertaining to remuneration and compensation packages of corporate officers and directors, after conducting review and evaluation.</p>

					culture, strategy and the business environment in which it operates		
Others (specify)							

## 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	Joel T. Go	08-29-14	12	12	100	
Member (ED)	Evelyn C. Go	08-29-14	12	12	100	
Member (ID)	Christian Grant Yu Tomas	08-29-14	12	12	100	

### (b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Christian Grant Yu Tomas	08-29-14	12	12	100	
Member (ED)	Joel T. Go	08-29-14	12	12	100	
Member (ED)	Evelyn C. Go	08-29-14	12	12	100	

#### Disclose the profile or qualification of the Audit Committee members.

**CHRISTIAN GRANT YU TOMAS**, Filipino, 36 years old is the Head, Legal Department, Tyche Consulting Ltd. Phils. Regional Operating Headquarters. Previously, he worked as Legal Counsel of Alphaland Corporation; Executive Assistant, Commission on Election, Office of Commissioner Larrazabel; and Associate, ZAMORA POBLADOR VASQUEZ & BRETANA LAW OFFICES. Atty. Tomas is a graduate of Ateneo De Manila University School of Law with a Degree of Juris Doctor in 2004. He passed the Bar Examination in 2004. He graduated from De La Salle University with a Bachelor of Science degree in Applied Economics in 1999.

**JOEL T. GO**, Filipino, was born on January 25, 1973, is a graduate in Bachelor of Science in Electronics & Communications Engineering from De Lasalle University. He is the first child of the three children of Mr. Jose C. Go. He's work experiences are with the family businesses and occupies the following positions in various company under the Ever Gotesco Group of Companies for the last five (5) years, viz : Chairman and President of Ever Plus Meisec Corp.; Ever Plus Superstore, Inc.; Ever Plus Convenience Stores, Inc. He is also President and Director of United Doctors Service Corp.; Majestic Plus Holdings Intl. Inc.; and Eagles Production Intl. Inc. and Director and Treasurer of Evercrest Golf Club Resort, Inc.

**EVELYN C. GO**, Filipino, was born on December 23, 1954, is a graduate from the Philippine School of Business Administration with a degree in Business Management. Ms. Go started her practical business training at an early age covering various positions and aspects of the Go Tong family business enterprises. She is affiliated with and occupies the following positions in various institution for the last five (5) years, viz : President/Chief Operating Officer of Gotesco Tyan Ming Development, Inc., Executive Vice President of Ever Plaza, Inc. Ever Center, Inc., Ever Commonwealth Center, Inc., Director and/or Treasurer of Gotesco Properties, Inc., Megaheights Realty & Development Corp., Gulod Resort, Inc., Gotesco Land, Inc., (formerly Suricon Resources Corp.),and Nasugbu Resort, Inc.

**Described the Audit Committee's responsibilities 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 arrangements, 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 auditor's 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	Joel T. Go	08-29-14				
Member (ED)	Evelyn C. Go	08-29-14				
Member (ED)	Lourdes G. Ortiga	08-29-14				

**(d) Remuneration Committee**

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Jose C. Go	08-29-14				
Member (ED)	Evelyn C. Go	08-29-14				
Member (ED)	Joel T. Go	08-29-14				

**(e) Other (specify)**

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

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman						
Member (ED)						
Member (NED)	No other committee's constituted by the Board of Directors other than the above committees					
Member (ID)						
Member						

**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	No changes in committee membership that occurred during the year	
Audit		
Nomination		
Remuneration		
Other (specify)		

**4) Work Done and Issue Addressed**

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

Name of Committee	Work Done	Issues Addressed
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Executive		
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 for SEC quarterly filing, annual audited 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 appointment of the current external auditors. Performed a self-evaluation of the Committee in terms of expectations set out in the Audit Committee Charter.
Nomination	Reviewed and evaluated the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring the appointment by the Board.	Reviewed the qualifications of all nominees to the Board of Directors, taking into consideration the relevant requirements of the Securities and Exchange Commission relative to qualifications and disqualifications of both regular and independent director nominees.
Remuneration	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. No other resolution relating to director's remuneration has been adopted by the Board of Directors as the schedule of the amount of per diem for attendance in meetings of the Board of Directors/Committees has remained unchanged since 1995.
Other (specify)	None	

5) Committee Program

Provide a list of program 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	n/a	n/a
Audit	n/a	n/a
Nomination	n/a	n/a
Remuneration	n/a	n/a
Other (specify)	n/a	n/a

**F. RISK MANAGEMENT SYSTEM**

1) Disclose the following :

(a) Overall risk management philosophy of the company ;

We seek to improve our risk management as well as internal control policies and procedures on an ongoing basis to ensure that they remain sound and relevant by benchmarking against global best practices.

