

SECURITIES AND EXCHANGE COMMISSION
SEC FORM ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is Filed for the Year
Dec 31, 2015
2. Exact Name of Registrant as Specified in its Charter
EMPIRE EAST LAND HOLDINGS, INC.
3. Address of principal office
21/F The World Centre, 330 Sen. Gil Puyat Avenue, Makati City
Postal Code
1227
4. SEC Identification Number
AS094-006430
5. Industry Classification Code(SEC Use Only)

6. BIR Tax Identification No.
003-942-108
7. Issuer's telephone number, including area code
(632) 867-8351 to 55
8. Former name or former address, if changed from the last report
N/A

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Empire East

Empire East Land Holdings, Inc.

ELI

PSE Disclosure Form ACGR-1 - Annual Corporate Governance Report
*Reference: Revised Code of Corporate Governance of the
Securities and Exchange Commission*

Description of the Disclosure

Annual Corporate Governance Report for the fiscal year 2015.


Filed on behalf by:

Name	Dohrie Edangalino
Designation	Authorized User

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EMPIRE EAST LAND HOLDINGS, INC.

2015 ANNUAL CORPORATE GOVERNANCE REPORT

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A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	7
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Actual number of Directors for the year	7
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(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) ¹	Elected when (Annual /Special Meeting)	No. of years served as director
ANDREW L. TAN	NED	Megaworld Corporation		July 15, 1994	<u>09 June 2015</u>	Annual Stockholders Meeting	<u>21</u>
GERARDO C. GARCIA	ID		Rommel Canto, (not related to ID)	October 1994	<u>09 June 2015 (4 years)</u>	Annual Stockholders Meeting	<u>21</u>
KEVIN ANDREW L. TAN	NED	Megaworld Corporation		June 2015	<u>09 June 2015</u>	Annual Stockholders Meeting	<u>9 mos.</u>
ANTHONY CHARLEMAGNE C. YU	ED	Megaworld Corporation		January 1998	<u>09 June 2015</u>	Annual Stockholders Meeting	<u>17</u>
EVELYN G. CACHO	ED	Megaworld Corporation		February 20, 2009	<u>09 June 2015</u>	Annual Stockholders Meeting	<u>6</u>
ENRIQUE SANTOS L. SY	NED	Megaworld Corporation		April 1996	<u>09 June 2015</u>	Annual Stockholders Meeting	<u>19</u>
ALEJO L. VILLANUEVA, JR.	ID		Maria Rosario Justo, (not related to ID)	June 13, 2007	<u>09 June 2015 (4 years)</u>	Annual Stockholders Meeting	<u>9</u>

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

Answer: The Company has adopted a Manual of Corporate Governance following the guidelines set by the Securities and Exchange Commission in SEC Memorandum Circular No. 6 Series of 2009 (the "Code"). The Code encapsulates the Company's best practices commitment and highlights the duties and obligation of the Board of Directors, the Board Committees and officers of the Company. The Code further highlights the Company's commitment to protect the rights of its stockholders and provides, in Section 3 thereof, that the right of its stockholders to the following matters shall at all times be respected: (i) to vote on all matters that require their consent and approval, (ii) pre-emptive right to all stock issuances of the Corporation; (iii) to inspect the corporate books and records, including the Code, which shall be made available for inspection by any stockholder of the Company at reasonable hours on business days; (iv) right to information; (v) dividends; and (vi) appraisal right.

¹Reckoned from the election immediately following January 2, 2012.

Stockholders are invited to attend the annual and special stockholders' meetings of the Company and are encouraged to personally attend such meetings. If they cannot attend, they are informed ahead of time of their right to appoint a proxy in accordance with the by-laws of the Company.

Although all stockholders are treated equally, the Code also directs the Company's Board of Directors to give minority stockholders the right to propose the holding of meetings and items for discussion in the agenda that relate directly to the business of the Company.

How often does the Board review and approve the vision and mission?

Answer: The Board, as may be necessary, may conduct an evaluation of the Company's mission and vision, in keeping with the strategic direction set by the Board for the Company.

(b) Directorship in Other Companies

(i) Directorship in the Company's Group²

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

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
ANDREW L. TAN	<ol style="list-style-type: none"> Megaworld Corporation Gilmore Property Marketing Associates, Inc. Megaworld Central Properties, Inc. Sherman Oak Holdings, Inc. Sonoma Premier Land, Inc. Valle Verde Properties, Inc. 	<ol style="list-style-type: none"> Executive Director & Chairman Executive Director & Chairman Executive Director & Chairman Executive Director & Chairman Executive Director & Chairman Executive Director & Chairman
GERARDO C. GARCIA	<ol style="list-style-type: none"> Megaworld Corporation 	<ol style="list-style-type: none"> Independent Director
KEVIN ANDREW L. TAN	None	None
ANTHONY CHARLEMAGNE C. YU	<ol style="list-style-type: none"> Empire East Communities, Inc. Laguna BelAir School, Inc. Sherman Oak Holdings, Inc. Sonoma Premier Land, Inc. Valle Verde Properties, Inc. 	<ol style="list-style-type: none"> Executive Director & Chairman Executive Director & Chairman Non-Executive Director Non-Executive Director Executive Director
EVELYN G. CACHO	<ol style="list-style-type: none"> Empire East Communities, Inc. Laguna BelAirSchool, Inc. Sherman Oak Holdings, Inc. Sonoma Premier Land, Inc. Valle Verde Properties, Inc. 	<ol style="list-style-type: none"> Non-Executive Director Non-Executive Director Executive Director Executive Director Non-Executive Director
ENRIQUE SANTOS L. SY	<ol style="list-style-type: none"> Megaworld Corporation 	<ol style="list-style-type: none"> Non-Executive Director
ALEJO J. VILLANUEVA, JR.	None	None

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

(ii) Directorship in Other Listed Companies

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

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Andrew L. Tan	1. Megaworld Corporation 2. Alliance Global Group, Inc. 3. Global-Estate Resorts, Inc. 4. Emperador Inc. 5. Travellers International Hotel Group, Inc.	1. Executive Director/Chairman 2. Executive Director/Chairman 3. Executive Director/Chairman 4. Executive Director/Chairman 5. Non-Executive Director
Kevin Andrew L. Tan	1. Alliance Global Group, Inc. 2. Global-Estate Resorts, Inc.	1. Non-Executive Director 2. Non-Executive Director
Alejo L. Villanueva, Jr.	1. Alliance Global Group, Inc. 2. Emperador Inc. 3. Suntrust Home Developers, Inc.	1. Independent Director 2. Independent Director 3. Independent Director
Gerardo C. Garcia	1. Megaworld Corporation 2. Global-Estate Resorts, Inc.	1. Independent Director 2. Independent Director
Evelyn G. Cacho	1. Suntrust Home Developers, Inc.	1. Executive Director
Enrique Santos L. Sy	1. Megaworld Corporation	1. Non-Executive Director
Anthony Charlemagne C. Yu	None	None

(iii) Relationship within the Company and its Group

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

Director's Name	Name of the Significant Shareholder	Description of the relationship
Andrew L. Tan	Megaworld Corporation Gilmore Property Marketing Associates, Inc. Megaworld Central Properties, Inc. Sherman Oak Holdings, Inc. Sonoma Premier Land, Inc. Valle Verde Properties, Inc.	Director, Chairman & CEO Director Director Director Director Director
Kevin Andrew L. Tan	Megaworld Corporation	Director
Gerardo C. Garcia	Megaworld Corporation	Independent Director
Enrique Santos L. Sy	Megaworld Corporation	Director
Anthony Charlemagne C. Yu	Empire East Communities, Inc. Laguna Bel Air School, Inc. Megaworld Central Properties, Inc. Sherman Oak Holdings, Inc. Sonoma Premier Land, Inc. Valle Verde Properties, Inc. Megaworld Newport Property Holdings, Inc	Director Director Director Director Director Director Director
Evelyn G. Cacho	Empire East Communities, Inc. Laguna Bel-Air School, Inc. Sherman Oak Holdings, Inc. Sonoma Premier Land, Inc. Valle Verde Properties, Inc. Suntrust Home Developers, Inc.	Director Director Director Director Director Director

Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	<ul style="list-style-type: none"> (i) Provides leadership to the Board and participates in the formulation of the Company's business plans; (ii) Ensures that communication lines between the CEO and the Board is open and fosters the flow of information between Management and the Board; (ii) Spearheads the meetings of the Board which are held in accordance with the Corporation's By – Laws. 	<ul style="list-style-type: none"> (i) Manages the business and affairs of the Company; (ii) Implements the corporate plans approved by the Board and as may be necessary, provide operational guidance to ensure implementation of targets; (iii) Communicates to the Board information which may aid in the performance by the Board of its duties and as may be appropriate, recommends to the Board strategic directions and/or policies.
Accountabilities	<ul style="list-style-type: none"> (i) Ensures that Company policies are consistent with its commitments in the Code; (ii) Ensures that the corporate actions approved by the Board are in line with the plans, objectives and goals set by the Company for the relevant period. (iii) Supervises the preparation of the agendas in meetings, in consultation with the CEO, Corporate Secretary and Management; 	<ul style="list-style-type: none"> (i) Effective Implementation of the plans and resolutions approved by the Board of Directors; (ii) Identify issues affecting the business of the Company and informs the Board according;
Deliverables	<ul style="list-style-type: none"> (i) Board approvals consistent with the business plans of the Company. 	<ul style="list-style-type: none"> (i) Management Report conveyed to the Board of Directors and stockholders, which details the report of the operations of the Company for the preceding year, and the state of its affairs.

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

Answer: The Amended By-Laws of the Company, particularly Article III. Section 2 thereof, provides for the mode of succession of key officers of the Company, who shall be elected by every newly constituted Board at its organizational meeting. The Board, in making appointments, is guided by the standards, more particularly the definition of the roles and responsibilities to be assumed by said officers as set forth in the Code and in the Company's By-laws, in evaluating the merit of each appointee. Unless removed from office, said officers shall hold office until their successors are appointed and qualified. Vacancies are filled by the Board of Directors.

3) 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.

Answer: Yes. Aside from meeting the qualifications prescribed in the Corporation Code, the Securities Regulation Code

and other relevant laws, the members of the Board maybe composed of both Executive and Non-Executive Directors who have business experience, practical understanding of the business of the Company and are members in good standing in relevant professional industry, business and professional organizations (Section 2.2, Code).

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

Answer: Yes. Section 2.2.3 of the Manual of Corporate Governance ensures that a director possesses a practical understanding of the business of the Company and has business experience.

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

	Executive	Non-Executive	Independent Director
Role	<ul style="list-style-type: none"> (i) Responsible for the formulation of the Company's strategic direction to foster success and long term growth; (ii) Ensure the effective implementation of the corporate plans and strategies formulated by the Board. 	<ul style="list-style-type: none"> (i) Responsible for the formulation of the Company's strategic direction to foster success and long term growth; (ii) Act as an independent adviser and decision maker on matters brought before the Board. 	<ul style="list-style-type: none"> (i) Responsible for the formulation of the Company's strategic direction to foster success and long term growth; (ii) Bring an independent judgment on matters brought before the Board. (iii) Promote the Company's commitment to transparency and in this regard, is a member of the Company's Compensation and Remuneration Committee as well as the Audit Committee, which must be chaired by an independent director.
Accountabilities	<ul style="list-style-type: none"> (i) Ensure that the Board conducts itself with honesty and integrity in the performance of all actions according to a high standard of best practices for the Company and its stockholders; (ii) Implement the process for the selection of directors who can add value and contribute independent judgment to the formulation of corporate policies; (iii) Appoint competent, professional, honest and highly motivated management officers; (iv) Provide strategic policies and guidelines to the Company on major capital 	<ul style="list-style-type: none"> (i) Ensure that the Board conduct itself with honesty and integrity in the performance of all actions according to a high standard of best practices for the Company and its stockholders; (ii) implement the process for the selection of directors who can add value and contribute independent judgment to the formulation of corporate policies; (iii) Appoint competent, professional, honest and highly motivated management officers; (iv) Provide strategic policies and guidelines to the 	<ul style="list-style-type: none"> (i) Ensure that the Board conduct itself with honesty and integrity in the performance of all actions according to a high standard of best practices for the Company and its stockholders; (ii) implement the process for the selection of directors who can add value and contribute independent judgment to the formulation of corporate policies; (iii) Appoint competent, professional, honest and highly motivated management officers; (iv) Provide strategic policies and guidelines to the Company on major capital

	<p>expenditures and programs that can sustain long-term viability and strength;</p> <p>(v) Ensure that the Company faithfully complies with all applicable laws, regulations and best business practices;</p> <p>(vi) Formulate and implement policies and procedures that ensure integrity and transparency of related party transactions between and among the Company and its parent company, joint ventures, subsidiaries, associates, affiliates, and other related parties;</p> <p>(vii) Participation in the Relevant Board Committees.</p>	<p>Company on major capital expenditures and programs that can sustain long-term viability and strength;</p> <p>(v) Ensure that the Company faithfully complies with all applicable laws, regulations and best business practices;</p> <p>(vi) Formulate and implement policies and procedures that ensure integrity and transparency of related party transactions between and among the Company and its parent company, joint ventures, subsidiaries, associates, affiliates, and other related parties;</p> <p>(vii) Participation in the relevant Board Committees.</p>	<p>expenditures and programs that can sustain long-term viability and strength;</p> <p>(v) Ensure that the Company faithfully complies with all applicable laws, regulations and best business practices;</p> <p>(vi) Formulate and implement policies and procedures that ensure integrity and transparency of related party transactions between and among the corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, and other related parties;</p> <p>(vii) Participation in the Relevant Board Committees. More particularly in, the Compensation and Remuneration Committee and in the Audit Committee.</p>
Deliverables	<p>(i) Board Actions, approvals and strategic direction in line with corporate goals and the Company's best practices commitment;</p> <p>(ii) Internal control system that ensures adequacy and effectiveness of the Company's checks and balances.</p>	<p>(i) Board Actions, approvals and strategic direction in line with corporate goals and the Company's best practices commitment;</p> <p>(ii) Internal control system that ensures adequacy and effectiveness of the Company's checks and balances.</p>	<p>(i) Board Actions, approvals and strategic direction in line with corporate goals and the Company's best practices commitment;</p> <p>(ii) Internal control system that ensures adequacy and effectiveness of the Company's checks and balances.</p>

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

Answer: The Company defines an Independent Director as a qualified individual in accordance with the Code, who, other than the per diem given by the Company for attendance in board meetings and his shareholdings, is independent of management and free of material or pecuniary relationship with the Company which can materially affect the exercise of independent judgment in the conduct of his responsibilities to the Company. The Company adheres to the said standard and has applied the same in the election of its Independent Directors.

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

Answer: The Company follows the term limits for Independent Directors prescribed by the Securities and Exchange Commission in SEC Memorandum Circular No. 9, Series of 2011 and allows its Independent Directors to serve for only five (5) consecutive years from January 2, 2012. In the same manner, the Company observes the cooling-off period imposed in the said circular.

