

SECURITIES AND EXCHANGE COMMISSION
SEC FORM ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is Filed for the Year
Dec 31, 2016
2. Exact Name of Registrant as Specified in its Charter
MEGAWORLD CORPORATION
3. Address of principal office
28th Floor, The World Centre, 330 Sen. Gil Puyat Avenue, Makati City
Postal Code
1227
4. SEC Identification Number
167423
5. Industry Classification Code(SEC Use Only)

6. BIR Tax Identification No.
000-477-103
7. Issuer's telephone number, including area code
(632) 867-8826 to 40
8. Former name or former address, if changed from the last report
N/A

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MEGAWORLD CORPORATION

Megaworld Corporation
MEG

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

In compliance with SEC Memorandum Circular No. 20 series of 2016, attached herewith is the Annual Corporate Governance Report (SEC Form-ACGR) of Megaworld Corporation for the year 2016.

Filed on behalf by:

Name	Dohrie Edangalino
Designation	Head-Corporate Compliance Group



MEGAWORLD CORPORATION

**ANNUAL CORPORATE GOVERNANCE
REPORT
(SEC FORM – ACGR)
FOR YEAR 2016**

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

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2. Exact Name of Registrant as Specified in its Charter: **MEGAWORLD CORPORATION**
3. **28TH FLOOR, THE WORLD CENTRE, 330 SEN. GIL PUYAT AVENUE** **1227**
MAKATI CITY, PHILIPPINES
Address of Principal Office Postal Code

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A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	Seven (7)
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Actual number of Directors for the year	Seven (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	ED		Alliance Global Group, Inc.	August 24, 1989	June 17, 2016	Annual	27
KATHERINE L. TAN	NED		Alliance Global Group, Inc.	August 24, 1989	June 17, 2016	Annual	27
KINGSON U. SIAN	ED		Alliance Global Group, Inc.	April 13, 2007	June 17, 2016	Annual	9
ENRIQUE SANTOS L. SY	NED		Alliance Global Group, Inc.	July 19, 2009	June 17, 2016	Annual	7
JESUS B. VARELA	ID		Luke Tan (no relationship)	June 17, 2016	June 17, 2016	Annual	8 months
GERARDO C. GARCIA	ID		Ma. Rosario Justo (no relationship)	June 1994	June 17, 2016 (5 years)	Annual	22
ROBERTO S. GUEVARA	ID		Ma. Rosario Justo (no relationship)	June 20, 2001	June 17, 2016 (5 years)	Annual	15

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

The Board of Directors is committed to institutionalizing the principles of good governance in the entire organization because the Board believes that corporate governance is a necessary component of sound strategic business management. It is the Board's responsibility to foster the long-term success of the Corporation, and to sustain its competitiveness in a manner consistent with its corporate objectives and the best interests of its stockholders. To ensure that rights of its stockholders particularly those that belong to the minority or non-controlling group are protected, the Board takes appropriate steps to remove excess or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings. Accurate and timely information is made available to stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration and approval. Minority stockholders are given the right to propose the holding of meeting and the items for discussion in the agenda that relate directly to the business of the Company. Minority stockholders are given the opportunity to be heard during stockholders' meetings. For various concerns, stockholders may seek assistance from the Investor Relations Group.

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

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

The Board reviews the vision and mission of the Company annually.

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	Alliance Global Group, Inc.	Executive/ Chairman
	Empire East Land Holdings, Inc.	Non-Executive/ Chairman
	Suntrust Properties, Inc.	Non-Executive/ Chairman
	Global-Estate Resorts, Inc.	Executive/Chairman
	Eastwood Cyber One Corporation	Non-Executive/ Chairman
	Megaworld Land, Inc.	Executive/ Chairman
	Megaworld Central Properties Inc.	Non-Executive/ Chairman
	Townsquare Development, Inc.	Non-Executive/ Chairman
	Richmonde Hotel Group International Limited	Executive/ Chairman
	Twin Lakes Corporation	Executive
KATHERINE L. TAN	Alliance Global Group, Inc.	Executive
	Megaworld Cayman Islands, Inc.	Non-Executive
KINGSON U. SIAN	Alliance Global Group, Inc.	Executive
	Eastwood Cyber One Corporation	Executive
	Manila Bayshore Property Holdings, Inc.	Executive
	Megaworld Land, Inc.	Executive
ENRIQUE SANTOS L. SY	Empire East Land Holdings, Inc.	Non-Executive
JESUS B. VARELA	Global-Estate Resorts, Inc.	Independent
GERARDO C. GARCIA	Empire East Land Holdings, Inc.	Independent
	Global-Estate Resorts, Inc.	Independent
	Megaworld Land, Inc.	Independent
	Suntrust Properties, Inc.	Independent
ROBERTO S. GUEVARA	None	None

(d) Directorship in Other Companies

(i) Directorship in the Company's Group²

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

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	Travellers International Hotel Group, Inc.	Non-Executive
	Emperador Inc.	Executive/Chairman
KATHERINE L. TAN	Emperador Inc.	Executive
KINGSON U. SIAN	Emperador Inc.	Non-Executive
	Travellers International Hotel Group, Inc.	Executive
ENRIQUE SANTOS L. SY	None	None
JESUS B. VARELA	None	None
GERARDO C. GARCIA	None	None
ROBERTO S. GUEVARA	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	Alliance Global Group, Inc.	Chairman/CEO
	New Town Land Partners, Inc.	Indirect Beneficial Owner
KATHERINE L. TAN	Alliance Global Group, Inc.	Director
	New Town Land Partners, Inc.	Treasurer
KINGSON U. SIAN	Alliance Global Group, Inc.	Director/President
ENRIQUE SANTOS L. SY	None	None
JESUS B. VARELA	None	None
GERARDO C. GARCIA	None	None
ROBERTO S. GUEVARA	First Centro, Inc.	Chairman/Independent Director

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

The Company has not set a limit on the number of board seats that its Executive Directors, Non-Executive Directors and CEO may hold in other companies. The Group consists of several companies where Executive Directors of the Company serve as directors. For Independent Directors, the Company observes the limitation set forth in SEC Circular Memorandum No. 9 Series of 2011 and has not elected any Independent Director with more than five directorships within the Group.

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	REFER TO THE SUMMARY ABOVE	
Non-Executive Director		
CEO		

(c) Shareholding in the Company (As of December 31, 2016)

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

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
ANDREW L. TAN	95,000,000		.24843%
		1,891,632 (Katherine L. Tan)	.00495%
		20,090,219,058 (Alliance Global Group, Inc.)	52.5379%
		5,668,530,324 (New Town Land Partners, Inc.)	14.8238%
GERARDO C. GARCIA	136,136	None	.00036%
KINGSON U. SIAN	612,501	None	.00160%
KATHERINE L. TAN	1,891,632	None	.00495%
		95,000,000 (Andrew L. Tan)	.24843%
JESUS B. VARELA	4,422	None	.00000%
ROBERTO S. GUEVARA	1	None	.00000%
ENRIQUE SANTOS L. SY	80,553	None	.00021%
TOTAL	97,725,245	25,855,641,014	0.25556% (direct) 67.61503% (indirect)

2) Chairman and CEO

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

Yes

No

Identify the Chair and CEO:

Chairman of the Board	ANDREW L. TAN
CEO/President	ANDREW L. TAN

Although the positions of Chairman of the Board and CEO are held by one individual, the duties and responsibilities of each are clearly defined and delineated under the By-Laws and Manual of Corporate Governance. The President also participates in the decision-making process and can express his views to the Chairman/CEO and the Board.

