



28 June 2013

Philippine Stock Exchange
Disclosures Department
3/F, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention : **Ms. Janet Encarnacion**
Head – Disclosures Department

Re : **ROXAS AND COMPANY, INC.**
(Formerly CADP Group Corporation)

Dear Ms. Encarnacion:

We are submitting to you herewith copy of the Roxas and Company, Inc. ("RCI") Annual Corporate Governance Report ("ACGR") for year 2012 which was submitted to Securities and Exchange Commission ("SEC").

We trust that you will find the foregoing in order.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Alejandro S. Casabar', is written over a horizontal line.

ALEZANDRO S. CASABAR

Corporate Information Officer/Compliance Officer

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R O X A S A N D C O M P A N Y , I N C .
(F O R M E R L Y C A D P G R O U P
C O R P O R A T I O N)

(Company's Full Name)

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V I L L A G E M A K A T I C I T Y

(Business Address: No. of Street City/Town/Province)

ATTY. ALEZANDRO S. CASABAR

810-8901

September 30
Month Day
Fiscal Year

Annual Corporate Governance Report

Form Type

Month Day
Annual Meeting

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3,476

Total Amount of Borrowings

Total No. of Stockholders

Domestic Foreign

TO BE ACCOMPLISHED BY SEC PERSONNEL CONCERNED

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

GENERAL INSTRUCTIONS

(A) Use of Form ACGR

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

(B) Preparation of Report

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

(C) Signature and Filing of the Report

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

(D) Filing an Amendment

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

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT


1. Report is Filed for the Year: 2012
2. Exact Name of Registrant as Specified in its Charter: ROXAS AND COMPANY, INC.
(FORMERLY CADP GROUP CORPORATION)
3. 7th Floor CG Building, 101 Aguirre Street
Legaspi Village, Makati City
Address of Principal Office
1229 
Postal Code
4. SEC Identification Number: 834
5. (SEC Use Only)
Industry Classification Code
6. BIR Tax Identification Number: 000-269-435-000
7. (632) 810-89-01 to 06
Issuer's Telephone number, including area code
8. CADP GROUP CORPORATION
6FCacho-Gonzales Building, 101 Aguirre Street
Legaspi Village, Makati City 1229
Former name or former address, if changed from the last report

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A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	9
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Actual number of Directors for the year	9
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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
Pedro E. Roxas	ED	n/a	Ms. Ellen Comia	18 Oct. 1995	22 Feb. 2012	Annual Meeting	16.5
Antonio J. Roxas	NED	n/a	Ms. Ellen Comia	18 Oct. 1995	22 Feb. 2012	Annual Meeting	16.5
Carlos R. Elizalde	NED	n/a	Ms. Ellen Comia	20 Nov. 2002	22 Feb. 2012	Annual Meeting	9.5
Beatriz O. Roxas	NED	n/a	Ms. Ellen Comia	25 June 2009	22 Feb. 2012	Annual Meeting	2.5
Francisco Jose R. Elizalde	NED	n/a	Ms. Ellen Comia	25 June 2009	22 Feb. 2012	Annual Meeting	2.5
Eduardo R. Areilza	NED	n/a	Ms. Ellen Comia	25 June 2009	22 Feb. 2012	Annual Meeting	2.5
Guillermo D. Luchangco	ID	n/a	Ms. Ellen Comia (no relationship)	18 Nov. 2009	22 Feb. 2012/1 year	Annual Meeting	2.25
Renato C. Valencia	NED	n/a	Ms. Ellen Comia	07 Oct. 2010	22 Feb. 2012	Annual Meeting	1.25
Ramon Y. Dimacali	ID	n/a	Ms. Ellen Comia (no relationship)	20 Nov. 2002	22 Feb. 2012/1 year	Annual Meeting	10

(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 has adopted a Revised Manual on Corporate Governance (the "MCG") in accordance with SEC Circular No. 6, Series of 2009. The MCG contains, among others, the following provisions:

1. The recognition of rights of stockholders to elect, remove and replace directors, through cumulative voting, and vote on certain corporate acts in accordance with the Corporation Code;
2. The recognition of the stockholders' pre-emptive rights, unless the same is denied in the Articles of Incorporation, as well as the power of inspection, right to information, right to dividends and appraisal rights;

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

3. The recognition of the right to meaningfully participate in stockholders' meetings in person or by proxy;
4. The recognition of the right of all stockholders to be treated equally, but at the same time giving the minority stockholders the right to propose the holding of meetings and items for discussion in the agenda that relate directly to the business of the corporation.
5. All material information about the corporation which could adversely affect its viability or the interests of the stockholders shall be publicly and timely disclosed by the company's Compliance Officer through the SEC and the PSE. The minority shareholders are provided access to any and all information relating to matters for which management is accountable for and to those relating to matters which should have been included in the agenda of the annual meeting. If not included in the agenda, the minority shareholders will be allowed to propose such matters in the agenda of the stockholders' meeting for legitimate purposes.
6. The duties and responsibilities of the Board of Directors, in general, are to foster the long-term success of the corporation, to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders, to formulate the corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor management's performance. In particular, the Board's duties include, but not limited to, the following:
 - (i) Implement a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. Appoint competent professional, honest and highly-motivated management officers. Adopt an effective succession planning program for Management.
 - (ii) Provide sound strategic policies and guidelines to the corporation on major capital expenditures. Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance.
 - (iii) Ensure the corporation's faithful compliance with all applicable laws, regulations and best business practices.
 - (iv) Establish and maintain an investor relations program that will keep the stockholders informed of important developments in the corporation. If feasible, the corporation's CEO or Chief Financial Officer ("CFO") or his equivalent shall exercise oversight responsibility over this program.
 - (v) Identify the sectors in the community in which the corporation operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them.
 - (vi) Adopt a system of check and balance within the Board. A regular review of the effectiveness of such system shall be conducted to ensure the integrity of the decision-making and reporting processes at all times. There shall be a continuing review of the corporation's internal control system in order to maintain its adequacy and effectiveness.
 - (vii) Identify key risk areas and performance indicators and monitor these factors with due diligence to enable the corporation to anticipate and prepare for possible threats to its operational and financial viability.
 - (viii) Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board.
 - (ix) Constitute an Audit & Risk Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities.
 - (x) Establish and maintain an alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including the regulatory authorities.
 - (xi) Meet at such times or frequency as may be needed. The minutes of such meetings shall be duly recorded. Independent views during Board meetings shall be encouraged and given due consideration.

- (xii) Keep the activities and decisions of the Board within its authority under the articles of incorporation and by-laws, and in accordance with existing laws, rules and regulations.

Appoint a Compliance Officer who shall have the rank of at least vice president. In the absence of such appointment, the Corporate Secretary, preferably a lawyer, shall act as Compliance Officer (Revised Manual on Corporate Governance)

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

As a long-term and enduring guide towards the company's sustainable growth and profitability, the company's vision and mission statements are intended to endure over a long period of time. Nevertheless, the Board of Directors reviews and approves the company's vision and mission statements as the need arises in response or in anticipation of changes in circumstances which affect the business of the company.