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

(a) Resignation/Death/Removal

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

Name	Position	Date of Cessation	Reason
Katherine L. Tan	Director	09 June 2015	End of Term

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

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

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors	The stockholders send their nomination to the Nomination Committee. The Nomination Committee determines if a nominee possesses the qualifications and none of the disqualifications for the position. Qualified Nominees are entitled to be voted upon during the Annual Stockholders Meeting.	The directors shall have such qualifications prescribed in the Corporation Code, the Securities Regulation Code and other relevant laws, as well as (i) a college degree; (ii) business experience; (iii) practical understanding of the business of the Corporation, and (iv) membership in good standing in a relevant industry, business or professional organization.
(ii) Non-Executive Directors		
(iii) Independent Directors		
b. Re-appointment		
(i) Executive Directors	For Executive and Non-Executive Directors, re-appointment is allowed, following the above-enumerated process for the selection of the members of the Board of Directors. For Independent Directors, re-appointment is allowed as long as the term limits for Independent Directors in SEC Memorandum Circular No. 9, Series of 2011 is observed. The appointment process follows the above-enumerated selection process.	The same criteria is imposed for appointment and re-appointment, to wit: The directors shall have such qualifications prescribed in the Corporation Code, the Securities Regulation Code and other relevant laws, as well as (i) a college degree; (ii) business experience; (iii) practical understanding of the business of the Corporation, and (iv) membership in good standing in a relevant industry, business or professional organization.
(ii) Non-Executive Directors		
(iii) Independent Directors		
c. Permanent Disqualification		
(i) Executive Directors	All matters pertaining to the qualification and/or disqualification of a director are referred to the Nomination Committee. The Nomination Committee reviews and	Any of the following shall be a ground for permanent disqualification of a director: (i) Any person convicted by final
(ii) Non-Executive Directors		
(iii) Independent Directors		

	<p>evaluates the qualifications of all persons nominated to the Board.</p>	<p>judgment or order by a competent judicial or administrative body of any crime that</p> <p>(a) involves the purchase or sale of securities, as defined in the Securities Regulation Code;</p> <p>(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;</p> <p>(c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;</p> <p>(ii) Any person who, by 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</p> <p>(a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures, commission merchant, commodity trading advisor, or floor broker,</p> <p>(b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company;</p> <p>(c) engaging in or continuing any conduct or practice in any of the capacities mentioned in subparagraphs above, or willfully violating the laws that govern securities and banking activities.</p> <p>The disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the</p>
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		<p>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 engaged in any activity involving securities and banking, or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;</p> <p>(iii) Any person convicted by final judgment or order by a competent judicial or administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent act or transgression;</p> <p>(iv) Any person who has been adjudged by final judgment or order of the Commission or a court or other competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of, any provision of the Securities Regulation Code, the Corporation Code, or any other law administered by the Commission or Bangko Sentral ng Pilipinas, or any rule, regulation or order of the Commission or Bangko Sentral ng Pilipinas;</p> <p>(v) Any independent director who becomes an officer, employee or consultant of the Corporation shall cease to be an independent director until such time that his disqualification is lifted pursuant to the Securities Regulation Code and the rules and regulations of the Commission;</p> <p>(vi) Any person judicially declared to be insolvent;</p> <p>(vii) Any person finally found guilty by a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs; and</p>
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		(viii) Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment.
d. Temporary Disqualification		
(i) Executive Directors	A temporarily disqualified director is given 60 business days to take appropriate actions that will remedy or correct such disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.	Any of the following shall be a ground for the temporary disqualification of a director: (i) Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists; (ii) Absence in more than fifty percent (50%) of all meetings, both regular and special, of the Board during his incumbency, unless the absence is due to justifiable causes such as, illness, death in the immediate family or serious accident. This disqualification applies for purposes of the succeeding election; (iii) Dismissal or termination for cause from directorship in another corporation covered by the Revised Code of Corporate Governance. This disqualification shall be in effect until he has cleared himself of any involvement in the cause that gave rise to his dismissal or termination; (iv) If the beneficial equity ownership of an independent director in the Company or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock, he shall cease to be an independent director. The disqualification shall be lifted if the limit is later complied with, or
(ii) Non-Executive Directors		
(iii) Independent Directors		

		(v) Conviction that has not yet become final referred to in the grounds for the permanent disqualification of directors.
e. Removal		
(i) Executive Directors	The Company follows the procedure for the removal of directors provided in the Corporation Code.	Removal of a director from office may be due to death, voluntary resignation and/or permanent disqualification from office consistent with the criteria enumerated in sub-section c (Permanent Disqualification) of this Table.
(ii) Non-Executive Directors		
(iii) Independent Directors		
f. Re-instatement		
(i) Executive Directors	A temporarily disqualified director is given 60 business days to take appropriate actions that will remedy or correct such disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent	Satisfactory corrective action performed by the director within the 60 day period, addressing the specific cause for disqualification.
(ii) Non-Executive Directors		
(iii) Independent Directors		
g. Suspension		
(i) Executive Directors	The Company follows the procedure provided for in the Corporation Code.	Suspension is based on the grounds provided for in the Company's Manual of Corporate Governance.
(ii) Non-Executive Directors		
(iii) Independent Directors		

Voting Result of the last Annual General Meeting held on 09 June 2015

Name of Director	Votes Received
Andrew L. Tan	12,298,393,745 shares
Kevin Andrew L. Tan	12,298,393,745 shares
Gerardo C. Garcia	12,298,393,745 shares
Anthony Charlemagne C. Yu	12,298,393,745 shares
Evelyn G. Cacho	12,298,393,745 shares
Enrique Santos L. Sy	12,298,393,745 shares
Alejo L. Villanueva, Jr.	12,298,393,745 shares

5) Orientation and Education Program

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

Answer: The Company has no formal orientation program for new directors, but all directors are required to attend the seminar/training conducted by the Institute of Corporate Directors.

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

Answer: The Directors and Officers attended the Corporate Governance Seminar for 2015 and 2014.

(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
Andrew L. Tan	December 11, 2015	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management, Inc.
Kevin Andrew L. Tan	December 11, 2015	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management, Inc.
Enrique Santos L. Sy	November 25, 2015	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management, Inc.
Gerardo G. Garcia	November 25, 2015	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management, Inc.
Anthony Charlemagne C. Yu	December 11, 2015	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management, Inc.
Evelyn G. Cacho	December 11, 2015	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management, Inc.
Alejo L. Villanueva, Jr.	December 11, 2015	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management, Inc.
Ricky S. Libago	December 11, 2015	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management, Inc.
Jhoanna Lyndelou T. Llaga	December 11, 2015	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management, Inc.
Giovanni C. Ng	November 25, 2015	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management, Inc.
Dennis E. Edaño	December 11, 2015	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management, Inc.
Celeste Z. Sioson-Bumatay	December 11, 2015	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management, Inc.

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

B. CODE OF BUSINESS CONDUCT & ETHICS

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

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	<p>All directors should conduct themselves with honesty and integrity in the performance of their duties and functions to ensure a high standard of best practices for the Company (Section 2.2.6, Code).</p> <p>A director should conduct fair business transaction with the Company and ensure that his personal interest does not conflict with the interests of the company [Section 2.2.7 (i), Code].</p>	<p>The Company expects each employee to observe the highest standards of business ethics. An employee cannot engage in any activity that will create conflict or interfere with the performance of his responsibilities (Company Code of Discipline).</p>	<p>The Company expects each employee to observe the highest standards of business ethics. An employee cannot engage in any activity that will create conflict or interfere with the performance of his responsibilities (Company Code of Discipline).</p>
(b) Conduct of Business and Fair Dealings	<p>All directors should conduct themselves with honesty and integrity in the performance of their duties and functions to ensure a high standard of best practices for the Company (Section 2.2.6, Code).</p>	<p>The Company expects each employee to observe the highest standards of business ethics. An employee cannot engage in any activity which would create conflict or interfere with the performance of his responsibilities (Code of Discipline).</p>	<p>The Company expects each employee to observe the highest standards of business ethics. An employee cannot engage in any activity which would create conflict or interfere with the performance of his responsibilities (Code of Discipline).</p>
(c) Receipt of gifts from third parties	N/A	Receipt of gifts from third parties is not allowed.	Receipt of gifts from third parties is not allowed.
(d) Compliance with Laws & Regulations	<p>The Board shall ensure the Company's faithful compliance with all applicable laws, regulations and best business practices (Section 2.2.6, Code).</p>	<p>The Company, thru the Board, shall ensure the Company's faithful compliance with all applicable laws, regulations and best business practices (Section 2.2.6, Code).</p>	<p>The Company, thru the Board, shall ensure the Company's faithful compliance with all applicable laws, regulations and best business practices (Section 2.2.6, Code).</p>
(e) Respect for Trade Secrets/Use of Non-public Information	<p>The Company respects the proprietary ownership of trade secrets and observes the confidentiality of non-public information.</p> <p>A director should keep secure and confidential</p>	<p>The Company respects the proprietary ownership of trade secrets and observes the confidentiality of non-public information.</p>	<p>The Company respects the proprietary ownership of trade secrets and observes the confidentiality of non-public information.</p>