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

The Directors reviewed the effectiveness of the risk management as well as the internal control policies and procedures. On a regular basis, the Directors discuss the same in order to determine its effectiveness.,

**(c) Period covered by the review; 2014**

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

Risk Management system is reviewed annually.

A Risk Management Plan is updated 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 meets its goals and objectives.

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

Annual review was conducted

**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:

<b>Risk Exposure</b>	<b>Risk Management Policy</b>	<b>Objective</b>
Competitive Risk	On-going renovation of mall facilities	To create a one stop shop commercial center that can offer a complete mix of everything delightful products to all mall shoppers
Liquidity Risk	As an inherent part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. To cover its short-term and long-term funding requirements, the Group intends to use internally generated funds and available short-term and long-term credit facilities.	The group seeks to manage its liquidity risk to be able to meet its operating cash flow requirements, finance capital expenditures and service maturing debts.
Market Risk		Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates.
Interest rate risk	In certain cases, depending on its assessment of future movements of interest rates, the Group would pre-terminate its debt and obtain a new loan facility which	In order to effectively manage its interest risk and its financing costs, the Group closely monitors the movements of interest rates, as well as, economic factors affecting

	provides for either floating or fixed interest rates. This is intended to minimize its financing costs.	the trends of these movements.
Credit risk	The Group manages its credit risk in accordance with its credit risk policies which requires the evaluation of the creditworthiness of the debtors. The Group's exposure to credit risk on its other receivables from debtors and related parties is managed through close account monitoring and setting limits.	The Group's exposure to credit risk on its receivables relates primarily to the inability of the debtors to pay and fully settle the unpaid balance of receivables owed to the Group.

**(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
Absence of Departmental Manual / Documented Work Instructions	On going business mapping  <i>Note: As of todate, (3) three departmental manuals have been released (Project &amp; Design Dept., Cinema Dept. &amp; Audit Dept.</i>	To establish a well defined internal control framework for each strategic business unit to document a standard operating procedures per group.

**(c) Minority Shareholders**

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

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

**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:

<b>Risk Exposure</b>	<b>Risk Assessment (Monitoring and Measurement Process)</b>	<b>Risk Management and Control (Structures, Procedures, Actions Taken)</b>
Inaccurate certified floor area rented by some tenant	With monitoring once a year	Simultaneous re-measurement of certified floor area conducted by selected technical team

**(b) Group**

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

<b>Risk Exposure</b>	<b>Risk Assessment (Monitoring and Measurement Process)</b>	<b>Risk Management and Control (Structures, Procedures, Actions Taken)</b>
Over/under costing of engineering/architectural project	Searching for accredited suppliers/contractors / hiring of outsource consultant for assessment of project.	Creation of committee to manage the selection of accredited suppliers

**(c) Committee**

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

<b>Committee/Unit</b>	<b>Control Mechanism</b>	<b>Details of its Functions</b>
SEC Selection & Evaluation Committee	Accreditation of contractors / suppliers	Independent body that will select accredited contractor/supplier
Engineering / Architecture / Audit	Actual re-measurement of certified floor area	Technical team that would establish the accurate figures of CFA per respective mall

**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;**

Internal control system was defined in order to identify all significant issues that should be considered in managing the internal audit activity; in organizing the internal audit engagements that will strengthen the internal control framework of the organization; and when planning, conducting and reporting upon an internal audit activity.

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

The Directors reviewed the effectiveness of the internal control system. From time to time, the Directors discuss the internal control system in order to determine any exposure to risk due to weak internal control system.

**(c) Period covered by the review;**

The year 2013.