(d) Directorship in Other Companies

(i) Directorship in the Company's Group²

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

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Pedro E. Roxas	Roxas Holdings, Inc. Central Azucarera Don Pedro, Inc. Central Azucarera de la Carlota, Inc. Roxol Bioenergy Corp. Roxaco Land Corp. Hawaiian Philippine Company	Chairman & President (Executive) Chairman (Executive) Chairman (Executive) Chairman (Executive) Chairman & President (Executive) Chairman (Executive)
Antonio J. Roxas	Roxas Holdings, Inc. Central Azucarera Don Pedro, Inc. Roxaco Land Corp.	Director (Non-Executive) Director (Non-Executive) Director (Non-Executive)
Beatriz O. Roxas	Roxas Holdings, Inc. Roxaco Land Corp.	Director (Non-Executive) Director (Non-Executive)
Francisco Jose R. Elizalde	Roxaco Land Corp.	Director (Non-Executive)
Renato C. Valencia	Roxas Holdings, Inc. Central Azucarera Don Pedro, Inc. Central Azucarera de la Carlota, Inc. Roxol Bioenergy Corp.	Director (Executive) Director (Executive) Director (Executive) Director (Executive)

(ii) Directorship in Other Listed Companies

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

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the
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² The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

		Chairman.
Pedro E. Roxas	Philippine Long Distance Company Manila Electric Co.	Director (Independent) Director (Independent)
Guillermo D. Luchangco	Globe Telecom, Inc. Ionics, Inc. Phinma Corporation Trans-Asia Oil and Energy Development Corporation	Director (Independent) Director (Non-Executive) Director (Independent) Director (Independent)
Renato C. Valencia	Metropolitan Bank & Trust Company House of Investments, Inc. Anglo Philippine Holdings Corporation Vulcan Industrial & Mining Corp.	Director (Independent) Director (Independent) Director (Independent) Director (Independent)

(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
Pedro E. Roxas*	<ul style="list-style-type: none"> - Pesan Holdings, Inc. - Marta O. Roxas Dela Rica - Pilar O. Roxas - Beatriz O. Roxas - Antonio J. Roxas - Francisco Jose R. Elizalde - Carlos R. Elizalde - Eduardo R. Areilza 	<ul style="list-style-type: none"> - Mr. Roxas is the controlling stockholder of Pesan Holdings, Inc. - The other persons are related to Mr. Pedro E. Roxas within the fourth degree of consanguinity.
Beatriz O. Roxas*	<ul style="list-style-type: none"> - Marta O. Roxas Dela Rica - Pilar O. Roxas - Pedro E. Roxas - Antonio J. Roxas - Francisco Jose R. Elizalde - Carlos R. Elizalde - Eduardo R. Areilza 	<ul style="list-style-type: none"> - They are related to each other within the fourth degree of consanguinity.
Antonio J. Roxas*	<ul style="list-style-type: none"> - Pedro E. Roxas - Beatriz O. Roxas - Marta O. Roxas Dela Rica - Pilar O. Roxas 	<ul style="list-style-type: none"> - They are related to each other within the fourth degree of consanguinity.
Francisco Jose R. Elizalde*	<ul style="list-style-type: none"> - SPCI Holdings Inc. - Carlos R. Elizalde - Pedro E. Roxas - Antonio J. Roxas - Beatriz O. Roxas - Marta O. Roxas Dela Rica - Pilar O. Roxas 	<ul style="list-style-type: none"> - Mr. Francisco Jose and Carlos R. Elizalde are brothers and each owns 24.99% of SPCI Holdings Inc. - They are related to each other within the fourth degree of consanguinity.
Carlos R. Elizalde*	<ul style="list-style-type: none"> - SPCI Holdings Inc. - Francisco Jose R. Elizalde - Pedro E. Roxas - Antonio J. Roxas 	<ul style="list-style-type: none"> - Mr. Francisco Jose and Carlos R. Elizalde are brothers and each owns 24.99% of SPCI

	<ul style="list-style-type: none"> - Beatriz O. Roxas - Marta O. Roxas Dela Rica - Pilar O. Roxas 	<p>Holdings Inc.</p> <ul style="list-style-type: none"> - They are related to each other within the fourth degree of consanguinity.
Eduardo R. Areilza**	<ul style="list-style-type: none"> - Pedro E. Roxas - Beatriz O. Roxas - Marta O. Roxas Dela Rica - Pilar O. Roxas 	<ul style="list-style-type: none"> - They are related to each other within the fourth degree of consanguinity.

(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? **No. However, the CEO and other executive directors shall submit themselves to a low indicative limit on membership in other corporate boards. The same low limit shall apply to independent, non-executive directors who serve as full time executives in other corporations.**

In particular, is the limit of five board seats in other publicly listed companies imposed and observed? **Yes.** If yes, briefly describe other guidelines:

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	Pursuant to the company's Revised Manual on Corporate Governance, the executive directors shall submit themselves to a low indicative limit on membership in other corporate boards. In any case, the capacity of the director to serve diligently shall not be compromised (Revised Manual on Corporate Governance).	<p>The company has not yet set a definite limit on the number of board seats which the members of the Board of Directors or its CEO may simultaneously hold in other companies. However, the Revised Manual on Corporate Governance of the company requires that the CEO and all other directors shall submit themselves to a low indicative limit on membership in other corporate boards (Revised Manual on Corporate Governance).</p> <p>The limit of five (5) board seats in the other publicly-listed is not imposed but, as herein above indicated, the members of the Board of Directors who are also directors in other publicly-listed companies are holding board seats in such companies up to a maximum of five (5) only.</p>
Non-Executive Director	Pursuant to the company's Revised Manual on Corporate Governance, the non-executive directors who serve as full time executives in other corporations shall submit themselves	The company has not yet set a definite limit on the number of board seats which the members of the Board of Directors or its CEO may simultaneously hold in other

	to a low indicative limit on memberships in other corporations. In any case, the capacity of the director to serve diligently shall not be compromised (Revised Manual on Corporate Governance).	companies. However, the Revised Manual on Corporate Governance of the company requires that the CEO and all other directors shall submit themselves to a low indicative limit on membership in other corporate boards (Revised Manual on Corporate Governance). The limit of five (5) board seats in the other publicly-listed is not imposed but, as herein above indicated, the members of the Board of Directors who are also directors in other publicly-listed companies are holding board seats in such companies up to a maximum of five (5) only.
CEO	Pursuant to the company's Revised Manual on Corporate Governance, the CEO shall submit himself to a low indicative limit on membership in other corporate boards. In any case, the capacity of the CEO to serve diligently shall not be compromised (Revised Manual on Corporate Governance).	The company has not yet set a definite limit on the number of board seats which the members of the Board of Directors or its CEO may simultaneously hold in other companies. However, the Revised Manual on Corporate Governance of the company requires that the CEO and all other directors shall submit themselves to a low indicative limit on membership in other corporate boards (Revised Manual on Corporate Governance).

(e) Shareholding in the Company

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
Antonio J. Roxas	643,945,909	-	22.11%
Pedro E. Roxas	939,031	- 340,527,520 through Pesan Holdings, Inc. - 1,271,559 through Pesan Holdings, Inc. (PCD Lodged) - 762,217 (PCD Lodged)	- 0.03% direct - 11.69% through Pesan Holdings, Inc. - 0.04% Pesan Holdings, Inc. (PCD Lodged) - 0.03% (PCD Lodged)
Beatriz O. Roxas	257,579,335	-	8.85%

Carlos R. Elizalde*	1,200,320	642,779,593 through SPCI Holdings, Inc.	- 0.04% direct - 22.07% through SPCI Holdings, Inc.
Francisco Jose R. Elizalde*	1,203,013	642,779,593 through SPCI Holdings, Inc.	- 0.04% direct - 22.07% through SPCI Holdings, Inc.
Guillermo D. Luchangco	1,000	-	-
Ramon Y. Dimacali	1,000	-	-
Renato C. Valencia	1,000	-	-
Eduardo R. Areilza	1,000	-	-
TOTAL		1,247,432,904**	42.84%**

* Carlos and Francisco Jose R. Elizalde each own 24.99% of SPCI Holdings, Inc.