	all non-public information he may acquire or learn by reason of his position as director. He should not reveal confidential information to unauthorized persons without authority of the Board [2.2.7 (vi), Code].		
(f) Use of Company Funds, Assets and Information	The Board shall provide sound strategic policies and guidelines to the Company on major capital expenses and, establish programs that can sustain its long term viability and strength. The Board shall periodically monitor the implementation if such policies and strategies, including the business plans and operating budget (Section 2.2.6, Code).	All employees are advised to take care of the property of the Company and treat it like his own asset. Careless use or intentional damage to Company property shall make an employee liable for damages (Code of Discipline).	All employees are advised to take care of the property of the Company and treat it like his own asset. Careless use or intentional damage to Company property shall make an employee liable for damages (Code of Discipline).
(g) Employment & Labor Laws & Policies	The Board shall ensure the Company's faithful compliance with all applicable laws, regulations and best business practices (Section 2.2.6, Code).		
(h) Disciplinary action	The Code provides the grounds for permanent and temporary disqualification of a member of the Board.	Disciplinary actions are initiated, processed and violations of Company rules and regulations are handled in accordance with the Company's Code of Conduct.	Disciplinary actions are initiated, processed and violations of Company rules and regulations are handled in accordance with the Company's Code of Conduct.
(i) Whistle Blower	All information received from whistle blowers and/or anonymous sources are referred to the Grievance Committee of the Company which consists of the HR, Audit, and the Legal Department Head.		
(j) Conflict Resolution	One of the functions of the Board is to establish and maintain an alternative dispute resolution system in the Company that can amicably settle conflicts or differences between the Company and its stockholders and third parties (Section 2.2.6, Code).	Misunderstandings, differences in opinion and disputes among members of the Company are referred to the Grievance Committee (Code of Conduct).	Misunderstandings, differences in opinion and disputes among members of the Company are referred to the Grievance Committee (Code of Conduct).

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

Answer: Yes. To ensure that all directors, senior management and employees of the Company has access to the Code of Conduct at all times, the Code was disseminated online through the intranet system of the Company, which may be accessed by all employees.

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

Answer: Compliance with the Company's Code of Conduct is lodged with the Human Resources Department. The said department is in charge of processing all complaints for violations thereof, in accordance with established due process standards.

4) Related Party Transactions

(a) Policies and Procedures

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

Related Party Transactions	Policies and Procedures
(1) Parent Company	The Company, in the normal course of business, enters into transaction with related companies primarily consisting of lease of properties and advances for real estate transactions, working capital requirements and other business related purposes. Rental for lease properties and interest on interest-bearing advances are within market rates.
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	The Company has no related party transaction with a director/officer, their family, siblings or parents.
(7) Directors including spouse/children/siblings/parents	
(8) Interlocking director relationship of Board of Directors	

(b) Conflict of Interest

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

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

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	The Company has no knowledge of a conflict of interest situation between the Company and its significant shareholders and officers. In any case the Code and the Code of Conduct provisions on Conflict of Interest shall serve as basis in handling the issue.
Name of Officer/s	
Name of Significant Shareholders	

(ii) Mechanism

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

	Directors/Officers/Significant Shareholders
Company	The Company has no knowledge of a conflict of interest situation between the Company and its significant shareholders and officers. In any case the Code and the Code of Conduct provisions on Conflict of Interest shall serve as basis in handling the issue.
Group	

5) Family, Commercial and Contractual Relations

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

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
ANDREW L. TAN and KEVIN ANDREW L. TAN	Family	Father and Son (Andrew L. Tan is not a significant shareholder)

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

Names of Related Significant Shareholders	Type of Relationship	Brief Description
Megaworld Corporation	Joint venture	Joint development of selected projects.

(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 management of the Company is not aware of any shareholder agreement that may impact on the control, ownership and strategic direction of the Company.		

6) Alternative Dispute Resolution

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

	Alternative Dispute Resolution System
Corporation & Stockholders	The Company abides by and adheres to the judicial dispute resolution processes adopted by judicial and regulatory authorities.
Corporation & Third Parties	The Company abides by and adheres to the judicial dispute resolution processes adopted by judicial and regulatory authorities.
Corporation & Regulatory Authorities	The Company abides by and adheres to the judicial dispute resolution processes adopted by judicial and regulatory authorities.

C. BOARD MEETINGS AND ATTENDANCE (updated as of December 31, 2015)

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

Answer: The meetings of the Board of Directors are scheduled at the beginning of the year. The Board may, from time to time, be convened for special meetings, as may be necessary to address operational exigencies.

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

2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Andrew L. Tan	09 June 2015	5	5	100%
Member	Katherine L. Tan ⁵	N/A	5	1	20%
Member	Anthony Charlemagne C. Yu	09 June 2015	5	5	100%
Member	Evelyn G. Cacho	09 June 2015	5	5	100%
Member	Enrique Santos L. Sy	09 June 2015	5	5	100%
Independent	Gerardo C. Garcia	09 June 2015	5	5	100%
Independent	Alejo L. Villanueva, Jr.	09 June 2015	5	4	100%
Member	Kevin Andrew L. Tan ⁶	09 June 2015	5	4	80%

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

Answer: No

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

Answer: The Company follows the quorum requirement of the Corporation Code.

5) Access to Information

- (a) How many days in advance are board papers⁷ for board of directors meetings provided to the board?

Answer: Board papers are provided to the Board, together with the notices, in accordance with the Company's By-Laws

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

Answer: Yes.

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

Answer: Yes. The Corporate Secretary's function includes assisting the Chairman in the preparation of the board agenda, safekeeping the minutes of the meetings of the Board and its Committees, as well as the other official records of the Corporation. The Corporate Secretary keeps all directors informed and updated of the agenda of their meetings and ensures that the members have before them accurate information that will enable them to come up with intelligent decisions on matters that require their approval.

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

Answer: Yes. Mr. Dennis E. Edaño is a lawyer by profession.

⁵Term expired on 09 June 2015.

⁶Elected on 09 June 2015.

⁷ Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

(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	Reports and other data relevant to a committee are available to the Board upon request.
Audit	Reports and other data relevant to a committee are available to the Board upon request.
Nomination	Reports and other data relevant to a committee are available to the Board upon request.
Remuneration	Reports and other data relevant to a committee are available to the Board upon request.
Others (specify)	N/A

6) External Advice

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

Procedures	Details
The Board may seek the advice or counsel of professional advisers as may be necessary in the performance of its mandate.	

Change/s in existing policies

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

Existing Policies	Changes	Reason
The Board has not introduced amendments to existing policies which may have an effect on its business.		