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

Every 5<sup>th</sup> of the month

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

With review every 5<sup>th</sup> day of the month for AR billing & other reimbursable charges

**2) Internal Audit**

(a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of the 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
The role of internal audit is to help the departments within the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of internal control and governance process	Internal Audit scope of work were classified into Assurance and Consulting activities in order to determine the sufficiency and efficacy of the internal control and governance process of the company.	In-house	Mr. Glenn Espiritu	Monthly report or as needed

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

Yes, all matters concerning the auditors are handled by the Audit Committee.

- (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?

Internal Audit is directly reporting to the Audit Committee and administratively to the President/Chief Executive Officer.

- (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
Myra A. Abantao	Job abroad opportunity
Charles Darwin Aguinaldo	CPA Board Review
Cristal Agustin	Family matters

(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	Preparation of monthly work plan based on the identified risk process per strategic business unit that requires checking and reconciliation of report. All audit plans are supported by audit program guide and budgeted man days for accuracy and timely submission of audit report.
Issues	All significant issues are treated confidential and subject for investigation proper with objectives prior implementation of audit activities.
Findings	All audit findings must be supported by working papers. All exception must be supported by evidence (document, testimonial, physical, or analytical evidence)
Examination Trends	Proper discussion with top management and other concerned group is being exercised to explain objectively the frequency and likelihood of risk based on the submitted audit report



The relationship among the 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 milestone;
- 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 results 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."

<b>Policies &amp; Procedures</b>	<b>Implementation</b>
Interest & Penalty Amnesty Program	Implemented
Meter Utilities Reading	Implemented
Cinema Aircon Charges	Implemented
Construction Guidelines	Implemented

**(g) Mechanism and Safeguards**

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

<b>Auditors (Internal and External)</b>	<b>Financial Analysts</b>	<b>Investment Banks</b>	<b>Rating Agencies</b>
<p><b><u>INTERNAL AUDITORS</u></b></p> <p>The Chief Audit Executive and the Internal Audit Staff are not authorized to :</p> <ol style="list-style-type: none"> <li>1. Perform any operational duties for the organizations or its affiliates;</li> <li>2. Initiate or approve accounting transactions external to the Internal Audit Department;</li> <li>3. Direct the activities of any organization employee not employed by the Internal Audit Department, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the internal auditors.</li> </ol>	<p>There are no independence concerns involving financial analyst, investment banks and rating agencies as here are no material public information being disclosed ahead to any group other than what is disclosed publicly to the regulators within the prescribed time period for reporting.</p>		
<p><b><u>EXTERNAL AUDITORS</u></b></p> <p>Under the EVER policy of auditor independence, the External Auditor may not provide the following services to the Company :</p>			

1. Management Responsibility; 2. Preparing accounting records and financial statements; 3. Financial information systems design and implementation; and 4. Litigation support and legal services.	There are no independence concerns involving financial analyst, investment banks and rating agencies as here are no material public information being disclosed ahead to any group other than what is disclosed publicly to the regulators within the prescribed time period for reporting.
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- (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 instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

**Chairman and President**

## H. RIGHTS OF STOCKHOLDERS

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

#### (a) Quorum

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

Quorum Required	A quorum at any meeting of the stockholders shall consist of stockholders representing at least a majority of the outstanding capital stock
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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, provided constituting a quorum.
Description	The method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The votes shall be counted by a show of hands or, upon motion duly made and seconded, by secret ballot.

#### (c) Stockholders' Rights

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

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

## Dividends

Declaration Date	Record Date	Payment Date
<i>The Company have not declared any dividend for the last five years in operation including the current year.</i>		

#### (d) Stockholders' Participation

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

Measures Adopted	Communication Procedures
<p>The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the corporation.</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 rights shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholders' 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' meaningfully 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>	<ol style="list-style-type: none"> <li>Shareholders are provided through public records, communication media, the disclosures, announcements and reports filed with the SEC, PSE and other regulating agencies.</li> <li>Shareholders are allowed to inspect corporate books and records including minutes of Board Meetings and stock registries in accordance with the Corporation Code.</li> <li>Stockholders are informed at least 15 business days before the scheduled date of the Annual Stockholder's 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.</li> <li>Each share entitles the holder to one vote that may be exercised in person or by proxy at shareholder meetings, including the Annual Stockholders' Meeting. Shareholders have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.</li> <li>Voting procedure on matters presented for approval to the stockholders in the Annual Stockholders' Meeting are set out in the Definitive Information Statement, which is sent to all stockholders of record at least 15 days before the date of Meeting.</li> </ol>

2. State the company policy of asking shareholders to actively participate in corporate decision regarding:

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

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?