** These numbers reflect the consolidated direct and indirect holdings of the Board of Directors.

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

It is the policy of the Board that the roles of the Chairperson and CEO be separate. However, due to the resignation of Mr. Francisco Del Rosario, the former CEO, the positions of Chairperson and CEO/President had to be performed by the same person. The Board is still in the process of searching for an adequate replacement for CEO. Meanwhile, Mr. Pedro E. Roxas serves concurrently as Chairperson and CEO/President of the Company. In any event, the Board is ever mindful that it has the balancing power to ensure the expression of independent views for the protection and betterment of the Company.

Identify the Chair and CEO:

Chairman of the Board	Pedro E. Roxas
CEO/President	Pedro E. Roxas

(b) Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	In general, he provides leadership to the Board and the Company. He exercises such powers and performs such duties and functions as the Board may assign to him.	He is responsible for the general supervision, administration, and management of the business of the Company.
Accountabilities	<p>He presides over meetings of the Board and the stockholders.</p> <p>He ensures that the meetings of the Board are held in accordance with the by-laws or as he may deem necessary.</p> <p>He supervises the preparation of the</p>	<p>He shall initiate and develop programs for management training and development, as well as executive compensation plans.</p> <p>If so authorized by the Board, he shall attend and act and vote in person or by proxy, for and in behalf of the</p>

	<p>agenda of the meeting in coordination with the Corporate Secretary.</p> <p>In the preparation of the agenda, he takes into consideration the suggestions of management and other directors.</p> <p>He maintains qualitative and timely lines of communication and information between the Board and management.</p>	<p>Company, at any meeting of shareholders of any corporation in which the Company may hold stock. And at any such meeting, to exercise any and all rights and powers incident to the ownership of stock which the owner thereof might possess or exercise if present.</p> <p>He may also exercise such powers and perform such duties and functions as may be assigned to him by the Board.</p>
Deliverables	<p>He must ensure that the meeting agenda is timely made and reflects the suggestions of management and other directors.</p> <p>He must preside in all Board and stockholders' meetings.</p> <p>He must also deliver such items and matters assigned to him by the Board.</p>	<p>He shall make regular reports to the Board on the business operations of the Company.</p> <p>He recommends specific projects for the accomplishment of corporate objectives and policies for approval of the Board.</p> <p>He ensures the implementation of programs for management training and development.</p> <p>He implements the approved policies and programs are carried out by the Company management and other personnel.</p> <p>He must also deliver such items and matters assigned to him by the Board.</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 of Directors will adopt an effective succession planning program for the top key management positions of the company. The Board of Directors through the Nomination Committee reviews and evaluates the qualifications of officers whose appointments require the approval of the Board of Directors. The Board of Directors also defines the duties and responsibilities of the CEO who is ultimately accountable for the corporation's organizational and operational controls and selects the person who possesses the ability, integrity and expertise essential for the position of CEO. Further, the Board of Directors also evaluates proposed senior management appointments, the selection and appointment of qualified and competent management officers and the company's human resource policies, conflict of interest situations, compensation program for employees, and management succession plan (Revised Manual On Corporate Governance).

4) Other Executive, Non-Executive and Independent Directors

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

Yes. In addition to the qualifications for membership in the Board as provided in the By-laws of the corporation

(Article III, Section 2 of the By-Laws), the Corporation Code, Securities Regulation Code and other relevant laws, the company considers the college education or equivalent academic degree of the person, his practical understanding of the business of the company, membership in good standing in the industry, business or professional organizations and previous business experience (Revised Manual on Corporate Governance).

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 requires that its non-executive directors should possess qualifications and stature to enable them to participate in the deliberations of the Board (Revised Manual on Corporate Governance). As a practice, the Board and management provides an orientation to its newly elected non-executive directors to apprise them of the business operations of the Company.

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

	Executive	Non-Executive	Independent Director
Role	The Board of Directors handles and manages all the business and properties of the company (Art. III, ABL). The Board of Directors also ensures the long-term success of the corporation and sustains its competitiveness and profitability in a manner consistent with the corporate objectives and the best interests of the stockholders (Revised Manual on Corporate Governance).	The Board of Directors handles and manages all the business and properties of the company (Art. III, ABL). The Board of Directors also ensures the long-term success of the corporation and sustains its competitiveness and profitability in a manner consistent with the corporate objectives and the best interests of the stockholders (Revised Manual on Corporate Governance).	The Board of Directors handles and manages all the business and properties of the company (Art. III, ABL). The Board of Directors also ensures the long-term success of the corporation and sustains its competitiveness and profitability in a manner consistent with the corporate objectives and the best interests of the stockholders (Revised Manual on Corporate Governance).
Accountabilities	The Board shall formulate the corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance. Implement a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. Appoint competent professional, honest and highly-motivated management officers. Adopt an effective	The Board shall formulate the corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance. Implement a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. Appoint competent professional, honest and highly-motivated management officers. Adopt an effective	The Board shall formulate the corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance. Implement a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. Appoint competent professional, honest and highly-motivated management officers. Adopt an effective