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	The remuneration and compensation package are determined by, among others, the annual performance evaluation results, industry salary bench marks, tenure, level of responsibility and the position held.	
(2) Variable remuneration	NONE	
(3) Per diem allowance	NONE	
(4) Bonus	Bonuses are discretionary. This may depend on the profitability, productivity and fund availability.	
(5) Stock Options and other financial instruments	NONE	
(6) Others (specify)	NONE	

2) Remuneration Policy and Structure for Executive and Non-Executive Directors (updated as of December 31, 2015)

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	The remuneration and compensation package are determined by, among others, the annual performance evaluation results, industry salary bench marks, tenure, level of responsibility and the position held.		
Non-Executive Directors	Non-Executive Directors are not entitled to remuneration other than per diem for attendance in Board meetings.		

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

Remuneration Scheme	Date of Stockholders' Approval
There is no change in the Company's remuneration policy and scheme mentioned above, and the same has been approved during the respective annual stockholders' meetings.	09 June 2015
	10 June 2014
	10 July 2013

3) Aggregate Remuneration (updated as of December 31, 2015)

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	NONE	NONE	NONE
(b) Variable Remuneration	NONE	NONE	NONE
(c) Per diem Allowance	P200,000.00	P200,000.00	P200,000.00
(d) Bonuses	VARIABLE	NONE	NONE
(e) Stock Options and/or other financial instruments	NONE	NONE	NONE
(f) Others (Specify)	N/A	N/A	N/A
Total			

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	NONE	NONE	NONE
2) Credit granted	NONE	NONE	NONE
3) Pension Plan/s Contributions	NONE	NONE	NONE
(d) Pension Plans, Obligations incurred	NONE	NONE	NONE
(e) Life Insurance Premium	NONE	NONE	NONE
(f) Hospitalization Plan	NONE	NONE	NONE
(g) Car Plan	NONE	NONE	NONE
(h) Others (Specify)	NONE	NONE	NONE
Total			

4) Stock Rights, Options and Warrants

(a) Board of Directors

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

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

(b) Amendments of Incentive Programs

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

Incentive Program	Amendments	Date of Stockholders' Approval
NONE		

5) Remuneration of Management (updated as of December 31, 2015)

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 (Senior Vice President, First Vice Presidents, Vice President and Senior Assistant Vice President)*	Php12,477,659.62

*includes the following officers:

- a. Mr. Ricky S. Libago, Senior Vice President for Property Development
- b. Mr. Antonio E. Llantada, Vice President for Audit and Management Services
- c. Mr. Ricardo B. Gregorio, First Vice President for Human Resources and General Administrative Services
- d. Ms. Jhoanna Lyndelou T. Llaga, First Vice President for Marketing
- e. Mr. Dennis E. Edano, Senior Assistant Vice President for Legal and Corporate Affairs

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

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

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	2	1	-		To act, by majority vote of all its members, on specific matters	Acts on all matters that may be assigned by the Board	Acts on all matters that may be assigned by the Board

					within the competence of the Board, as may be delegated in the By-Laws or on a majority vote of the Board, except in those instances expressly provided under Section 35 of the Corporation Code.		
Audit	1	-	2	Audit Committee Charter	Oversight responsibilities for the financial reporting process, internal control, risk management, internal audit, external audit, management and legal, tax and regulatory compliance	Financial Reporting Risk Management Internal Control Internal Audit External Audit	Conduct investigation on matters within the scope of its responsibilities
Nomination	-	1	2	None	Prescreens and shortlists all candidates nominated to become a member of the Board.	Reviews and evaluates the qualifications of all persons nominated to the Board and other appointments that require Board approval, and assesses the effectiveness of the Board's processes and procedures in the election and replacement of directors	Prescreens nominees and prepares final list of candidate
Remuneration	-	1	2	None	Responsible for establishing a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, as well as providing oversight over remuneration of	Establishes a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the Company's culture,	Establishes a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the Company's culture,

					senior management and other key personnel ensuring that compensation is consistent with the Company's culture, strategy and control environment.	strategy and business environment	strategy and business environment
Others (specify)	-	-	-				

2) Committee Members

(a) Executive Committee (updated as of December 31, 2015)

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	ANDREW L. TAN	09 June 2015	20	20	100	2 years
Member (ED)	ANTHONY CHARLEMAGNE C. YU	09 June 2015	20	20	100	2 years
Member (ED)	EVELYN G. CACHO	09 June 2015	20	20	100	2 years

(b) Audit Committee (updated as of December 31, 2015)

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	GERARDO C. GARCIA	09 June 2015	4	4	100	2 years
Member (ED)	EVELYN G. CACHO	09 June 2015	4	4	100	2 years
Member (ID)	ALEJO L. VILLANUEVA, JR.	09 June 2015	4	4	100	2 years

Disclose the profile or qualifications of the Audit Committee members.

Answer: The Audit Committee is chaired by Mr. Gerardo C. Garcia, an Independent Director, who has extensive background in finance.

Members of the Audit Committee are Ms. Evelyn G. Cacho and Mr. Alejo L. Villanueva, Jr.

Ms. Evelyn G. Cacho is a Certified Public Accountant and is currently the Corporation's Vice President for Finance.

Mr. Alejo L. Villanueva, Jr. is a professional consultant who has more than twenty years of experience in the fields of training and development, public relations, community relations, institutional communication, and policy advocacy, among others. He has done consultancy work for the Office of the Vice President, the Office of the Senate President, the Commission on Appointments, the Securities and Exchange Commission, the Home Development Mutual Fund, the Home Insurance Guaranty Corporation, Department of Agriculture and World Bank (Subic Conversion Program).

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

Answer: The Audit Committee has an oversight function over the Company's internal and external auditors. It ensures that both auditors act independently of each other, and that both auditors are given unrestricted access to all records, properties, and personnel to enable them to effectively perform their function.

The Audit Committee reviews the reports submitted by the internal and external auditors and may conduct investigations on matters within the scope of its responsibilities.

Nomination Committee (Updated as of December 31, 2015)

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	ENRIQUE SANTOS L. SY	<u>09 June 2015</u>	1	1	100	2 years
Member (ID)	ALEJO L. VILLANUEVA, JR.	<u>09 June 2015</u>	1	1	100	2 years
Member (ID)	GERARDO C. GARCIA	<u>09 June 2015</u>	1	1	100	2 years

(c) Remuneration Committee (Updated as of December 31, 2015)

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	ANDREW L. TAN	<u>09 June 2015</u>	1	1	100	2 years
Member (ID)	GERARDO C. GARCIA	<u>09 June 2015</u>	1	1	100	2 years
Member (ID)	ALEJO L. VILLANUEVA, JR.	<u>09 June 2015</u>	1	1	100	2 years

(d) Others (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	THERE ARE NO OTHER BOARD COMMITTEES ASIDE FROM THE ABOVE-IDENTIFIED COMMITTEES.					
Member (ED)						

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	THERE IS NO CHANGE IN COMMITTEE MEMBERSHIP FOR THE COVERED PERIOD.	
Audit		
Remuneration		
Nomination		

4) Work Done and Issues Addressed

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

Name of Committee	Work Done	Issues Addressed
Executive	Acted on all matters delegated by the Board.	Issued operational approvals within the scope of the Executive Committee's authority, as provided in the Company's By-Laws.
Audit	Implementation of the Company's Audit Committee Charter	Compliance with the Audit Committee Charter.

Nomination	Prepared the final list of candidates for election at the annual meeting of stockholders	Qualification of Nominees and finalization of the list of candidates.
Remuneration	Reviewed compensation of directors and officers	Determination of Industry Compensation and remuneration trends.

5) Committee Program

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

Name of Committee	Planned Programs	Issues to be Addressed
Executive	Implement the strategic direction set by the Board	Operational concerns vis-à-vis strategic direction set by the Board
Audit	Review of Risk Management System	Adherence to internal control policies
Nomination	Review of existing qualification and disqualification standards	Ensure compliance with new rules and regulations
Remuneration	Review of Organizational Structure and Company Benefits Program	Industry compensation/remuneration benchmarking
Others (specify)	NONE	NONE

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

- (a) Overall risk management philosophy of the company;
- (b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof;
- (c) Period covered by the review;
- (d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness; and
- (e) Where no review was conducted during the year, an explanation why not.