Yes.

a. Date of sending out notices: August 08, 2014

b) Date of Annual/Special Stockholders' Meeting:  
August 29, 2014

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

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

Resolution	Approving	Dissenting	Abstaining
1. Approval of the Minutes of Annual Stockholders' Meeting held on October 30, 2011.	3,209,605,897	0	0
2. Ratification of the acts of the Board of Directors, Management, Officers	3,209,605,897	0	0
3. Appointment of the External Auditor-	3,209,605,897	0	0

Sicyp Gorres Velayo for the year 2014-2015			
4. Election of Directors	3,209,605,897	0	0

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

Within 5 minutes the adjournment of the meeting.

**(e) Modifications**

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

Modifications	Reason for Modification
No modifications 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	Name 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	Directors : (1) Jose Go (2) Joel Go (3) Lourdes Ortiga (4) Evelyn Go (5) Jonathan Go  Independent Directors (6) Sennen Baccay (7)(Christian Grant Yu Tomas	08-29-2014	Show of hands	0.0046%	64.18%	64.19%
Special	No Special Meeting Held during the year.					

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

Yes, the company's transfer agent, Securities Transfer Services, Inc and external auditors, Sycip Gorres Velayo & Co. are being invited during the Annual/Special Stockholders' Meeting to conduct the voting and validate the same.

**(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, described the voting rights attached to each class of shares.**

The company has only common shares and each share entitles the holder to one vote that may be exercised in person or by proxy at shareholders' meetings, including the Annual Stockholders' Meeting.

**(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	Proxies shall be in writing, signed by the stockholders and submitted to the Corporate Secretary not later than three (3) calendar days prior to the date of the stockholders' meeting.
Notary	Unless required by the corporate by-laws, a proxy need not be notarized.
Submission of Proxy	Proxies shall be submitted not later than three (3) 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	A proxy shall not be invalidated on the ground that the stockholder who executed the same has not signature card on file with the Corporation 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 ten (10) days before the annual stockholders' meeting. 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.
Validation of Proxy	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 three (3) calendar days prior to the date of stockholders meeting.  All issues relative to proxies including their validation shall be resolved prior to the canvassing of votes for purposes of determining a quorum.
Violation of Proxy	Any violation of this Rule on Proxy shall be subject to the administrative sanctions provide 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	Procedures
Notices for regular or special meetings of stockholders may be sent by the Secretary by personal delivery or by mail at least two (2) weeks prior to the date of the meeting to each stockholder of record at his last known post office address or by publication in a newspaper of general circulation. The notice shall state the place, date and hour of the meeting, and purpose or purposes for which the meeting is called. In case of special	Notices for regular or special meetings of stockholders are sent by the Secretary by personal delivery or by mail 15 days prior to the date of the meeting to each stockholder of record at his last known post office address and by publication in a newspaper of general circulation.

meetings, only matters stated in the notice can be the subject of motions or deliberations at such meeting. (By-Laws, Article II, Section 4, page 2-3)	
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**(i) Definitive Information Statements and Management Report.**

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	5,735
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners.	August 8, 2014
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	August 8, 2014
State whether CD format or hard copies were distributed	Hard copies were distributed.
If yes, indicate whether requesting stockholders were provided hard copies.	All stockholders or record were provided with hard copies.

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

Each resolution to be taken up deals with only one item.	YES
Profiles of directors (at least age, qualification, date of first appointment, experience, and 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.