	<p>succession planning program for Management.</p> <p>Provide sound strategic policies and guidelines to the corporation on major capital expenditures. Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management’s overall performance.</p> <p>Ensure the corporation’s faithful compliance with all applicable laws, regulations and best business practices.</p> <p>Establish and maintain an investor relations program that will keep the stockholders informed of important developments in the corporation. If feasible, the corporation’s CEO or Chief Financial Officer (“CFO”) or his equivalent shall exercise oversight responsibility over this program.</p> <p>Identify the sectors in the community in which the corporation operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them.</p> <p>Adopt a system of check and balance within the Board. A regular review of the effectiveness of such system shall be conducted to ensure the integrity of the decision-making and reporting processes at all times. There shall be a continuing review of the corporation’s internal</p>	<p>succession planning program for Management.</p> <p>Provide sound strategic policies and guidelines to the corporation on major capital expenditures. Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management’s overall performance.</p> <p>Ensure the corporation’s faithful compliance with all applicable laws, regulations and best business practices.</p> <p>Establish and maintain an investor relations program that will keep the stockholders informed of important developments in the corporation. If feasible, the corporation’s CEO or Chief Financial Officer (“CFO”) or his equivalent shall exercise oversight responsibility over this program.</p> <p>Identify the sectors in the community in which the corporation operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them.</p> <p>Adopt a system of check and balance within the Board. A regular review of the effectiveness of such system shall be conducted to ensure the integrity of the decision-making and reporting processes at all times. There shall be a continuing review of the corporation’s internal</p>	<p>succession planning program for Management.</p> <p>Provide sound strategic policies and guidelines to the corporation on major capital expenditures. Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management’s overall performance.</p> <p>Ensure the corporation’s faithful compliance with all applicable laws, regulations and best business practices.</p> <p>Establish and maintain an investor relations program that will keep the stockholders informed of important developments in the corporation. If feasible, the corporation’s CEO or Chief Financial Officer (“CFO”) or his equivalent shall exercise oversight responsibility over this program.</p> <p>Identify the sectors in the community in which the corporation operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them.</p> <p>Adopt a system of check and balance within the Board. A regular review of the effectiveness of such system shall be conducted to ensure the integrity of the decision-making and reporting processes at all times. There shall be a continuing review of the corporation’s internal</p>
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	<p>control system in order to maintain its adequacy and effectiveness.</p> <p>Identify key risk areas and performance indicators and monitor these factors with due diligence to enable the corporation to anticipate and prepare for possible threats to its operational and financial viability.</p> <p>Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board.</p> <p>Constitute an Audit & Risk Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities.</p> <p>Establish and maintain an alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including the regulatory authorities.</p> <p>Meet at such times or frequency as may be needed. The minutes of such meetings shall be duly recorded. Independent views during Board meetings shall be</p>	<p>control system in order to maintain its adequacy and effectiveness.</p> <p>Identify key risk areas and performance indicators and monitor these factors with due diligence to enable the corporation to anticipate and prepare for possible threats to its operational and financial viability.</p> <p>Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board.</p> <p>Constitute an Audit & Risk Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities.</p> <p>Establish and maintain an alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including the regulatory authorities.</p> <p>Meet at such times or frequency as may be needed. The minutes of such meetings shall be duly recorded. Independent views during Board meetings shall be</p>	<p>control system in order to maintain its adequacy and effectiveness.</p> <p>Identify key risk areas and performance indicators and monitor these factors with due diligence to enable the corporation to anticipate and prepare for possible threats to its operational and financial viability.</p> <p>Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board.</p> <p>Constitute an Audit & Risk Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities.</p> <p>Establish and maintain an alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including the regulatory authorities.</p> <p>Meet at such times or frequency as may be needed. The minutes of such meetings shall be duly recorded. Independent views during Board meetings shall be</p>
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	<p>encouraged and given due consideration.</p> <p>Keep the activities and decisions of the Board within its authority under the articles of incorporation and by-laws, and in accordance with existing laws, rules and regulations.</p> <p>Appoint a Compliance Officer who shall have the rank of at least vice president.</p> <p><i>Internal Control Responsibilities.</i> The Board shall continue and enhance its internal control environment by observing the following measures:</p> <p>Adoption and improvement of minimum internal control mechanisms for the performance of the Board’s oversight responsibility including, but not limited to, the following:</p> <p>Definition of the duties and responsibilities of the CEO who is ultimately accountable for the corporation’s organizational and operational controls;</p> <p>Selection of the person who possesses the ability, integrity and expertise essential for the position of CEO;</p> <p>Evaluation of proposed senior management appointments;</p> <p>Selection and appointment of qualified and competent management officers; and</p> <p>Review of the corporation’s human resource policies, conflict of interest situations, compensation program for employees, and management</p>	<p>encouraged and given due consideration.</p> <p>Keep the activities and decisions of the Board within its authority under the articles of incorporation and by-laws, and in accordance with existing laws, rules and regulations.</p> <p>Appoint a Compliance Officer who shall have the rank of at least vice president.</p> <p><i>Internal Control Responsibilities.</i> The Board shall continue and enhance its internal control environment by observing the following measures:</p> <p>Adoption and improvement of minimum internal control mechanisms for the performance of the Board’s oversight responsibility including, but not limited to, the following:</p> <p>Definition of the duties and responsibilities of the CEO who is ultimately accountable for the corporation’s organizational and operational controls;</p> <p>Selection of the person who possesses the ability, integrity and expertise essential for the position of CEO;</p> <p>Evaluation of proposed senior management appointments;</p> <p>Selection and appointment of qualified and competent management officers; and</p> <p>Review of the corporation’s human resource policies, conflict of interest situations, compensation program for employees, and management</p>	<p>encouraged and given due consideration.</p> <p>Keep the activities and decisions of the Board within its authority under the articles of incorporation and by-laws, and in accordance with existing laws, rules and regulations.</p> <p>Appoint a Compliance Officer who shall have the rank of at least vice president.</p> <p><i>Internal Control Responsibilities.</i> The Board shall continue and enhance its internal control environment by observing the following measures:</p> <p>Adoption and improvement of minimum internal control mechanisms for the performance of the Board’s oversight responsibility including, but not limited to, the following:</p> <p>Definition of the duties and responsibilities of the CEO who is ultimately accountable for the corporation’s organizational and operational controls;</p> <p>Selection of the person who possesses the ability, integrity and expertise essential for the position of CEO;</p> <p>Evaluation of proposed senior management appointments;</p> <p>Selection and appointment of qualified and competent management officers; and</p> <p>Review of the corporation’s human resource policies, conflict of interest situations, compensation program for employees, and management</p>
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	<p>succession plan.</p> <p>Formulation, implementation and enhancement of systems of effective organizational and operational controls depending on the following factors: nature and complexity of the business and the business culture; volume, size and complexity of transactions; degree of risks involved; degree of centralization and delegation of authority; extent and effectiveness of information technology; and extent of regulatory compliance.</p> <p>Establishment of an internal audit system that can reasonably assure the Board, Management and stockholders that its key organizational and operational controls are faithfully complied with.</p> <p>The Board shall appoint an Internal Auditor to perform the audit function, and may require him to report to a level in the organization that allows the internal audit activity to fulfill its mandate. The Internal Auditor shall be guided by the International Standards on Professional Practice of Internal Auditing.</p> <p>Conduct fair business transactions with the corporation, and ensure that his personal interest does not conflict with the interests of the corporation.</p> <p>Devote the time and attention necessary to properly and effectively perform his duties and responsibilities.</p> <p>Act judiciously.</p>	<p>succession plan.</p> <p>Formulation, implementation and enhancement of systems of effective organizational and operational controls depending on the following factors: nature and complexity of the business and the business culture; volume, size and complexity of transactions; degree of risks involved; degree of centralization and delegation of authority; extent and effectiveness of information technology; and extent of regulatory compliance.</p> <p>Establishment of an internal audit system that can reasonably assure the Board, Management and stockholders that its key organizational and operational controls are faithfully complied with.</p> <p>The Board shall appoint an Internal Auditor to perform the audit function, and may require him to report to a level in the organization that allows the internal audit activity to fulfill its mandate. The Internal Auditor shall be guided by the International Standards on Professional Practice of Internal Auditing.</p> <p>Conduct fair business transactions with the corporation, and ensure that his personal interest does not conflict with the interests of the corporation.</p> <p>Devote the time and attention necessary to properly and effectively perform his duties and responsibilities.</p> <p>Act judiciously.</p>	<p>succession plan.</p> <p>Formulation, implementation and enhancement of systems of effective organizational and operational controls depending on the following factors: nature and complexity of the business and the business culture; volume, size and complexity of transactions; degree of risks involved; degree of centralization and delegation of authority; extent and effectiveness of information technology; and extent of regulatory compliance.</p> <p>Establishment of an internal audit system that can reasonably assure the Board, Management and stockholders that its key organizational and operational controls are faithfully complied with.</p> <p>The Board shall appoint an Internal Auditor to perform the audit function, and may require him to report to a level in the organization that allows the internal audit activity to fulfill its mandate. The Internal Auditor shall be guided by the International Standards on Professional Practice of Internal Auditing.</p> <p>Conduct fair business transactions with the corporation, and ensure that his personal interest does not conflict with the interests of the corporation.</p> <p>Devote the time and attention necessary to properly and effectively perform his duties and responsibilities.</p> <p>Act judiciously.</p>
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	<p>Exercise independent judgment.</p> <p>Have a working knowledge of the statutory and regulatory requirements that affect the corporation, including its articles of incorporation and by-laws, the rules and regulations of the Commission and, where applicable, the requirements of relevant regulatory agencies.</p> <p>Observe confidentiality.</p>	<p>Exercise independent judgment.</p> <p>Have a working knowledge of the statutory and regulatory requirements that affect the corporation, including its articles of incorporation and by-laws, the rules and regulations of the Commission and, where applicable, the requirements of relevant regulatory agencies.</p> <p>Observe confidentiality.</p>	<p>Exercise independent judgment.</p> <p>Have a working knowledge of the statutory and regulatory requirements that affect the corporation, including its articles of incorporation and by-laws, the rules and regulations of the Commission and, where applicable, the requirements of relevant regulatory agencies.</p> <p>Observe confidentiality.</p>
Deliverables	<p>The corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance.</p> <p>A process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies.</p> <p>Competent professional, honest and highly-motivated management officers.</p> <p>Effective succession planning program for Management.</p> <p>Sound strategic policies and guidelines to the corporation on major capital expenditures.</p> <p>Programs that can sustain the company's long-term viability and strength and evaluation and monitoring of the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance.</p>	<p>The corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance.</p> <p>A process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies.</p> <p>Competent professional, honest and highly-motivated management officers.</p> <p>Effective succession planning program for Management.</p> <p>Sound strategic policies and guidelines to the corporation on major capital expenditures.</p> <p>Programs that can sustain the company's long-term viability and strength and evaluation and monitoring of the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance.</p>	<p>The corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance.</p> <p>A process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies.</p> <p>Competent professional, honest and highly-motivated management officers.</p> <p>Effective succession planning program for Management.</p> <p>Sound strategic policies and guidelines to the corporation on major capital expenditures.</p> <p>Programs that can sustain the company's long-term viability and strength and evaluation and monitoring of the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance.</p>