(b) Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	<p>Ensure that meetings of the Board are held in accordance with the by-laws or as the Chair may deem necessary;</p> <p>Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management and the directors;</p> <p>Maintain qualitative and timely lines of the communication and information between the Board and Management.</p>	<p>Preside at all meetings of the Board, and act as Chairman at all meetings of the stockholders;</p> <p>Supervise the business affairs and property of the Company and its officers and employees;</p> <p>See to it that all orders and resolutions of the Board are carried into effect;</p> <p>Perform such other duties as from time to time may be assigned to him by the Board.</p>
Accountabilities	<p>To the Board in the conduct of meetings;</p> <p>To the Board and Management in the preparation of agenda and maintaining lines of communication and information between them.</p>	<p>To the stockholders in the conduct of meetings;</p> <p>To the Board, stockholders and other stakeholders in the general supervision of the business affairs and property of the Company and over its officers and employees;</p> <p>To the Board in seeing to it that all orders and resolutions of the Board are carried into effect and in performing such other duties assigned to him;</p>
Deliverables	<p>Approve the agenda of meetings of the Board</p>	<p>Submits comprehensive report of the operations of the Company for the preceding year, and the state of its affairs, to the Board and to the stockholders;</p> <p>Reports to the Board on all matters within his knowledge which in the interests of the Company may require to be brought to its notice.</p>

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

The Board ensures that a succession plan for top and key management positions is in place.

4) Other Executive, Non-Executive and Independent Directors

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

The membership of the Board is a combination of executive and non-executive directors (which include independent directors) in order that no director or small group of directors can dominate the decision-making process. The non-executive directors should possess such qualifications and stature that would enable them to effectively participate in the deliberations of the Board. Currently, the Board has directors with varied expertise in the fields of real estate development, property management, investment banking, corporate communications, tourism, food and beverage and financing.

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

Yes, the Company ensures that the directors of the Company have a practical understanding and exposure to the real estate industry either in real estate development, real estate investment or real estate regulatory framework.

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

	Executive	Non-Executive	Independent Director
Role	Involved in operational or day-to-day affairs of the Company and reports to the Board on matters requiring its attention.	Provides oversight functions over executive directors' recommendations.	Provides a system of checks and balances within the Board. An independent director chairs the Audit Committee.
Accountabilities	To the Board and management, in ensuring that the lines of communication are open between them.	To the stockholders, in providing sound strategic policies and guidelines of the Board.	To the stockholders, in ensuring the integrity of decision making process of the Board.
Deliverables	Reports and makes recommendations to the Board on operational matters	Approves the executive directors' recommendations and motions	As member of the Audit Committee, performs oversight functions over the financial reporting process, risk management and internal control and internal audit.

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

"Independence", as a qualification of an independent director, means the freedom from any interference by any other persons or other considerations in the exercise of judgment in the carrying out of responsibilities as a director, other than the duties enjoined on directors by law and by the By-Laws of the Company, as well as possession of all of the qualifications and none of the disqualifications provided by law.

The Company's Manual of Corporate Governance provides that there should be at least two (2) independent directors. Currently, there are three independent directors who are members of the Board of the Company.

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.

The Company follows the term limits of Independent Directors prescribed by the Securities and Exchange Commission in SEC Memorandum Circular 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 same circular.

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

(a) Resignation/Death/Removal:

None

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

Name	Position	Date of Cessation	Reason
N/A			

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

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

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors	Nomination is conducted by the Nomination Committee prior to a stockholders' meeting pursuant to the provisions of SRC Rule 38.	Qualifications are provided for in the Company's By-Laws and Manual of Corporate Governance.
(ii) Non-Executive Directors	Same as above	Same as above
(iii) Independent Directors	Same as above	Same as above and SRC Rule 38.
b. Re-appointment		
(i) Executive Directors	Re-appointment is allowed. The procedure is the same as the selection/appointment process above.	The same criteria are imposed for appointment and re-appointment. Qualifications are provided for in the Company's By-Laws and Manual of Corporate Governance.
(ii) Non-Executive Directors	Re-appointment is allowed. The procedure is the same as the selection/appointment process above.	Same as above
(iii) Independent Directors	Re-appointment is allowed as long as the term limit for Independent Directors in SEC Memorandum Circular No. 9, Series of 2011 has not been breached. The procedure is the same as the selection/appointment	Same as above and SRC Rule 38.

	process above.	
c. Permanent Disqualification		
(i) Executive Directors	The Company follows the procedure provided for in the Corporation Code.	The Grounds are provided for in the Company's Manual of Corporate Governance.
(ii) Non-Executive Directors	Same as above	Same as above
(iii) Independent Directors	Same as above. The Company also follows the procedure provided in SRC Rule 38.	Same as above and SRC Rule 38.
d. Temporary Disqualification		
(i) Executive Directors	A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.	The Grounds are provided for in the Company's Manual of Corporate Governance.
(ii) Non-Executive Directors	Same as above	Same as above
(iii) Independent Directors	Same as above.	Same as above
e. Removal		
(i) Executive Directors	The Company follows the procedure provided for in the Corporation Code.	Removal may be due to death, voluntary resignation and/or permanent disqualification from office consistent with the grounds provided for in the Company's Manual of Corporate Governance.
(ii) Non-Executive Directors	Same as above	Same as above
(iii) Independent Directors	Same as above. The Company also follows the procedure provided in SRC Rule 38.	Same as above and SRC Rule 38.
f. Re-instatement		
(i) Executive Directors	A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.	Satisfactory corrective action performed by the director within the 60 day period, addressing the specific cause of action.
(ii) Non-Executive Directors	Same as above	Same as above
(iii) Independent Directors	Same as above.	Same as above
g. Suspension		

(i) Executive Directors	The Company follows the procedure provided for in the Corporation Code.	The Grounds are provided for in the Company's Manual of Corporate Governance.
(ii) Non-Executive Directors	Same as above	Same as above
(iii) Independent Directors	Same as above.	Same as above

Voting Result of the last Annual General Meeting

Name of Director	Votes Received
ANDREW L. TAN	30,439,086,642 shares – 79.60%
GERARDO C. GARCIA	30,439,086,642 shares – 79.60%
KINGSON U. SIAN	30,439,086,642 shares – 79.60%
JESUS B. VARELA	30,439,086,642 shares – 79.60%
ROBERTO S. GUEVARA	30,439,086,642 shares – 79.60%
ENRIQUE SANTOS L. SY	30,439,086,642 shares – 79.60%
KATHERINE L. TAN	30,439,086,642 shares – 79.60%

6) Orientation and Education Program

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

The directors of the Company are required to take a Corporate Governance Orientation course preferably from the Institute of Corporate Governance (ICG). Directors are encouraged to undergo further training in corporate governance. Some directors have attended the Professional Directors Program of the ICG and participated in Corporate Governance roundtable conferences.