**2) Treatment of Minority Stockholders**

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

<b>Policies</b>	<b>Implementation</b>
<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"> <li>i. Right to vote on all matters that require their consent or approval;</li> <li>ii. Right to inspect corporate books and records;</li> <li>iii. Right to information;</li> <li>iv. Right to dividends; and</li> <li>v. Appraisal right.</li> </ul> <p>The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the corporation. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy.</p>	<ul style="list-style-type: none"> <li>1. Shareholders are informed at least 15 business days before the scheduled date of the Annual Stockholders' Meeting. Notice for August 30, 2013 Annual Stockholders' Meeting was sent on August 15, 2013.</li> <li>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.</li> <li>3. Voting procedures on matters presented for approval to the stockholders in the Annual Stockholders' meeting are set out in the Definitive Information Statement, which is sent to all stockholders of record at least 15 days before the date of meeting.</li> <li>4. Shareholders are provided through public records, communication media, the disclosures, announcements and reports filed with the SEC, PSE and other regulating agencies.</li> <li>5. The Board of Directors are authorized to declare dividends out of the unrestricted retained earnings of the Company, which may be payable in cash, in property, or in stock to all stockholders.</li> </ul>

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

## I. 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 assigned to a committee.
- 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 be able to communicate all allowable information regarding the Company's strategies and operations to the investing public, for investors to be able to make informed investment decisions in relation to our Company.
(2) Principles	To ensure that all relevant information shall timely reach the public
(3) Modes of Communications	Regular disclosures through the Company's website as well as the Philippine Stock Exchange's website.
(4) Investors Relations Officer	

- 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 sale of substantial portion 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 provision stated under Section 40, 81 and 82 of the Corporation Code of the Philippines.

**Sec. 40. Sale or other disposition of assets.** – "... a corporation may, by a majority vote of its board of directors or trustees, sell, lease, exchange, pledge or otherwise dispose of all or substantially all of its property and assets, including its goodwill, upon such terms and conditions and for such consideration, which may be money, stocks, bonds or other instruments for the payment of money or other property or consideration, as its board of directors or trustees may deem expedient, when authorized by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock.... In a stockholders' or members' duly called for the purpose."

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

1. In case of amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence.
2. In Case of sale, lease, exchange, transfer, mortgage, pledge, or other disposition of all or substantially all of the corporation property and assets as provided in the Code; and
3. In case of merger or consolidation."

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

(Emphasis supplied)

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

Nothing to report, the Company does not have any transaction of this nature.

## J. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiative	Beneficiary
Active participation in the Go-Tong Foundation	Public
Bloodletting activities	Public

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

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

	Process	Criteria
Board of Directors	No formal performance evaluation is in place, however, the Board, through its Audit Committee, performs a self-evaluation in which the current and potentation state of the Company's corporate governance practices were rated using best practice guidelines issued by the PSE	
Board of Committees	Audit Committee conducts annual performance evaluation in compliance with the 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		

## L. 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

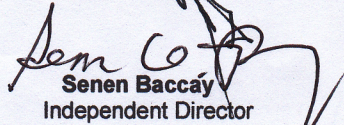


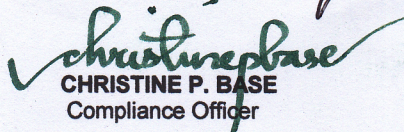
Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Manila this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

Apr 15 2015

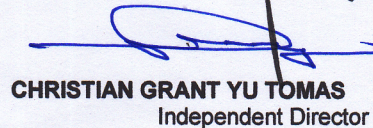
SIGNATURES

JOSE C. GO  
Chairman of the Board

  
Senen Baccay  
Independent Director

  
CHRISTINE P. BASE  
Compliance Officer

JOEL T. GO  
President and CEO

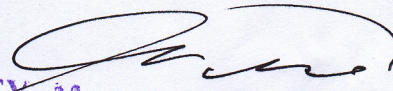
  
CHRISTIAN GRANT YU TOMAS  
Independent Director

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_ 2015, affiants exhibiting to me their Identification Number as follows :

Name	Identification Number	Date/Place Issued
Jose C. Go	EB6088994	08-06-2012/MANILA
Joel T. Go	EB6703613	11-08-12/NCR WEST
Senen D. Baccay	100-579-089	LAS PIÑAS
Christian Grant Yu Tomas	182-054-166	PASIG CITY
Christine P. Base	198-818-199	MAKATI CITY

Doc. No. 1011 ;  
Page No. 1041 ;  
Book No. 114 ;  
Series of 2015.

MANILA

  
ATTY. Mary Ann R. Sagana  
Notary Public For The City Of Manila  
My Commission Expires On 01-04-2015/1/2015  
Roll No. 47359/IBP LIFETIME No. 01  
PTR No. 8162214-01-04-2015 Manila