	<p>Faithful compliance with all applicable laws, regulations and best business practices.</p> <p>An investor relations program that will keep the stockholders informed of important developments in the corporation.</p> <p>Identification of the sectors in the community in which the corporation operates or are directly affected by its operations, and formulation of a clear policy of accurate, timely and effective communication with them.</p> <p>A system of check and balance within the Board. A regular review of the effectiveness of the system to ensure the integrity of the decision-making and reporting processes at all times.</p> <p>Continuing review of the corporation's internal control system in order to maintain its adequacy and effectiveness.</p> <p>Identification of key risk areas and performance indicators and monitoring of these factors with due diligence to enable the corporation to anticipate and prepare for possible threats to its operational and financial viability.</p> <p>Policies and procedures that would ensure the integrity and transparency of related party transactions between and among the corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and</p>	<p>Faithful compliance with all applicable laws, regulations and best business practices.</p> <p>An investor relations program that will keep the stockholders informed of important developments in the corporation.</p> <p>Identification of the sectors in the community in which the corporation operates or are directly affected by its operations, and formulation of a clear policy of accurate, timely and effective communication with them.</p> <p>A system of check and balance within the Board. A regular review of the effectiveness of the system to ensure the integrity of the decision-making and reporting processes at all times.</p> <p>Continuing review of the corporation's internal control system in order to maintain its adequacy and effectiveness.</p> <p>Identification of key risk areas and performance indicators and monitoring of these factors with due diligence to enable the corporation to anticipate and prepare for possible threats to its operational and financial viability.</p> <p>Policies and procedures that would ensure the integrity and transparency of related party transactions between and among the corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and</p>	<p>Faithful compliance with all applicable laws, regulations and best business practices.</p> <p>An investor relations program that will keep the stockholders informed of important developments in the corporation.</p> <p>Identification of the sectors in the community in which the corporation operates or are directly affected by its operations, and formulation of a clear policy of accurate, timely and effective communication with them.</p> <p>A system of check and balance within the Board. A regular review of the effectiveness of the system to ensure the integrity of the decision-making and reporting processes at all times.</p> <p>Continuing review of the corporation's internal control system in order to maintain its adequacy and effectiveness.</p> <p>Identification of key risk areas and performance indicators and monitoring of these factors with due diligence to enable the corporation to anticipate and prepare for possible threats to its operational and financial viability.</p> <p>Policies and procedures that would ensure the integrity and transparency of related party transactions between and among the corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and</p>
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	<p>parents, and of interlocking director relationships by members of the Board.</p> <p>An Audit & Risk Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities.</p> <p>An alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including the regulatory authorities.</p> <p>Meet at such times or frequency as may be needed.</p> <p>Keep the activities and decisions of the Board within its authority under the articles of incorporation and by-laws, and in accordance with existing laws, rules and regulations.</p> <p>Appoint a Compliance Officer who shall have the rank of at least vice president.</p> <p>Enhance the company's internal control environment by observing the following measures:</p> <p>Adoption and improvement of minimum internal control mechanisms for the performance of the Board's oversight responsibility including, but not limited to, the following:</p> <p>Definition of the duties and responsibilities of the CEO who is ultimately accountable for the corporation's organizational and operational controls;</p>	<p>parents, and of interlocking director relationships by members of the Board.</p> <p>An Audit & Risk Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities.</p> <p>An alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including the regulatory authorities.</p> <p>Meet at such times or frequency as may be needed.</p> <p>Keep the activities and decisions of the Board within its authority under the articles of incorporation and by-laws, and in accordance with existing laws, rules and regulations.</p> <p>Appoint a Compliance Officer who shall have the rank of at least vice president.</p> <p>Enhance the company's internal control environment by observing the following measures:</p> <p>Adoption and improvement of minimum internal control mechanisms for the performance of the Board's oversight responsibility including, but not limited to, the following:</p> <p>Definition of the duties and responsibilities of the CEO who is ultimately accountable for the corporation's organizational and operational controls;</p>	<p>parents, and of interlocking director relationships by members of the Board.</p> <p>An Audit & Risk Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities.</p> <p>An alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including the regulatory authorities.</p> <p>Meet at such times or frequency as may be needed.</p> <p>Keep the activities and decisions of the Board within its authority under the articles of incorporation and by-laws, and in accordance with existing laws, rules and regulations.</p> <p>Appoint a Compliance Officer who shall have the rank of at least vice president.</p> <p>Enhance the company's internal control environment by observing the following measures:</p> <p>Adoption and improvement of minimum internal control mechanisms for the performance of the Board's oversight responsibility including, but not limited to, the following:</p> <p>Definition of the duties and responsibilities of the CEO who is ultimately accountable for the corporation's organizational and operational controls;</p>
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	<p>Selection of the person who possesses the ability, integrity and expertise essential for the position of CEO;</p> <p>Evaluation of proposed senior management appointments;</p> <p>Selection and appointment of qualified and competent management officers; and</p> <p>Review of the corporation's human resource policies, conflict of interest situations, compensation program for employees, and management succession plan.</p> <p>Formulation, implementation and enhancement of systems of effective organizational and operational controls depending on the following factors: nature and complexity of the business and the business culture; volume, size and complexity of transactions; degree of risks involved; degree of centralization and delegation of authority; extent and effectiveness of information technology; and extent of regulatory compliance.</p> <p>Establishment of an internal audit system that can reasonably assure the Board, Management and stockholders that its key organizational and operational controls are faithfully complied with. The Board shall appoint an Internal Auditor to perform the audit function, and may require him to report to a level in the organization that allows the internal audit activity to fulfill its mandate (Revised Manual on Corporate Governance).</p>	<p>Selection of the person who possesses the ability, integrity and expertise essential for the position of CEO;</p> <p>Evaluation of proposed senior management appointments;</p> <p>Selection and appointment of qualified and competent management officers; and</p> <p>Review of the corporation's human resource policies, conflict of interest situations, compensation program for employees, and management succession plan.</p> <p>Formulation, implementation and enhancement of systems of effective organizational and operational controls depending on the following factors: nature and complexity of the business and the business culture; volume, size and complexity of transactions; degree of risks involved; degree of centralization and delegation of authority; extent and effectiveness of information technology; and extent of regulatory compliance.</p> <p>Establishment of an internal audit system that can reasonably assure the Board, Management and stockholders that its key organizational and operational controls are faithfully complied with. The Board shall appoint an Internal Auditor to perform the audit function, and may require him to report to a level in the organization that allows the internal audit activity to fulfill its mandate (Revised Manual on Corporate Governance).</p>	<p>Selection of the person who possesses the ability, integrity and expertise essential for the position of CEO;</p> <p>Evaluation of proposed senior management appointments;</p> <p>Selection and appointment of qualified and competent management officers; and</p> <p>Review of the corporation's human resource policies, conflict of interest situations, compensation program for employees, and management succession plan.</p> <p>Formulation, implementation and enhancement of systems of effective organizational and operational controls depending on the following factors: nature and complexity of the business and the business culture; volume, size and complexity of transactions; degree of risks involved; degree of centralization and delegation of authority; extent and effectiveness of information technology; and extent of regulatory compliance.</p> <p>Establishment of an internal audit system that can reasonably assure the Board, Management and stockholders that its key organizational and operational controls are faithfully complied with. The Board shall appoint an Internal Auditor to perform the audit function, and may require him to report to a level in the organization that allows the internal audit activity to fulfill its mandate (Revised Manual on Corporate Governance).</p>
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Provide the company's definition of "independence" and describe the company's compliance to the definition.