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

1. Mandatory Continuing Legal Education
2. Corporate Governance: Fraud Awareness

(b) 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	November 24, 2016	Corporate Governance: Fraud Awareness	Center for Training and Development, Inc.
Katherine L. Tan	November 24, 2016	Corporate Governance: Fraud Awareness	Center for Training and Development, Inc.
Kingson U. Sian	November 24, 2016	Corporate Governance: Fraud Awareness	Center for Training and Development, Inc.
Enrique Santos L. Sy	November 15, 2016	Corporate Governance: Fraud Awareness	Center for Training and Development, Inc.
Gerardo G. Garcia	November 15, 2016	Corporate Governance: Fraud Awareness	Center for Training and Development, 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.

Roberto S. Guevara	November 15, 2016	Corporate Governance: Fraud Awareness	Center for Training and Development, Inc.
Jesus B. Varela	November 15, 2016	Corporate Governance: Fraud Awareness	Center for Training and Development, Inc.

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	A director should not use his position to profit or gain some benefit or advantage for himself and/or his related interest. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process.	Before an employee enters into an official transaction with a supplier or contractor, he should disclose in writing to his immediate supervisor any relationship or association that binds him to the supplier or contractor or its authorized representative to avoid possible conflict of interest.	Before an employee enters into an official transaction with a supplier or contractor, he should disclose in writing to his immediate supervisor any relationship or association that binds him to the supplier or contractor or its authorized representative to avoid possible conflict of interest.
(b) Conduct of Business and Fair Dealings	A director should not use his position to profit or gain some benefit or advantage for himself and/or his related interest. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process.	They are prohibited from using their authority or position to favor a supplier or contractor in anticipation of a personal gain or benefit.	They are prohibited from using their authority or position to favor a supplier or contractor in anticipation of a personal gain or benefit.
(c) Receipt of gifts from third parties	Must not solicit or accept any gift, regardless of value, from any supplier, contractor or business partner. However, if it is not practical to return the gift, such gift must be turned over to the Office of the President for proper disposition.	Must not solicit or accept any gift, regardless of value, from any supplier, contractor or business partner. However, if it is not practical to return the gift, such gift must be turned over to the Office of the President proper disposition.	Must not solicit or accept any gift, regardless of value, from any supplier, contractor or business partner. However, if it is not practical to return the gift, such gift must be turned over to the Office of the President proper disposition.
(d) Compliance with Laws & Regulations	Ensure through their functions, the Company's faithful compliance with all applicable laws, regulations	Ensure through their functions, the Company's faithful compliance with all applicable laws,	Ensure through their functions, the Company's faithful compliance with all applicable laws, regulations and best

	and best business practices.	regulations and best business practices.	business practices.
(e) Respect for Trade Secrets/Use of Non-public Information	Keep secure and confidential trade secrets and all non-public information acquired or learned by reason of position. Should not reveal confidential information to unauthorized persons without authority of the Board.	Keep secure and confidential trade secrets and all non-public information acquired or learned by reason of position. Should not reveal confidential information to unauthorized persons without authority of the Board.	Keep secure and confidential trade secrets and all non-public information acquired or learned by reason of position. Should not reveal confidential information to unauthorized persons without authority of the Board.
(f) Use of Company Funds, Assets and Information	Observe discretion in use of funds and assets. Be mindful of eliminating unnecessary consumption and wasteful practices. Confidential information must not be disclosed to unauthorized persons.	Observe discretion in use of funds and assets. Be mindful of eliminating unnecessary consumption and wasteful practices. Confidential information must not be disclosed to unauthorized persons.	Observe discretion in use of funds and assets. Be mindful of eliminating unnecessary consumption and wasteful practices. Confidential information must not be disclosed to unauthorized persons.
(g) Employment & Labor Laws & Policies	Ensure the Company's faithful compliance with employment and labor law & policies.	The guiding philosophy behind the Company's benefits program is to reasonably assist the employee and his family in providing for their economic security.	The guiding philosophy behind the Company's benefits program is to reasonably assist the employee and his family in providing for their economic security.
(h) Disciplinary action	The Company observes the provisions on disqualification and temporary disqualification of directors as provided in the Company's Manual of Corporate Governance.	Company rules and regulations shall be enforced fairly and consistently. Violations shall result in one or more disciplinary actions depending on frequency, seriousness and circumstances of the offense. The employee shall be given the opportunity to present his side. If found guilty, he will be penalized with the appropriate disciplinary action in accordance with the Code of Discipline.	Company rules and regulations shall be enforced fairly and consistently. Violations shall result in one or more disciplinary actions depending on frequency, seriousness and circumstances of the offense. The employee shall be given the opportunity to present his side. If found guilty, he will be penalized with the appropriate disciplinary action in accordance with the Code of Discipline.
(i) Whistle Blower	The Committee on Ethics accepts reports of wrongdoing by the Company's directors, senior management and employees and investigates	N/A	N/A

	them while at the same ensuring confidentiality of information.		
(j) Conflict Resolution	Amicable settlement through alternative dispute resolution	Amicable settlement through alternative dispute resolution	Amicable settlement through alternative dispute resolution

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

YES.

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

Directors submit annually a list of business and professional affiliating through which provide conflicts-of-interest may be detected.

Relative to senior management and employees, a copy of the Employee Handbook containing the Company's Code of Ethics/Conduct is furnished to all employees upon hiring. All newly-hired employees are required to attend a seminar conducted by the Human Resources Department which explains the concepts and importance of the said Code. The Human Resources Department implements and monitors compliance with the code of ethics or conduct.

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	Ensure that transactions are entered into on terms comparable to those available from unrelated third parties.
(2) Joint Ventures	Ensure that transactions are entered into on terms comparable to those available from unrelated third parties. These are in the nature of cash advances made to landowners for pre-development expenses. Repayment in full is made upon completion of the project.
(3) Subsidiaries	Ensure that transactions are entered into on terms comparable to those available from unrelated third parties.
(4) Entities Under Common Control	Ensure that transactions are entered into on terms comparable to those available from unrelated third parties.
(5) Substantial Stockholders	Ensure that transactions are entered into on terms comparable to those available from unrelated third parties.
(6) Officers including spouse/children/siblings/parents	Ensure that transactions are entered into on terms comparable to those available from unrelated third parties. Disclosure of relationship or association is required to be made before entering into a transaction. Officers shall have no participation in the approval of the transaction.
(7) Directors including	Ensure that transactions are entered into on terms comparable to

spouse/children/siblings/parents	those available from unrelated third parties. Disclosure of relationship or association is required to be made before entering into transaction. A Director, who has an interest in the transaction, shall have no participation in the approval of the transaction.
(8) Interlocking director relationship of Board of Directors	Ensure that transactions are entered into on terms comparable to those available from unrelated third parties. Disclosure of relationship or association is required to be made before entering into a transaction. No participation on the part of an interested director shall be allowed in the approval of the transaction.