Answer: The Board, thru the Audit Committee, periodically reviews the effectiveness of the Company's risk management systems with emphasis on monitoring of existing and emerging risks as well as risk mitigation measures. Risk management review is conducted annually with the Internal Audit Department. A review for the period 2015 was conducted in the first quarter of the year. Criteria used for review are compliance with controls and accuracy of identified risks and appropriateness of risk treatment plans.

2) Risk Policy

(a) Company

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

Risk Exposure	Risk Management Policy	Objective
Country Risk relating to the continued performance of the Philippine economy and political stability.	Use of pre-selling as a project financing tool.	Minimize cash outlays for projects, control development costs and maintain a new cash position.
	Entering into joint development agreements from the acquisition of land.	Maximize cost efficiencies and resources.
Project Cost and Completion Risk	Establish linkages with a broad base of supplies. Efficient project management and monitoring.	On-time completion of projects, efficient sourcing of construction materials.

Customer Default Risk	Maintaining a diversified earnings base from a product mix of middle-income residential and commercial spaces. Constant product innovation.	Revenue and property diversification.

(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
Country Risk relating to the continued performance of the Philippine economy and political stability.	Use of pre-selling as a project financing tool. Entering into joint development agreements from the acquisition of land.	Minimize cash outlays for projects, control development costs and maintain a new cash position. Maximize cost efficiencies and resources.
Project Cost and Completion Risk	Establish linkages with a broad base of supplies. Efficient project management and monitoring.	On-time completion of projects, efficient sourcing of construction materials.
Customer Default Risk	Maintaining a diversified earnings base from a product mix of middle-income residential and commercial spaces. Constant product innovation.	Revenue and property diversification.

(c) Minority Shareholders

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

Risk to Minority Shareholders
Megaworld's voting power in the Company poses a risk to the ability of minority shareholders to influence corporate strategy.

3) Control System Set Up

(a) Company

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

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Country Risk relating to the continued performance of the Philippine economy and political stability.	Institutional reviews of the Philippine economy particularly the real property sector	Minimize each outlay for projects, control development costs and maintain a new each position. Maximize cost efficiencies and resources.
Project Cost and Completion Risk	Project monitoring teams	On-time completion of projects, efficient sourcing of construction materials.
Customer Default Risk	Customer Satisfaction/Default reports	Revenue and property diversification.

(b) Group

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

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Country Risk relating to the continued performance of the Philippine economy and political stability.	Institutional reviews of the Philippine economy particularly the real property sector.	Minimize each outlay for projects, control development costs and maintain a new each position. Maximize cost efficiencies and resources.
Project Cost and Completion Risk	Project monitoring teams	On-time completion of projects, efficient sourcing of construction materials.
Customer Default Risk	Customer Satisfaction/Default reports	Revenue and property diversification.

(c) Committee

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

Committee/Unit	Control Mechanism	Details of its Functions
Board Audit Committee	The mechanism established by the company to safeguard the independence of internal auditors is such that the auditor's report directly to the Board of Directors through the President. It has a duly approved Audit Charter as well as a duly approved Audit Manual of Policies and Procedures. The department annually declares/undertake a non-conflict of interests by its auditors.	Provides oversight over Management's risk management process, financial reporting process and reviews internal audit plans.

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;

Answer: Internal Control System refers to the management's ability to control particular risks or business activities that the Company is exposed to. Internal Control is effected by the board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, reliability of financial reporting and compliance with laws and regulations.

(b) Period covered by the review;

Answer: January to December of each year

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

Answer: Internal controls are reviewed annually. The Internal Audit Group submits a post-audit report assessing the effectiveness of the internal control system of the Company to the Audit Committee of the Board.

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

Answer: N/A

2) Internal Audit

(a) Role, Scope and Internal Audit Function

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

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
Internal audit's role is to provide an independent, objective assurance and consulting services designed to add value and improve the Company's operations. It assists the Company in achieving its objectives by bringing a systematic approach to evaluate and improve the effectiveness of internal control.	The scope of work of internal audit is to determine whether the company's internal control systems, procedures and processes is adequate and functioning to ensure that significant financial, managerial and operating information is accurate, reliable and timely; that employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations; and resources are acquired economically, used efficiently, and adequately protected.	The Internal Audit function in the company is done in-house.		i) Initial Planning; ii) Evaluation Process; iii) Compliance Tests and Analysis of Data Gathered; iv) Reporting; v) Review and Supervision of Audit Work/Report; vi) Follow-up of Reported Issues.

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?

Answer: Yes, as stated in the Audit Committee Charter of the Company.

(b) 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?

Answer: Yes

(c) Resignation, Re-assignment and Reasons (updated as of December 31, 2015)

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.

Answer: Enriqueta Villanueva as Senior Auditor was hired by other Company.

(d) 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	The progress of the annual internal audit plan is being monitored monthly and is reported to the President.
Issues⁸	Issues are discussed with the Auditor during closing meetings and their responses are incorporated in the internal audit report.
Findings⁹	Findings are reported to the President and concerned management through the internal audit report.
Examination Trends	Examinations are being done on the different departments of the Company and its subsidiaries regularly.

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

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

(e) Audit Control Policies and Procedures

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

Policies & Procedures	Implementation
Internal Audit	Internal Audit is guided by a manual of internal control systems, policies and procedures as well as audit programs which it uses in its review and evaluation of the different departments of the Company and its subsidiaries.

(f) Mechanism and Safeguards

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

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
The mechanism established by the Company to safeguard the independence of internal auditors is such that, the auditor's report directly to the Board of Directors through the President. It has a duly approved Audit Charter as well as a duly approved Audit Manual of Policies and Procedures.			

(h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company's full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance. (List as of March 31, 2016)

Name	Position in the Company
Andrew L. Tan	Chairman of the Board of Directors

⁸"Issues" are compliance matters that arise from adopting different interpretations.

⁹"Findings" are those with concrete basis under the company's policies and rules.

Gerardo C. Garcia	Vice Chairman/ Independent Director
Kevin Andrew L. Tan	Director
Anthony Charlemagne C. Yu	Director/ President
Alejo J. Villanueva, Jr.	Independent Director
Evelyn G. Cacho	Director/Senior Vice President/Corporate Information Officer and Compliance Officer
Enrique Santos L. Sy	Director
Ricky S. Libago	Senior Vice President for Property Development
Antonio E. Llantada, Jr.	Vice President for Audit and Management Services
Ricardo B. Gregorio	First Vice President for Human Resources General and Administration Services
Jhoanna Lyndelou T. Llaga	First Vice President for Marketing
Giovanni C. Ng	Treasurer
Dennis E. Edaño	Corporate Secretary/SAVP for Legal and Corporate Affairs
Celeste Z. Sioson-Bumatay	Assistant Corporate Secretary/SAVP for Legal and Corporate Affairs

H. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' welfare	To deliver innovative, responsive and high quality products in keeping with market demands.	Product innovation and focus on skill enhancement to meet market trends and ensure positive customer experience.
Supplier/contractor selection practice	Selection of suppliers and contractors on the basis of quality and pricing.	Canvassing and bid processes are observed to ensure quality and price competitiveness for the supply chain.
Environmentally friendly value-chain	Incorporate environmentally friendly practices as a form of corporate social responsibility.	Preference for suppliers with environmental advocacy, keeping the specific supply requirements of the Company in mind.
Community interaction	Responsible, innovative and responsive business practices with the well-being, safety and satisfaction of its clients and the community in mind.	The Company focuses on developing transit-oriented projects to maximize access to public transport, thereby reducing carbon-footprint. The Company also utilizes an intranet system for all communications within the organization in order to reduce paper consumption. The Company encourages the use of recycled paper in its communications.
Anti-corruption programmes and procedures?	Foster a culture of honesty and integrity.	Inculcate honesty and integrity in its workforce. Ensure compliance through the Code of Conduct.
Safeguarding creditors' rights	Full disclosure and transparency	Timely meeting of the Company's obligations and proper fund allocation.