The Company subscribes to the definition provided in SEC Memorandum Circular No. 6, Series of 2009, that an Independent Director is a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director. In order to preserve this independence, the Board and the Nomination Committee ensures that the following guidelines are met by prospective independent directors: (i) must not be a director, officer, or substantial stockholder of the Company, or any of its subsidiaries and affiliates; (ii) must not be related to any director, officer, or substantial stockholder of the Company, any of its related corporations and its stockholders; (iii) is not acting as a nominee or representative of any substantial stockholder of the Company, any of its related corporations or their substantial stockholders; (iv) was not employed by the Company, any of its related corporations, or their respective stockholders at least five (5) years prior to his election as independent director; (v) was not retained in a professional capacity by the Company, any of its related corporations, or their substantial stockholders at least five (5) years prior to his election as independent director; and (vi) has not engaged and will not engage in any transactions with the Company, any of its related corporations, or their substantial stockholders, whether by himself or through any other business entity.

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

Yes, the Company is mindful of the term limits for independent directors set in SEC Memorandum Circular No. 9, Series of 2011, allowing an independent director to serve for five (5) consecutive years. After the "cooling off" period, however, the Company subscribes to the foregoing Memorandum Circular allowing the independent director to serve for another five (5) consecutive years.

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

(a) Resignation/Death/Removal

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

There were no changes in the composition of the Board during the period.

Name	Position	Date of Cessation	Reason

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

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

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors	The Board of Directors may make nominations for the election of directors. Nominations for election of directors may be made by any shareholder entitled to vote	Art. III of the company's By-laws provides that a shareholder having at least one thousand shares registered in his name may be elected director of the

	<p>for the election of a director.</p> <p>Nominations to the Board shall be received by the Chairman of the Board of Directors through the Corporate Secretary at least fifteen (15) working days prior to any meeting of the shareholders for the election of directors.</p> <p>Each nomination shall set forth the name, age, occupation or employment of each nominee, the number of shares of stock of the company which are beneficially owned by each nominee and such other information which may be required by the company.</p> <p>The Board, by a majority vote, unless a greater majority is required under these By-Laws, may, in its discretion, determine and declare that a nomination was not made in accordance with the foregoing procedures, and/or that a nominee is disqualified for election as Director under these By-Laws and if the Board should so determine, the defective nomination and the nomination of a disqualified person shall be disregarded.</p> <p>The Nomination, Election and Governance Committee of the company reviews and evaluates the qualification of the persons or shareholders who are nominated for election to the Board. The committee also considers the nature of the business of the corporation of which the shareholder is a director, if any; the age of the shareholder; the number of directorships/active memberships and offices in other corporations or</p>	<p>company provided that he does not possess any of the disqualifications enumerated in the Revised Manual on Corporate Governance of the company.</p> <p>No person shall qualify or be eligible for nomination or election to the Board of Directors if he possesses all the qualifications and none of the disqualifications for a Director as stated in the Company's Articles, By-Laws, Revised Manual of Corporate Governance, and applicable laws, rules, and regulations.</p> <p>The membership of the Board may be 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. (Revised manual on Corporate Governance).</p>
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	<p>organizations, if any; and possible conflict of interest.</p> <p>The findings and recommendations of the Nomination, Election & Governance Committee are submitted to the Board for approval provided that a director whose qualifications are in issue shall not have the right to vote when the Board considers his case.(Revised Manual on Corporate Governance)</p> <p>The election of directors is conducted every year during the annual meeting of shareholders set on the fourth Wednesday of February of every year.</p>	
(ii) Non-Executive Directors	The same procedure.	The same criteria.
(iii) Independent Directors	The same procedure.	The same criteria.
b. Re-appointment		
(i) Executive Directors	The same procedure as in the selection/appointment of directors.	The same criteria as in the selection/appointment of directors.
(ii) Non-Executive Directors	The same procedure as in the selection/appointment of directors.	The same criteria as in the selection/appointment of directors.
(iii) Independent Directors	The same procedure as in the selection/appointment of directors.	The same criteria as in the selection/appointment of directors.
c. Permanent Disqualification		
(i) Executive Directors	<p>The Nomination, Election and Governance Committee of the company reviews and evaluates the qualification of the persons or shareholders who are nominated for election to the Board.</p> <p>The findings and recommendations of the Nomination, Election & Governance Committee are submitted to the Board for approval provided that a director whose qualifications</p>	<p>No person shall qualify or be eligible for nomination or election to the Board of Directors if he is engaged in any business which competes with or is antagonistic to that of the Corporation. Without limiting the generality of the foregoing, a person shall be deemed to be so engaged.</p> <p>1.0. If he is an officer, manager or controlling person, or the owner (either of record or beneficially) of 10% or more of</p>