(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	NONE
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	NONE
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
Alliance Global Group, Inc. (AGI)	Business	Parent-Subsidiary relationship
New Town Land Partners, Inc.	Business	Parent-Subsidiary relationship

(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:

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

Names of Related Significant Shareholders	Type of Relationship	Brief Description
NONE		

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

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

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	No significant conflicts or differences. Concerns of stockholders are raised, addressed and resolved either thru the Corporate Secretary or Investor Relations Group.
Corporation & Third Parties	amicable settlement
Corporation & Regulatory Authorities	amicable settlement

C. BOARD MEETINGS & ATTENDANCE

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

Board meetings are scheduled and conducted monthly.

2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Andrew L. Tan	June 17, 2016	8	8	100%
Member	Katherine L. Tan	June 17, 2016	8	8	100%
Member	Kingson U. Sian	June 17, 2016	8	8	100%
Member	Enrique Santos L. Sy	June 17, 2016	8	8	100%
Independent	Jesus B. Varela ⁵	June 17, 2016	8	4	100%
Independent	Gerardo C. Garcia	June 17, 2016	8	8	100%
Independent	Roberto S. Guevara	June 17, 2016	8	8	100%

⁵ Elected as director only on June 17, 2016.

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

None

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

The Company follows the quorum requirement provided in the Corporation Code.

5) Access to Information

(a) How many days in advance are board papers⁶ for board of directors meetings provided to the board?

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?

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?

The Company Secretary is responsible for safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its Committees, as well as the other official corporate records of the Corporation. He should inform the members of the Board of the agenda of the meetings and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval.

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

Yes.

(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	The Committee is afforded full access to management, personnel and records in the performance of its duties and responsibilities.
Audit	Upon request made thru the Corporate Secretary, Directors shall be provided with information about the matters to be taken up in their meetings in addition to materials already provided. The Committee is afforded full access to management, personnel and records in the performance of its duties and responsibilities.

⁶ 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.

Nomination	Upon request made thru the Corporate Secretary, Directors shall be provided with information about the matters to be taken up in their meetings in addition to materials already provided. The Committee is afforded full access to management, personnel and records in the performance of its duties and responsibilities.
Remuneration	Upon request made thru the Corporate Secretary, Directors shall be provided with information about the matters to be taken up in their meetings in addition to materials already provided. The Committee is afforded full access to management, personnel and records in the performance of its duties and responsibilities.
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 Audit Committee may, thru the Corporate Secretary, obtain and shall be provided with external legal counsel or independent professional advisors as it may consider necessary in the performance of its functions.	

7) Change/s in existing policies

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

Existing Policies	Changes	Reason
N/A		

D. REMUNERATION MATTERS

1) Remuneration Process

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

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	Remuneration is based on prevailing industry rates.	Remuneration is based on prevailing industry rates. Pay increases and promotions are merit-based and depend on the results of annual performance reviews.
(2) Variable remuneration	N/A	N/A
(3) Per diem allowance	N/A	N/A
(4) Bonus	Year-end performance bonuses are determined by Management and distributed across the board to all officers and employees based on the	Year-end performance bonuses are determined by Management and distributed across the board to all officers and employees based on the results of the

	results of the Company's operations.	Company's operations.
(5) Stock Options and other financial instruments	The Company has an Employee Stock Option Plan which is administered by the Compensation and Remuneration Committee of the Board. The Committee determines the eligible participants who will receive stock options.	The Company has an Employee Stock Option Plan which is administered by the Compensation and Remuneration Committee of the Board. The Committee determines the eligible participants who will receive stock options.
(6) Others (specify)	The Company has a Benefits Program for its employees. It is periodically reviewed and updated by Management.	The Company has a Benefits Program for its employees. It is periodically reviewed and updated by Management.

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

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

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	Levels of remuneration must be sufficient to be able to attract and retain the services of qualified and competent directors. No director should participate in deciding on his remuneration.	Directors of the Company are paid of the per diem allowances.	Attendance in meetings of directors of the Company.
Non-Executive Directors	Levels of remuneration must be sufficient to be able to attract and retain the services of qualified and competent directors. No director should participate in deciding on his remuneration.	Directors of the Company are paid of the per diem allowances.	Attendance in meetings of directors of the Company.

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
Directors do not receive compensation other than per diem.	

3) Aggregate Remuneration

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

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent)	Independent Directors

		directors)	
(a) Fixed Remuneration	None	None	None
(b) Variable Remuneration	None	None	None
(c) Per diem Allowance	200,000	200,000	300,000
(d) Bonuses	None	None	None
(e) Stock Options and/or other financial instruments	None	None	None
(f) Others (Specify)	None	None	None
Total	200,000	200,000	300,000

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	NONE		
2) Credit granted			
3) Pension Plan/s Contributions			
4) Pension Plans, Obligations incurred			
5) Life Insurance Premium			
6) Hospitalization Plan			
7) Car Plan			
8) Others (Specify)			
Total	None	None	None

9) 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		

10) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Name of Officer/Position	Total Remuneration
LOURDES T. GUTIERREZ-ALFONSO/CHIEF OPERATING OFFICER	35,039,586.00 (2016 Annual Basic)
PHILIPPS C. CANDO/SVP FOR OPERATIONS	
FRANCISCO C. CANUTO/SVP, TREASURER	
MARIA VICTORIA M. ACOSTA/MANAGING DIRECTOR FOR INTERNATIONAL SALES	
GIOVANNI C. NG/SVP, MANAGEMENT ANALYST	

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	0	1	Yes	Acts on all matters by the Board	Acts on all matters by the Board	Acts on all matters that may be assigned by the Board
Audit	1	0	2	Yes	Ensures that all financial reports comply with internal financial and	Performs oversight responsibilities for the following:	The Committee shall have the authority to conduct or order the

					management standards, performs oversight financial management functions, pre-approves all audit plans, scope and frequency and performs direct interface functions with internal and external auditors	(a) Financial Reporting; (b) Risk Management; (c) Internal Control; (d) Internal Audit; (e) External Audit.	investigation into any matter within the scope of its responsibilities.
Nomination	1	1	1	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	0	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	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	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

					directors, as well as providing oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Company's culture, strategy and control environment.	culture, strategy and business environment.	culture, strategy and business environment
Others (specify)							

Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Andrew L. Tan	June 17, 2016	20	20	100%	4 yrs.
Member (ED)	Kingson U. Sian	June 17, 2016	20	20	100%	4 yrs.
Member (ID)	Gerardo C. Garcia	June 17, 2016	20	20	100%	1 yr.

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Gerardo C. Garcia	June 17, 2016	4	4	100%	4 yrs.
Member (ED)	Andrew L. Tan	June 17, 2016	4	4	100%	4 yrs.
Member (ID)	Jesus B. Varela	June 17, 2016	4	4	100%	1 yr.

Disclose the profile or qualifications of the Audit Committee members.

The members must have the qualifications and none of the disqualifications of a director provided under the Company's Manual of Corporate Governance and the Audit Committee Charter. In addition, at least member must preferably have an accounting background and finance background.