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

Answer: Yes, the Annual Report has a corporate responsibility report.

3) Performance-enhancing mechanisms for employee participation.

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

Answer: The Company values the health and safety of its employees and provides in its Code of Conduct, standards for health and safety which must be observed by its employees.

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

Answer: There have been no reported work-related accidents or health concerns in the Company.

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

Answer: The Company encourages its officers and employees to avail of continuing education programs to further enhance and/or complement their technical knowledge.

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

Answer: NONE

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

Answer: Complaints concerning misunderstandings and differences among members of the Company are handled by the Company's Grievance Committee, which spearheads investigations concerning such complaints.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure (updated as of December 31, 2015)

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
Megaworld Corporation	11,993,426,438	81.7202%	Megaworld Corporation
PCD Nominee Corp. (Filipino)	1,514,607,826	10.3202%	The shares registered in the name of PCD Nominee Corporation (Filipino and Non-Filipino) are either beneficially owned by the participants of the PCD composed of custodian banks and brokers or held by them in trust for their clients. No PCD participants owns 5% or more of the Company's shares of common stocks.
PCD Nominee Corp. (Non-Filipino)	752,276,449	5.1258%	

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
NONE			

2) Does the Annual Report disclose the following:

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	Yes
Dividend policy	Yes
Details of whistle-blowing policy	Yes
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Yes
Training and/or continuing education programme attended by each director/commissioner	Yes
Number of board of directors/commissioners meetings held during the year	Yes
Attendance details of each director/commissioner in respect of meetings held	Yes
Details of remuneration of the CEO and each member of the board of directors/commissioners	Yes

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

3) External Auditor's fee (updated as of December 31, 2015)

Name of auditor	Audit Fee	Non-audit Fee
Punongbayan & Araullo	<u>Php1,630,000.00</u>	NONE

4) Medium of Communication

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

Answer: Annual Report (both in printed and in digital format), Online Website.

5) Date of release of audited financial report: April 24, 2015

6) Company Website: <http://www.empire-east.com>

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

Business operations	Yes
Financial statements/reports (current and prior years)	Yes
Materials provided in briefings to analysts and media	Yes
Shareholding structure	Yes
Group corporate structure	Yes
Downloadable annual report	Yes
Notice of AGM and/or EGM	Yes
Company's constitution (company's by-laws, memorandum and articles of association)	No

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

7) Disclosure of RPT

RPT	Relationship	Nature	Value
The Company's Annual Financial Statements provide a disclosure of its related party transactions. In the normal course of business, the Company enters into transactions with related companies primarily consisting of lease of properties and advances for real estate transactions, working capital requirements and other business-related purposes.			

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

Answer: The Company, in the normal course of business, enters into transactions with related companies primarily consisting of lease of properties and advances for real estate transactions, working capital requirements and other business-related purposes. Rental for leased properties and interest on interest-bearing advances are within market rates. Related parties are able to settle their obligations in connection with transactions with the Company and the Company does not foresee risks or contingencies arising from these transactions.

J. RIGHTS OF STOCKHOLDERS

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

(a) Quorum

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

Quorum Required	
	The Company follows the quorum requirement of the Corporation Code.

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	Corporate acts except those requiring stockholders' approval are approved by the Board.
Description	At least a majority vote of the directors present in a meeting is required to approve corporate acts.

(c) Stockholders' Rights

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

Stockholders' Rights under The Corporation Code	Stockholders' Rights <u>not</u> in The Corporation Code
The Company complies with and follows the Corporation Code provisions for Stockholders' Rights concerning Annual and/or Special Stockholders' Meeting.	

Dividends

Declaration Date	Record Date	Payment Date
2006	13 July 2006	2006

(d) Stockholders' Participation (updated as of June 09, 2015)

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

Measures Adopted	Communication Procedure
Open forum during Annual Stockholders Meeting	Verbal communication
Information Statement, Notice of Meeting	Written Communication

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

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

Answer: The Company complies with the requirements of the Corporation Code and requires a 2/3 vote of stockholders for amendments to the Company's Articles of Incorporation and sale of all or substantially all of the Company's assets.

Pre-emptive rights to subscribe to all stock issuances of the Company are waived in the Company's Articles of Incorporation.

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?

Answer: Yes

- a. Date of sending out notices: 19 May 2015
- b. Date of the Annual/Special Stockholders' Meeting: 09 June 2015

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

Question: I have 2 questions. The first question is, I noticed that the Company has minimal loan balances and it has not availed of any loans for many years now. Currently, bank rates are so low. Are you considering bank financing to take advantage of the low interest? And for my second question, and this one is very important to my pocket, for years now the Company has not declared any dividends. Our company is going tremendously from what I can see right now and it has established a very strong brand equity. When do we get to enjoy the fruits of such growth?

Answer: Regarding your first question, you are correct in your observation that EELHI has minimal loan balance and yes for many years we have not availed any bank financing. However, that doesn't mean that we are precluding ourselves from going in that way, the answer is No. The business climate is so good, the economic climate is very robust and there is tremendous growth opportunities. We understand how the market works, it works in a cyclical manner, and at this point in time, it is at the up cycle and because of that, we want to be able to capture that up market cycle. To be able to do that, we have to continue to develop more projects and for this reason, we are not discounting the possibility of obtaining bank loans in order for us to catch this low interest rate regime. Yes, we are not discounting the possibility of obtaining bank loans in order for us to capture or grab this prevailing low interest rate regime.

As to your second question, the dividends, yes I understand where you're coming from in so far as dividends is concerned. However related to your first question, because of the fact that there is very robust economic climate, what happens is that we are even looking at bank financing in order for us to meet some of our capital requirements, in order for us to sustain our leading position in the market. Because of that, it may not be practical today for us to declare dividends which will come from money which we would need for development or from borrowed funds. Funds of the company as you know very well are needed for simultaneous construction of projects of our Company. However, all activities that we

are undertaking right now are really for the growth of the Company. We are very confident that because of what we are doing, the shareholder value would increase and in time we hope to be able to declare dividends.

Question: I have noticed that other developers are expanding in the region of the middle income market. Why are you not doing the same or is your mother company preventing you to expand to other regions or is Megaworld afraid of competition from Empire East?

Answer: Thank you for noticing that we have turned around the company since Asian crisis. As to your question whether or not we are going to expand in the regions, I assume what you mean is beyond the National Capital Region or outside Metro Manila. We would like to remind you that Empire East is one of the first developers that expanded outside NCR in a very big way.

Our project, Laguna Bel-air was a phenomenal success and is completely sold out, it was followed by Sonoma which is also completely sold out. Yes, we are looking at such possibilities, such opportunities, especially since Empire East has physical presence in Baguio, in Pampanga, in Batangas and we have already set-up our Sales offices in Davao, in the Bicol region, as well as in Cebu. Because of that, it is really a matter of timing. We need to look for an appropriate property, we need to look for the proper site before we launch any project outside of Metro Manila. But don't worry because we will go there. We will definitely tap other markets outside of Metro Manila.

Question: Do you think that Empire East today is really a stable company and don't you face some risks such as financial risk, and how do you address those risks?

Answer: I can assure you that the company is very stable today. It has assets worth 35.3 billion, we have trade receivables amounting to 5.5 billion which are collectible depending upon the terms of payment. In our landbank, we have close to 403 hectares. As reported to you we have increased more than a hundred percent in sales and in so far as our net income is concerned, we have increased by 61.3 percent. In our first quarter performance we have increased by as close to 86 percent so your company is very stable, and we feel that the brand of the company continues to be a brand that is recognized throughout the Philippines.