	<p>are in issue shall not have the right to vote when the Board considers his case.(Revised Manual on Corporate Governance).</p>	<p>any outstanding class of any shares of any corporation (other than one in which the Corporation owns at least 30% of the capital stock) engaged in a business which the Board, by at least three-fourths vote determines to be competitive or antagonistic to that of the Corporation; or</p> <p>2.0. If he is an officer, manager or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of any other corporation or any other or entity engaged in any line of business of the Corporation, when in the judgment of the Board, by at least three-fourths vote, the laws against combinations in restraint of trade shall be violated by such person's membership in the Board of Directors; or.</p> <p>3.0. If the Board, in the exercise of its judgment in good faith, determines by at least three-fourths vote that he is the nominee of any person set forth in paragraph 1.0 or 2.0.</p> <p>In determining whether or not a person is controlling a person, beneficial owner or the nominee of another, the Board may take into account such factors as business and family relationships. (Art. 13, ABL)</p> <p>In addition to the relevant provisions of the Corporation Code, the Revised Manual on Corporate Governance of the company provides for the following grounds for the permanent disqualification of a shareholder from being elected/appointed as director:</p>
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		<p>a. Conviction by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as identified in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;</p> <p>b. When by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Securities and Exchange Commission ("Commission") or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above or willfully violating the laws that govern securities and banking activities.</p> <p>The disqualification shall also apply if such person is currently the subject of an order of the Commission or</p>
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		<p>any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or <i>Bangko Sentral ng Pilipinas</i> (“BSP”), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;</p> <p>c. Conviction by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;</p> <p>d. When adjudged by final judgment or order of the Commission, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, included or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law administered by the Commission of BSP, or any of its rule, regulation or order;</p> <p>e. A shareholder who was earlier elected as independent director who becomes an</p>
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		<p>officer, employee or consultant of the company;</p> <p>f. A shareholder judicially declared as insolvent;</p> <p>g. A shareholder found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated above;</p> <p>h. Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to date of his election or appointment. (Revised Manual on Corporate Governance).</p>
(ii) Non-Executive Directors	The same procedure.	The same criteria.
(iii) Independent Directors	The same procedure.	The same criteria.
d. Temporary Disqualification		
(i) Executive Directors	<p>The Nomination, Election and Governance Committee of the company reviews and evaluates the qualification of the persons or shareholders who are nominated for election to the Board.</p> <p>The findings and recommendations of the Nomination, Election & Governance Committee are submitted to the Board for approval provided that a director whose qualifications are in issue shall not have the right to vote when the Board considers his case. (Revised Manual on Corporate Governance).</p>	<p>The following are the grounds for the temporary disqualification of a director:</p> <p>a. Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists;</p> <p>b. Absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident.</p>

		<p>The disqualification shall apply for purposes of the succeeding election;</p> <p>c. Dismissal or termination for cause as director of any corporation covered by this Code. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination;</p> <p>d. If the beneficial equity ownership of an independent director in the corporation or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with;</p> <p>e. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.</p> <p>A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent. (Revised Manual on Corporate Governance).</p>
(ii) Non-Executive Directors	The same procedure.	The same criteria.
(iii) Independent Directors	The same procedure.	The same criteria.
e. Removal		
(i) Executive Directors	A director of the company may be removed from office by a vote of the stockholders holding or representing at least two-thirds (2/3) of the outstanding capital stock of the company provided that the removal shall take place either	The removal may be with or without cause provided that removal without cause may not be used to deprive the minority stockholders of the right to representation to which they may be entitled. (Sec. 28, Corporation Code of

	<p>at a regular meeting of the company or at a special meeting of the company called for the purpose, and in either case, after previous notice to the stockholders of the intention to propose such removal of the director.</p> <p>A special meeting of the stockholders for the purpose of removal of a director or directors must be called by the Secretary on order of the President or on the written demand of the stockholders representing or holding at least a majority of the outstanding capital stock of the company. Should the Secretary fail or refuse to call the special meeting upon such demand or fail or refuse to give the notice, or if there is no Secretary, the call for the meeting may be addressed directly to the stockholders by any stockholder signing the demand. Notice of the time and place of such meeting, as well as the intention to propose such removal, must be given by publication or by written notice. (Sec. 28, Corporation Code of the Philippines).</p>	<p>the Philippines).</p> <p>A director may be removed from his Office for a third violation of the provisions of the Revised Manual on Corporate Governance. (Revised Manual on Corporate Governance)</p>
(ii) Non-Executive Directors	The same procedure.	The same criteria.
(iii) Independent Directors	The same procedure.	The same criteria.
f. Re-instatement		
(i) Executive Directors	The same procedure as in the selection/appointment of directors.	The same criteria as in the selection/appointment of directors.
(ii) Non-Executive Directors	The same procedure as in the selection/appointment of directors.	The same criteria as in the selection/appointment of directors.
(iii) Independent Directors	The same procedure as in the selection/appointment of directors.	The same criteria as in the selection/appointment of directors.
g. Suspension		
(i) Executive Directors	The Nomination, Election and Governance Committee of the	A director may be suspended

	<p>company reviews and evaluates the offense committed by the Board of Director. A notice and hearing will be conducted to afford the director concerned due process of law. (Revised Manual on Corporate Governance)</p> <p>The findings and recommendations of the Nomination, Election & Governance Committee are submitted to the Board for approval provided that a director whose qualifications are in issue shall not have the right to vote when the Board considers his case.(Revised Manual on Corporate Governance).</p>	for a second violation of the provisions of the Revised Manual on Corporate Governance. (Revised Manual on Corporate Governance)
(ii) Non-Executive Directors	The same procedure.	The same criteria.
(iii) Independent Directors	The same procedure.	The same criteria.

Voting Result of the last Annual General Meeting

Name of Director	Votes Received
Antonio J. Roxas	2,609,097,875
Pedro E. Roxas	2,609,097,875
Beatriz O. Roxas	2,609,097,875
Carlos R. Elizalde	2,609,097,875
Francisco Jose R. Elizalde	2,609,097,875
Eduardo R. Areilza	2,609,097,875
Renato C. Valencia	2,609,097,875
Ramon Y. Dimacali	2,609,097,875
Guillermo D. Luchangco	2,609,097,875

6) Orientation and Education Program

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

The company, as a matter of practice, conducts an orientation or a briefing for its newly elected members of the Board of Directors. The orientation or briefing is usually conducted by the Senior Management composed of the PCEO and the Vice-Presidents who orient the new members of the Board generally on the a) corporate structure of the group; b) complete background of the businesses of the group; c) Sales and Marketing Operations; d) Plant or Factory Operations; e) Financial condition of the company and f) such other related matters.

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

The Company has not conducted any in-house training or external courses for its Directors and Senior Management.

(c) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

Name of Director/Officer	Date of Training/Seminar/forum	Program	Name of Training Institution
Pedro E. Roxas	November 22, 2012	Navigating the New World Business	Meralco in coordination with Dr. Thomas Donaldson, Professor of Business Ethics, Wharton School, University of Pennsylvania, USA.
Renato C. Valencia	January 30, 2013	Philippine Investment Summit 2013	Dr. Nouriel Roubini
	February 5, 2013	Finex Economic /Briefing	Mr. Jonathan L. Ravelas, BDO Universal Bank
	February 21, 2013	MAP Economic Briefing 2013 & General Membership Meeting	Sec. Arsenio M. Balisacan, NEDA and ADB
	March 15, 2013	FMIC 2013 Risk Management Brief Seminar and Cybercrime Prevention & Data Privacy Act	Mr. Third Librea, Punongbayan & Araullo
	April 23, 2013	Managing Risks in Changing times	Financial Executives of the Philippines (Finex)
	May 23, 2013	Anti-Money Laundering Act	AMLA Council

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 shall not use his position to profit or	Business transactions must be undertaken	Same as for senior management.