Gerardo C. Garcia has extensive experience in business. He holds a bachelor's degree in Chemical Engineering and a Master's Degree in Business Administration from the University of the Philippines.

Andrew L. Tan pioneered the live-work-play-learn model in real estate development through the Company's integrated township communities, fueling the growth of the business process outsourcing (BPO) industry. He graduated Magna Cum Laude from the University of the East with the degree of Bachelor of Science in Business Administration.

Jesus B. Varela obtained his bachelor's degree in Economics from Ateneo De Manila University. He attended training courses in Labor Administration and Policy Formulation under the International Labor Organization/ARPLA program, the Corporate Planning Course at the Center for Research Communication, Foreign Exchange Training by Metro Bank and Forex Club of the Philippines, Systems Analysis by the Presidential Management Staff, Asian Productivity Seminar and other in-house seminars conducted by the Department of Labor and the Development Academy of the Philippines.

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

Ensure that the external auditor complies with auditing standards.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Enrique Santos L. Sy	June 17, 2016	1	1	100%	4 yrs.
Member (ID)	Gerardo C. Garcia	June 17, 2016	1	1	100%	4 yrs.
Member (ED)	Kingson U. Sian	June 17, 2016	1	1	100%	3 yrs.

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Kingson U. Sian	June 17, 2016	5	5	100%	4 yrs.
Member (ID)	Jesus B. Varela	June 17, 2016	5	5	100%	1 yr.
Member (ID)	Gerardo C. Garcia	June 17, 2016	5	5	100%	4 yrs.

(e) 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	N/A					
Member (ED)						
Member (NED)						
Member (ID)						

Member	
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2) 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		
Audit		
Nomination	N/A	N/A
Remuneration		
Others (specify)		

3) 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	Operational matters
Audit	Promulgated the Company's Audit Committee Charter	Formally provided for the purpose, membership, structure, operations, duties and responsibilities of the Committee, including its procedures.
Nomination	Prepared final list of candidates for election at annual meeting of stockholders	None
Remuneration	Awarded stock options under the Employee Stock Option Plan (ESOP)	Selection of eligible participants to the ESOP
Others (specify)		

4) 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	Compliance with upcoming financial reporting rules	Modifications to financial reporting rules
Audit	Review of Risk Management System	New trends
Nomination		
Remuneration	Review of Organization Structure and Company Benefits Program	
Others (specify)		

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.

The Board, thru the Audit Committee, periodically reviews the effectiveness of the Company's risk management system with emphasis on monitoring of existing and emerging risks as well as risk mitigation measures. Risk management review is conducted annually. A review for the period 2016 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 (performance of the Philippine economy and political stability)	Use of pre-selling as a project financing tool. Entering into joint development agreements for the acquisition of land.	Minimize cash outlays for projects, control development costs and maintain a net cash position. Maximize cost efficiencies and resources.
Project Cost and Completion Risk	Establish linkages with a broad base of suppliers. Efficient project management and monitoring. Capitalize on synergies across the Group.	On-time completion of projects, efficient sourcing of construction materials.
Customer Default Risk	Revenue and property diversification and product innovation. Makes available bank financing facilities to buyer on easy terms thru partner banks.	Reduce collection risk

(b) Group

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

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

	synergies across the Group	
Customer Default Risk	Revenue and property diversification and product innovation. Make available bank financing facilities to buyer on easy terms thru partner banks.	Reduce collection risk

(c) Minority Shareholders

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

Risk to Minority Shareholders
The AGI Group'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	Institutional reviews of the Philippine economy particularly the real property market	Minimize cash outlay for projects, control development costs and maintain a net cash 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 Make available bank financing facilities to buyer on easy terms thru partner banks.

(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	Institutional reviews of the Philippine economy particularly the real property market	Minimize cash outlay for projects, control development costs and maintain a net cash 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 Make available bank financing facilities to

		buyer on easy terms thru partner banks.
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(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	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;

Internal audit is a systematic and independent examination which determines whether activities and related results comply with planned arrangements and whether these arrangements are implemented effectively and are suitable to achieve objectives.

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

The directors of the Company have reviewed the effectiveness of the Company’s internal control system and consider them effective and adequate.

(c) Period covered by the review;

January to December of 2016

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

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.

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

N/A

2) Internal Audit

(a) Role, Scope and Internal Audit Function

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

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
Conducts periodic audit of all business processes	Quality Audit and Internal Control Review	In-house; Surveillance audit is conducted by Certification International since the Company is ISO2001:2008 certified.	Shiela Mary Agenar	(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.

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

No.

(c) Discuss the internal auditor’s reporting relationship with the audit committee.

The Audit Committee reviews and approves the annual audit plans prepared by the Internal Audit Group and major changes to the plans, if any, including the scope and extent of audit work to ensure adequacy of resources and independence of the Internal Audit Group and compliance with International Standards on the Professional Practice of Internal Auditing.

Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel?

Yes.

(d) Resignation, Re-assignment and Reasons

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

Name of Audit Staff	Reason
None	

(e) Progress against Plans, Issues, Findings and Examination Trends

State the internal audit’s progress against plans, significant issues, significant findings and examination trends.

There are no major issues and findings which affect the effectiveness of the quality management system of the Company. Findings relate to minor lapses in routine procedures and controls which do not affect the effectiveness of the quality management system. The Company's quality management system/internal control system is audited semi-annually by Certification International.

Progress Against Plans	100% as of December 31, 2016
Issues⁷	None
Findings⁸	The Internal Audit Group conducts quarterly post-audit to ensure that all findings have been corrected and all issues have been resolved.
Examination Trends	Please refer to the above paragraph

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

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

(f) Audit Control Policies and Procedures

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

The internal controls, policies and procedures are detailed in the Company's Internal Audit Manual. The Internal Audit Group prepares an annual audit plan for all business processes of the Company which serves a guide for its review and prepares a report of its findings which is submitted to the Executive and Audit Committees. For 2016, there are no major issues or findings which affect the effectiveness of the quality management system of the Company.

Policies & Procedures	Implementation
All business procedures must be audited at least once a year. All findings and issues must be resolved and corrected immediately.	Yes

(g) Mechanism and Safeguards

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

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
The Internal Audit Group is a	None		

⁷ "Issues" are compliance matters that arise from adopting different interpretations.

⁸ "Findings" are those with concrete basis under the company's policies and rules.

<p>separate department of the Company whose sole function is to conduct internal audit work and it reports directly to the Executive and Audit Committees.</p> <p>The External Auditors are not normally engaged to perform non-audit services.</p>	
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(h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company’s full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

The Chairman and CEO and the Compliance Officer attest to an annual compliance.

H. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' welfare	The Company is committed to ensure utmost satisfaction of its customers through high quality products conceived in the spirit of innovation and born out of continuous research and development and to provide excellent service to its customers.	Continuous upgrading of skills and expertise of key people in the Customer Relations Department so that they can provide customers with service of the highest quality. Institutionalization of the Customer Feedback System Customer Delight Activities
Supplier/contractor selection practice	Selection of suppliers and contractors on the basis of quality products	Canvassing activities which ensure selection on the basis of quality products
Environmentally friendly value-chain	The Company endeavors to use environment-friendly design, procedures and materials in the development of its projects.	Selection of suppliers and contractors whose manufacturing procedures assure clients that each item is made in an environment-friendly manner and which produce environmental friendly products to be used in the Company’s projects; Environmental friendly initiatives design features in the Company’s projects.
Community interaction	Through Megaworld Foundation, the Company provides scholarship grants to financially handicapped but academically deserving students and to	Foundation’s scholarship program and institution partnerships through sponsorship and donations.

	provide financial assistance to foundations and socio-civic organizations.	
Anti-corruption programmes and procedures	The Company endeavors to cultivate a culture of integrity that does not tolerate conflict-of-interest and unfair business dealings.	The Company has set up the Ethics Committee to act as reporting channel through which wrongdoing may be reported, investigated and acted upon.
Safeguarding creditors' rights	The Company is committed to honoring its financial obligations and loan covenants.	Timely settlement of financial obligations and faithful compliance with loan covenants.

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

Yes, the Annual Report has a corporate responsibility report.

9) Performance-enhancing mechanisms for employee participation.

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

The Company is committed to maintain a safety and security program for its employees, which is periodically updated and revised.

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

The Company provides free health care coverage to its employees.

The Company periodically upgrades its security procedures and facilities to ensure the safety of employees in the workplace.

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

The Company recently established the Megaworld Learning Academy ("MLA"), which institutionalizes training programs for all employees with the view of improving organizational performance thru professional development. The MLA seeks to address the developmental needs of employees through Orientation Programs, Institutionalized Programs, Career Development Programs, Management Development Programs, Leadership Programs, and other training programs.

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

Employee Stock Option Plan

10) 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.

Employees may report illegal and unethical behavior to an Ethics Committee which receives and investigates complaints while maintaining confidentiality of information.

I. DISCLOSURE AND TRANSPARENCY

a. Ownership Structure

i. Holding 5% shareholding or more (As of December 31, 2016)

Shareholder	Number of Shares	Percent	Beneficial Owner
Alliance Global Group, Inc.	Common- 14,090,219,058 Preferred- 6,000,000,000	36.8473% 15.6906%	Alliance Global Group, Inc.
New Town Land Partners, Inc.	5,668,530,324	14.8238%	New Town Land Partners, Inc.
PCD Nominee Corporation (Non-Filipino)	5,420,431,977 ⁹	14.1750%	Participants of the PCD composed of custodian banks and brokers
PCD Nominee Corporation (Filipino)	5,279,137,248	13.8055%	Participants of the PCD composed of custodian banks and brokers. No PCD (Filipino) participants owns more than 5% of the Company's voting stock.
PCD Nominee Corporation (Non-Filipino)	2,413,671,674	6.3119%	The Hongkong and Shanghai Banking Corp. Ltd. – Clients (HSBC) ¹⁰

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
ANDREW L. TAN	95,000,000		.24843%
		1,891,632 (Katherine L. Tan)	.00495%
		20,090,219,058 (Alliance Global Group, Inc.)	52.5379%
		5,668,530,324 (New Town Land Partners, Inc.)	14.8238%
TOTAL	95,000,000	25,760,641,014	67.3666%

b. Does the Annual Report disclose the following:

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes

⁹ This includes HSBC's 2,413,671,674 shares.

¹⁰ HSBC is a participant of the PCD. The beneficial owners of the shares held by HSBC are not known to Megaworld Corporation.

Non-financial performance indicators	Yes
Dividend policy	Yes
Details of whistle-blowing policy	No
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Yes
Training and/or continuing education programme attended by each director/commissioner	Yes
Number of board of directors/commissioners meetings held during the year	No (Disclosed in the Certificate of Board Attendance)
Attendance details of each director/commissioner in respect of meetings held	No (Disclosed in the Certificate of Board Attendance)
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.

c. External Auditor's fee (ended December 31, 2016)

Name of auditor	Audit Fee	Non-audit Fee
Punongbayan and Araullo	Php2,422,000.00	Php3,000,000.00

d. Medium of Communication

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

Company website, annual report, information statement, current reports, press releases and company briefings.

e. Date of release of audited financial report: **April 5, 2016**

f. Company Website

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

Business operations	Yes
Financial statements/reports (current and prior years)	Yes
Materials provided in briefings to analysts and media	Yes
Shareholding structure	Yes
Group corporate structure	Yes
Downloadable annual report	Yes

Notice of AGM and/or EGM	Yes
Company's constitution (company's by-laws, memorandum and articles of association)	Yes

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

Disclosure of RPT

The related party transactions of the Company as of and for the year ended 31 December 2016 can be summarized as follows:

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?

The Company ensures that related party transactions are entered into on terms comparable to those available from unrelated parties.

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	Majority of outstanding capital stock
------------------------	--

(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.

None

Stockholders' Rights under The Corporation Code	Stockholders' Rights <u>not</u> in The Corporation Code
None	

Dividends

Declaration Date	Record Date	Payment Date
June 15, 2016	June 29, 2016	July 22, 2016

(d) Stockholders' Participation

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

Measures Adopted	Communication Procedure
Allows active participation of stockholders in meetings	Notice of Meetings, Information Statement, Open Forum at the AGM. Availability of communication channels to Management.

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

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? **Yes**
 - a. Date of sending out notices: **May 27, 2016**
 - b. Date of the Annual/Special Stockholders' Meeting: **June 17, 2016**
4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting.

Below is a summary of the questions asked and answers given during the open forum.

Question: What do you think are the prospects of the real estate sector under the Duterte administration?

Answer: The economic agenda seems to sustain, if not to enhance and accelerate, our developments in the rural areas. We have committed Php180 billion CAPEX to focus on projects outside Metro Manila over the next 10 years. We are in line and in sync with the economic agenda of the government and tourism is obviously big in our portfolio. Developing infrastructures outside Metro Manila will bring people closer to tourism sites and we are very well positioned to capitalize in that opportunity. We are very positive that our strategy and vision are well aligned with the economic reforms and agenda of the next government.

Question: What is Megaworld doing in the Visayas and Mindanao regions given the areas' prospects under the incoming administration?

Answer: Out of our 21 townships, 7 are in Visayas and Mindanao and we continuing to look at opportunities there. The Philippines is growing for the past 16 years uninterrupted. Davao, for example, is growing above the GDP growth of the Philippines. There are a lot of opportunities outside Metro Manila and we have been building developments there for the past 7 years.

Question: What are Megaworld’s next plans for Team Trident also known as the “Laguna Lakeshore” project?

Answer: It is a very exciting project but unfortunately, we ran out of time. We are not sure at this point due to some issues which hindered the consortium to proceed with the bidding. Nevertheless, we are still interested and we are just waiting for the next government to come in before we can look into it again.

Question: Is Megaworld willing to enter into a joint venture with other companies?

Answer: Yes, definitely. We are always looking for opportunities.

Question: Do we have architectural firms responsible for Megaworld’s numerous projects?