In so far as risks are concerned, there are different types of financial risk, one of them would be interest rate risk, because of the movement in interest rate. We do not see that as a risk at this moment because as we mentioned earlier, we are under a regime of very low interest rate and we see that it will continue in the future.

Other possible risk would be credit risk when or instance you have debtors who do not pay, in our case we do not have debtors, what we have are client deposits. We really do not have a risk in so far as clients who have reserved units because the default rate is almost insignificant. Second, should client default, what happens is that we forfeit the entire amount, we take back the unit, and we resell it at current with higher price so there is completely no credit risk in so far as these customers are concerned.

The other risk would be foreign currency risk. This is not a risk that we face because we do not have any foreign currency loan and also we have very minimal importation so we don't see any risk right now. We try to manage all these risks as prudently as possible, and again we'd like to assure you that your company remains very strong.

Question: Is there any project of Empire East that is situated on top of the valley fault system? How did this news about the Earthquake affect the sales of the company?

Answer: We would like to assure you that none of our projects are struggling on the fault line and none of our projects are within the "safety radius" of the fault line. We are not affected by that list that they came out with which came out with a list of different buildings, offices, condominiums, etc. None of the projects of Empire East are included in that list and we also assure you that so far as construction methodology is concerned, we follow strictly the building code and if you follow the building code, your building is supposed to withstand the magnitude 8 earthquake, and we hire some of the best structural engineers as consultants for all our buildings. Has this press release from PHILVOLCS affect the sales, actually it has not affect the sales of Empire East probably because information is easily accessible. All

people have to do is access the web and see where the fault line is and there is a listing of buildings anyway. And because none of our projects are within those areas, it has not affected any of our projects and I hope that that will continue.

Question: Is election bad for real estate industry? Do you foresee that real estate will be affected if certain candidates win the elections?

Answer: Elections are not necessarily bad for the economy. We see that because during elections there's a lot of spending and election spending is good for the economy, and what's good for the economy is good for the industry. So election years are not bad for the real estate industry.

As to the candidates, 1st, the company does not participate in any partisan politics because we are not allowed to. 2nd, does the winning or losing of any candidate, will it affect the real estate industry? We think that the real estate industry is mature enough such that external events do not materially affect what is happening within the cycle in the real estate. And in so far as the company is concerned, whoever candidate wins on our end, we will just continue to work very hard in order to produce the results that we have.

We are optimistic because if its election year we think that election spending will boost, will make the economy grow faster, and when the economy grow, real estate will definitely benefit us.

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

Resolution	Approving	Dissenting	Abstaining
Engagement of External Auditor	All stockholders in attendance	None	none

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

Answer: Results were published on 09 June 2015 or on the day the Annual Stockholders' Meeting was held.

(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
NONE	

(f) Stockholders' Attendance

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

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	- Andrew L. Tan - Gerardo C. Garcia - Anthony Charlemagne C. Yu - Evelyn G. Cacho - Enrique Santos L. Sy - Alejo L. Villanueva, Jr.	09 June 2015	By nomination	0.0165% 0.0043% 0.0000% 0.0002% 0.0000% 0.0000%	N/A N/A N/A N/A N/A N/A	83.5314 %
Special	NONE					

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

Answer: Yes

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

Answer: Yes

(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	Must be signed by authorized signatory of the stockholder with accompanying resolutions designating the proxy/representative
Notary	Not necessary
Submission of Proxy	Must be submitted at least 10 days before the scheduled meeting
Several Proxies	Yes. Multiple proxies is allowed.
Validity of Proxy	Appointments shall not exceed 5 years from date of grant and may be revoked by the stockholder at any time before the right granted is exercised.
Proxies executed abroad	Allowed
Invalidated Proxy	Share/s shall not be counted for quorum
Validation of Proxy	At least 10 days before scheduled meeting
Violation of Proxy	Vote/s shall not be counted

(h) Sending of Notices

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

Policies	Procedure
The Company complies with the procedure provided in the Corporation Code and the Securities Regulation Code.	

(i) Definitive Information Statements¹⁰ and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	<u>12,730¹¹ stockholders</u>
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	<u>19 May 2015</u>
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	<u>19 May 2015</u>
State whether CD format or hard copies were distributed	<u>CD format</u>
If yes, indicate whether requesting stockholders were provided hard copies	N/A

¹⁰ Based on Definitive Information Statement for 2015 Annual Stockholders Meeting.

¹¹ Figure as of 30 April 2015

(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.	The Company opted to reinvest its earnings and profits, and no dividend has been declared since year 2006.
The amount payable for final dividends.	
Documents required for proxy vote.	Yes

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

Answer: NONE

2) Treatment of Minority Stockholders

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

Policies	Implementation
All stockholders are treated equally and without discrimination.	All stockholders are given 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 (Section 3(B), Manual of Corporate Governance)

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

Answer: Yes.

K. INVESTORS RELATIONS PROGRAM

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

Answer: All external and internal communications are being reviewed by the Compliance Officer, endorsed by the President/Chief Executive Officer, and approved by the Board of Directors prior to information distribution.

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 keep shareholders informed of important development in the Company.
(2) Principles	Transparency and accessibility to investors
(3) Modes of Communications	Communication may be done through corporate disclosures, press release and company statements.
(4) Investors Relations Officer	Johann R. Quiazon/Tel. No. 8678048/ Email add: jquiazon@megaworldcorp.com

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

Answer: The Company takes guidance from the Corporation Code and the rules and regulations of the Securities and Exchange Commission and the Philippine Stock Exchange with respect to the approval, pricing and the disclosures of acquisitions of corporate control in the capital markets and extraordinary transactions.

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

Answer: None. The Company may engage an independent appraiser as the need arises.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiative	Beneficiary
Blood Letting Program with Red Cross	General public
Contribute to the reduction of carbon footprint by focusing on developing transit-oriented projects	Environment, stakeholders and the general public

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

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

	Process	Criteria
Board of Directors	Self -Assessment	No formal performance evaluation is in place but the Board, through its Audit Committee, conducts an evaluation process to ensure that the Company's corporate governance practices are compliant with the best business practice guidelines.
Board Committees	Board Review	Performance of delegated functions
Individual Directors	Self-Assessment	No formal performance evaluation is in place but the Board, through its Audit Committee, conducts an evaluation process to ensure that the Company's corporate governance practices are compliant with the best business practice guidelines.
CEO/President	Board Review	Results of Operations

N. INTERNAL BREACHES AND SANCTIONS

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

Violations	Sanctions
The Company designated a Compliance Officer who is tasked with monitoring compliance with the provisions and requirements of its Manual on Corporate Governance. The Compliance Officer has established an evaluation system, patterned after the CG Scorecard of the Institute of Corporate Director to measure or determine the level of compliance by the Company with its Manual.	

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 MAKATI CITY on _____, 2016.

APR 26 2016

SIGNATURES

[Signature]
ANDREW L. TAN
Chairman of the Board

[Signature]
ANTHONY CHARLEMAGNE C. YU
Chief Executive Officer

[Signature]
GERARDO C. GARCIA
Independent Director

[Signature]
ALEJO L. VILLANUEVA, JR.
Independent Director

[Signature]
EVELYN G. CACHO
Compliance Officer

APR 26 2016

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2016, affiant(s) exhibiting to me their Tax Identification Number, as follows:

NAME	TIN NO.
Andrew L. Tan	125-960-003
Gerardo C. Garcia	110-183-659
Anthony Charlemagne C. Yu	132-173-451
Alejo L. Villanueva, Jr.	107-279-348
Evelyn G. Cacho	127-326-686

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ATTY. VIRGILIO R. BATALLA
NOTARY PUBLIC FOR MAKATI CITY
APPOINTMENT NO. M32
UNTIL DECEMBER 31, 2016
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IBP O.R No. 706762-LIFETIME MEMBER JAN. 29, 2007
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