Answer: Yes. We engage in the service of quite a number of architectural firms.

Question: Are Suntrust projects also under the supervision of Megaworld?

Answer: Yes.

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

Resolution	Approving	Dissenting	Abstaining
1. Appointment of External Auditors 2. Ratification of Acts and Resolutions of the Board of Directors, Board Committees and Management 3. Election of Directors	30,439,086,642 shares – 79.60%	None	None

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

June 17, 2016

(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
N/A	

(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 Jesus B. Varela Gerardo C. Garcia Katherine L. Tan Roberto S. Guevara Enrique Santos L. Sy Kingson U. Sian	June 17, 2016	Nomination	0.24843% 0.00000% 0.00028% 0.00495% 0.00000% 0.00021% 0.00000%	N/A N/A N/A N/A N/A N/A	79.601%
Special	N/A	N/A	N/A	N/A	N/A	N/A

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

Yes. The Company's stock and transfer agent.

(iii) Do the company's common shares carry one vote for one share? **Yes.**

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.

(g) Proxy Voting Policies

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

As a policy, the Company does not solicit proxies.

	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 required
Submission of Proxy	To be submitted preferably at least 10 days before the scheduled meeting
Several Proxies	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
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(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 procedures provided in the Corporation Code and the Securities Regulation Code.	

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	2,579 stockholders
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	May 27, 2016
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	May 27, 2016
State whether CD format or hard copies were distributed	CD format
If yes, indicate whether requesting stockholders were provided hard copies	N/A

(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.	Yes
The amount payable for final dividends.	Yes
Documents required for proxy vote.	Yes

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

2) Treatment of Minority Stockholders

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

Policies	Implementation
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Transparency	Publication of Notice, Agenda and information statement for meeting
Accessibility of the Company	Investor Relations group and feedback portion in Company website
Protection of Stockholder's Rights	Declaration of cash dividends; Notification to stockholders of their rights thru the Information Statement; Submission to stockholders for approval any matter requiring stockholder's approval under the law.

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

Yes.

K. INVESTORS RELATIONS PROGRAM

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

Internal communications and external communications policies are reviewed annually. Major company announcements are reviewed and approved by a Committee composed of Finance, Corporate Management, Corporate Communications and Investor Relations.

- 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 stockholders and investors informed of important developments in the Company
(2) Principles	Transparency and accessibility to investors
(3) Modes of Communications	Disclosure Statements; Press Releases; Company Website; Investor Presentations; Quarterly Teleconferences with Investors; Analyst Briefings
(4) Investors Relations Officer	Johann Quiazon/Tel. No. 8678826 loc. 234 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?

The Company takes guidance from applicable law, the rules and regulations of the Securities and Exchange Commission and the Philippine Stock Exchange with respect to the approval, pricing and disclosure 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.

None for 2016.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiative	Beneficiary
Employee Volunteerism and Involvement	<p>As of the year 2015, the Foundation has engaged more than one thousand (1,000) volunteers in carrying out socio-civic projects and activities such as medical missions wherein the Foundation has provided more than 200 elderly patients in Golden Reception and Action Center for the <i>Elderly</i> and other Special Cases (G.R.A.C.E.S.) with free check-ups, medicines and vitamins.</p> <p>Aside from this, the Foundation also served almost 900 children within Metro Manila through its feeding activity in partnership with Spiritual Physical Educational Cultural Social (SPECS) Foundation, Inc., the Philippine Army’s Civil-Military Operations Group, Fr. Simpliciano Academy, and Assembly of Family and Friends in Christ, Inc.</p> <p>Further, Megaworld Foundation is committed to be part of the solution to the environmental crisis, and it starts with planting a tree. Last July 25, 2015, Megaworld Foundation, in partnership with Allan L. Cristobal (ALC) Foundation, Inc., conducted a bamboo-planting activity dubbed “Kawayanihan: <i>‘I am Juan with the Earth’</i>” at Barangay Silangan, Quezon City. Around 30 Megaworld volunteers supported the campaign and were able to plant 100 Bamboo seedlings.</p>
College Scholarship Program	<p>From two initial partner schools in 1999, University of the Philippines and Mapua Institute of Technology, the Foundation now extends a helping hand to an additional twenty six (26) universities and colleges namely Adamson University, Angeles University Foundation, Arellano University, Ateneo de Manila University, Centro Escolar University, Central Philippine University, De La Salle University, DLS-College of St. Benilde, Far Eastern University, FEU-Institute of Technology, Lyceum of the Philippines University, Colegio de San Juan de Letran- Calamba, Malayan Colleges Laguna, Manila Tytana Colleges, Miriam College, National University, Pamantasan ng Lungsod ng Maynila, Polytechnic University of the Philippines, San Beda College, San Sebastian College-Recoletos, Technological Institute of the Philippines, Technological University of the Philippines, Universal College of Parañaque, University of the East and University of Santo Tomas.</p> <p>Aside from this, the Foundation also supported sixteen</p>

	<p>(16) high schools namely Chiang Kai Shek College, Don Alejandro Roces Sr. Science-Technology High School, Elizabeth Seton School, Hope Christian Academy, Justice Cecilia Muñoz Palma High School, Laguna Bel Air School, Light Christian Academy, Malate Catholic School, Pasay City East High School, Philippine Cultural College, Philippine Tiong Se Academy, Raja Soliman Science and Technology High School, Signal Village National High School, St. Stephen High School, Taguig Science High School and Western Bicutan National High School.</p> <p>With an average of 100 college scholars in its early years, the Foundation now supports more than 400 students a year. These students show academic excellence in the fields of business, engineering, accountancy, information technology, architecture, communication arts, interior design, social sciences, hotel and restaurant management and tourism. Aside from full scholarship grants, stipends and allowances are afforded to Megaworld scholars.</p>
Financial Support	<p>The assistance of Megaworld Foundation to the Filipinos does not end with its scholarship program alone. It also supports various sectors of the community; especially the children and youth and those individuals who were victims of poor health, poverty, and social injustice.</p> <p>The Foundation has been very committed in lending a hand to a wider coverage through the networks and linkages it has established with other organizations that share the same vision. This commitment of Megaworld Foundation in helping people has transformed Megaworld Corporation into an institution that values its people, particularly the marginalized sectors, and nurtures a culture of volunteerism, generosity, and dedication to one's fellowmen.</p>
Relief Assistance	<p>In an aim to uplift the lives of the victims of natural calamities, the Foundation has shared its time and efforts to provide relief assistance both in monetary and in-kind donation. Also, to reach out to more Filipinos who are in dire need of help, Megaworld Foundation supports organizations that conduct relief operations and/or calamity response to communities which are gravely devastated by the typhoons.</p>

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	Performance of Board Responsibilities
Board Committees	Board Review	Performance of oversight functions
Individual Directors	Board Review	Attendance/Participation
CEO/President	Board Review	Results of Operations in discussions

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
Emphasis on Violation of Code of Ethics Non-performance of Board Responsibilities Absence in meetings with no valid reasons	Sanctions range from reprimand to removal from office

SECRETARY'S CERTIFICATE

I, **ANNA MICHELLE T. LLOVIDO**, of legal age, Filipino, with office address at 7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark, 188 E. Rodriguez Jr. Avenue, Bagumbayan, Quezon City, Metro Manila, Philippines, after having been sworn in accordance with law, depose and state that:

1. I am the Corporate Secretary of **MEGAWORLD CORPORATION**, a corporation duly organized and existing under Philippine laws, with office address at 28th Floor, The World Centre, 330 Sen. Gil Puyat Avenue, Makati City, Philippines (hereafter, the "Corporation").

2. The resolutions approved by the Board of Directors of the Corporation that resulted in the changes and/or updates to the Annual Corporate Governance Report of the Corporation are set out in the attached as Annex "A" hereof.

3. This Certification is issued in compliance with the requirements of SEC Memorandum Circular No. 12 dated 26 May 2014.

Signed this 29 May 2017 at Makati City.


ANNA MICHELLE T. LLOVIDO
Corporate Secretary

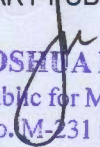
MAY 31 2017

CITY OF MAKATI

SUBSCRIBED AND SWORN to before me this _____ at _____,
Philippines, affiant exhibiting to me her Tax Identification Number 212-970-782.

Doc. No. 28 ;
Page No. 7 ;
Book No. XXXIII
Series of 2017.

NOTARY PUBLIC


ATTY. JOSHUA P. LAPUZ
Notary Public for Makati City
Appointment No. M-231 until 12/31/2017
PTR No. 5909513, Jan. 3, 2017, Makati
Roll No. 45790, IBP Lifetime Roll No. 04897
MCLE No. V-0019692/ 4 - 15 - 2016
G/F Fedman Suites, 199 Salcedo Street
Legaspi Village, Makati City

ANNEX "A"

I. At the Special Meeting of the Board of Directors of the Corporation held on April 22, 2016, the following resolutions were approved:

"RESOLVED, that the Corporation hold its Annual Meeting of Stockholders on Friday, 17 June 2016, 9:00 a.m., at the Grand Ballroom, Eastwood Richmond Hotel, 17 Orchard Road, Eastwood City, Bagumbayan, Quezon City, Philippines, with the following agenda:

1. Call to Order
2. Proof of Notice and Determination of Quorum
3. Approval of Minutes of the Previous Annual Meeting
4. Annual Report of Management
5. Appointment of External Auditors
8. Ratification of Acts and Resolutions of the Board of Directors, Board Committees and Management
9. Election of Directors
10. Other Matters
11. Adjournment;

"RESOLVED, FURTHER, that stockholders of record as of 06 May 2016 will be entitled to notice of, and to vote at, the Annual Meeting."

II. The following are the excerpts of the Minutes of Meeting of and resolutions approved during the Annual Stockholders' Meeting held on 17 June 2016:

a. Appointment of External Auditors

The Presiding Officer informed the stockholders that the Audit Committee of the Board of Directors has recommended to the Board the engagement of Punongbayan & Araullo as external auditors of the Company for the audit of the Company's financial statements for the year ending 31 December 2016, and that the Board has approved such engagement.

Upon motion made and duly seconded, the stockholders approved the following resolution:

"RESOLVED, that the engagement of Punongbayan & Araullo as external auditors of the Company for the audit of the Company's financial statements for the year ending 31 December 2016, be approved."

b. Election of Directors

The Presiding Officer informed the stockholders that the Company will be electing seven (7) directors. He added that pursuant to the Securities Regulation Code and SRC Rule 38, in relation to SEC Memorandum Circular No. 6. Series of 2009 and its Revised Manual of Corporate Governance, the Company is mandated to elect at least two independent directors out of the seven directors.

Mr. Rafael Antonio Perez, Senior Assistant Vice President of the Human Resources Division, presented, on behalf of the Nomination Committee, the final list of nominees to the Board of Directors, as follows: Andrew L. Tan, Katherine L. Tan, Kingson U. Sian, Enrique Santos L. Sy as regular directors; and Jesus B. Varela, Gerardo C. Garcia, Roberto S. Guevara as independent director.

It was then moved and duly seconded that the nominees for independent directors, namely Messrs. Gerardo C. Garcia, Roberto S. Guevara and Jesus B. Varela be elected as independent directors of the Corporation, and that Andrew L. Tan, Katherine L. Tan, Kingson U. Sian, and Enrique Santos L. Sy be elected as regular directors of the Company.

Since there were only seven nominees to the Board and considering the absence of objections, all the seven (7) nominees were declared elected to the Board of Directors.

III. At the Organizational Meeting of the Board of Directors of the Corporation held on 17 June 2016, the following were elected as officers of the Corporation:

President and Chief Executive Officer	-	Andrew L. Tan
Chief Operating Officer	-	Lourdes T. Gutierrez-Alfonso
Executive Director	-	Kingson U. Sian
Senior Vice President, Treasurer, Compliance Officer and Corporate Information Officer	-	Francisco C. Canuto
Senior Vice President and Finance Director	-	Giovanni C. Ng
Senior Vice President for Operations	-	Philipps C. Cando
Senior Vice President for International Marketing	-	Maña Victoria M. Acosta
Senior Vice President for Business Development and Leasing	-	Jericho P. Go
Senior Vice President for Sales and Marketing	-	Noli D. Hernandez
Senior Vice President for Commercial Division	-	Kevin Andrew L. Tan
Senior Assistant Vice President for Human Resources	-	Rafael Antonio S. Perez
Assistant Vice President for Corporate Communications and Advertising	-	Kimberly Hazel A. Sta. Maria
Managing Director for Hotels	-	Carmen C. Fernando
Corporate Secretary	-	Anna Michelle T. Llovido
Assistant Corporate Secretary	-	Rolando D. Siatela

Pursuant to the Company's Manual on Corporate Governance and SEC Memorandum Circular No. 06, Series of 2004, the Board constituted the following board committees for the current year:

I. NOMINATION COMMITTEE

- a. Enrique Santos L. Sy - Chairman
- b. Gerardo C. Garcia (Independent Director) - Member
- c. Kingson U. Sian - Member

II. COMPENSATION AND REMUNERATION COMMITTEE

- a. Kingson U. Sian - Chairman
- b. Jesus B. Varela (Independent Director) - Member
- c. Gerardo C. Garcia - Member

III. AUDIT COMMITTEE

- a. Gerardo C. Garcia (Independent Director) - Chairman
- b. Jesus B. Varela (Independent Director) - Member
- c. Andrew L. Tan -Member

IV. At the Special Meeting of the Board of Directors of the Corporation held on June 15, 2016, the following resolutions were approved:

"RESOLVED, that the Corporation declare cash dividends in the total amount of Php1,629,824,911.00, to be paid as follows:

Type of Share	Total Dividend	Record Date	Payment Date
Common	Php 1,629,224,911.00	29 June 2016	22 July 2016
Preferred	Php 600,000.00		

"RESOLVED, FURTHER, that the foregoing dividends be declared out of the unrestricted retained earnings of the Corporation as of 31 December 2015."