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

	<p>gain some benefit or advantage for himself and/or his related interests. He shall avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he shall fully and immediately disclose it and shall not participate in the decision-making process. A Director who has a continuing material conflict of interest shall seriously consider resigning from his position.</p>	<p>solely in the best interest of the Company. Senior management and employees are expected to avoid any and all transactions for their own benefit on Company time or when such business or professional activities go against the interest of the Company regardless of whether it occurs during Company time or not.</p>	
(b) Conduct of Business and Fair Dealings	<p>A Director is expected to conduct fair business dealings with the Company and must avoid any and all conflict of interest situations.</p>	<p>The Company recognizes the many benefits of a competitive environment. It recognizes that the best markets flourish only within an ethical framework and no one in the Company is permitted to disparage a competitor or to use unethical means to obtain any advantage for the Company.</p>	<p>Same as for senior management.</p>
(c) Receipt of gifts from third parties	<p>A Director must avoid situations that may compromise his impartiality and he must fully disclose an actual or potential conflict of interest if such a situation arises from receipt of gifts from third persons.</p>	<p>The Company expects the highest levels of personal conduct by all its employees. While it is recognized that limited corporate hospitality is given and received as part of building normal business relationships, employees should avoid accepting hospitality or gifts which might appear to place them under an obligation.</p>	<p>Same as for senior management.</p>
(d) Compliance with Laws & Regulations	<p>A Director must have a working knowledge of the statutory and regulatory requirements that affect the Company, including</p>	<p>The Company expects all its employees to respect the rule of law and abide by appropriate regulations. They are</p>	<p>Same as for senior management.</p>

	<p>its articles of incorporation and by-laws, and the rules and regulations of the Commission. Moreover, the Board must keep its activities and decisions within its authority under the articles of incorporation and by-laws, and in accordance with existing laws, rules, and regulations.</p>	<p>likewise expected to avoid doing business with any individual, corporation, or institution if that business is connected with activities which are illegal or which could be regarded as unethical.</p> <p>Each employee is charged with the responsibility of acquiring sufficient knowledge of the laws relating to his or her particular duties in order to recognize potential dangers and to know when to seek legal advice. Unlawful conduct will not be condoned under any circumstances.</p>	
(e) Respect for Trade Secrets/Use of Non-public Information	<p>A Director shall keep secure and confidential all non-public information he may acquire or learn by reason of his position as director. He shall not reveal confidential information to unauthorized persons without the authority of the Board.</p>	<p>Employees who have access to or control over Company transactions and assets, including trade secrets or other confidential or proprietary information, are expected to execute their responsibilities with the strictest integrity and highest regard for the value of the assets and the importance of the transactions.</p> <p>Unauthorized disclosure of information, whether or not it is proprietary, and unauthorized or illegal access to information or data owned or belonging to third persons/entities are strictly against Company policy.</p>	<p>Same as for senior management.</p>
(f) Use of Company Funds, Assets and Information	<p>The Board shall provide sound and strategic policies and guidelines to the Company on major capital expenditures. It</p>	<p>Employees who have access to or control over Company transactions and assets, including trade secrets or other</p>	

	<p>shall periodically evaluate such policies and strategies, operating budgets and management's overall performance.</p> <p>A Director is expected to keep the confidentiality of non-public material information.</p>	<p>confidential or proprietary information, are expected to execute their responsibilities with the strictest integrity and highest regard for the value of the assets and the importance of the transactions.</p> <p>Unauthorized disclosure of information, whether or not it is proprietary, and unauthorized or illegal access to information or data owned or belonging to third persons/entities are strictly against Company policy.</p>	Same as for senior management.
(g) Employment & Labor Laws & Policies	<p>The Board shall ensure the Company's faithful compliance with all applicable laws, regulations, and best business practices. This includes compliance with employment and labor laws.</p>	<p>The Company aims to provide all its employees with safe conditions of work and competitive terms of employment. It is likewise committed to equal opportunities and the avoidance of discrimination. Sexual or any other form of harassment is unacceptable.</p>	Same as for senior management.
(h) Disciplinary action	<p>A Director who commits misconduct shall be subject to removal in appropriate cases and upon compliance with Section 28 of the Corporation Code.</p>	<p>An employee who commits a violation of the Business Conduct Policy Handbook and Employee Handbook shall, after due process is observed, be meted with the appropriate disciplinary action such as suspension, demotion, and termination.</p>	Same as for senior management.
(i) Whistle Blower	<p>he Board operates under the policy of transparency and observance of the appropriate disclosure rules and procedures.</p>	<p>Employees are expected to disclose promptly any acts or transactions known to them which may be in violation of the Company's policies. All employees have a right and moral responsibility</p>	Same as for senior management.

		to report improper actions and omissions. Public Interest Disclosure is required when employees, in good faith, believe superiors or colleagues are engaged in an improper course of illegal or unethical conduct, and they must be able to disclose such conduct free from fear of intimidation or reprisal.	
(j) Conflict Resolution	A director shall view each problem or situation objectively. If a disagreement with other directors arises, he shall carefully evaluate and explain his position. He shall not be afraid to take an unpopular position. Corollarily, he shall support plans and ideas that he thinks are beneficial to the corporation. (Revised Manual on Corporate Governance)	The responsibility of maintaining discipline and implementing the provisions of the business conduct policy of the company as well as the responsibility to take corrective measures rests with line management. Issues or concerns on matters covering the meaning, application and implementation of the principles in the policy should be coured through the Human Resources/Personnel Department.	Same as for senior management.

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

The Company's Business Conduct Policy Handbook has been distributed to all its employees.

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

The responsibility of maintaining discipline and implementing the policies of the Company, as well as the responsibility to take corrective actions for breach thereof rests with line management. The Company also holds periodic compliance review briefings in order to discuss and monitor compliance with the Company's Business Conduct Policy and Employee Handbooks.

4) Related Party Transactions

(a) Policies and Procedures

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

Related Party Transactions	Policies and Procedures
(1) Parent Company	The Company is the parent company of the Group.
(2) Joint Ventures	Major investments and substantial operational transactions require approval of the Board. Disclosures are always provided in the audited financial statements for transparency.
(3) Subsidiaries	Major investments and substantial operational transactions require approval of the Board. Disclosures are always provided in the audited financial statements for transparency.
(4) Entities Under Common Control	Major investments and substantial operational transactions require approval of the Board. Disclosures are always provided in the audited financial statements for transparency.
(5) Substantial Stockholders	Major investments and substantial operational transactions require approval of the Board. Disclosures are always provided in the audited financial statements for transparency.
(6) Officers including spouse/children/siblings/parents	Major investments and substantial operational transactions require approval of the Board. Disclosures are always provided in the audited financial statements for transparency.
(7) Directors including spouse/children/siblings/parents	Major investments and substantial operational transactions require approval of the Board. Disclosures are always provided in the audited financial statements for transparency.
(8) Interlocking director relationship of Board of Directors	Major investments and substantial operational transactions require approval of the Board. Disclosures are always provided in the audited financial statements for transparency.

(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	There are no actual or probable conflict of interest to which the directors of the company may be involved.
Name of Officer/s	There are no actual or probable conflict of interest to which the officers of the company may be involved.
Name of Significant Shareholders	There are no actual or probable conflict of interest to which the holders of 5% or more of its outstanding capital stock may be involved

(ii) Mechanism

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

Directors/Officers/Significant Shareholders	
Company	<p>Possible conflicts of interest of the directors of the company are determined and resolved by the Nomination, Election & Governance Committee at the time that they are considered for election to the Board of Directors. Conflicts of Interest that may arise after their election to the Board are disclosed as they occur and these are addressed by the Board of Directors.</p> <p>The company requires all officers and employees to execute an annual Disclosure of Relatives and Disclosure of Conflict of Interest. The results of the disclosures are being processed by the Human Resources/Personnel Department. Those who are determined to have conflicts of interest are transferred to jobs or positions within the company that do not place them in conflict of interest.</p> <p>All transactions within the Group are subject to the approval of the Board of Directors of the companies involved.</p>
Group	<p>Possible conflicts of interest of the directors of the company are determined and resolved by the Nomination, Election & Governance Committee at the time that they are considered for election to the Board of Directors. Conflicts of Interest that may arise after their election to the Board are disclosed as they occur and these are addressed by the Board of Directors.</p> <p>The company requires all its officers and employees to execute an annual Disclosure of Relatives and Conflict of Interest. The results of the disclosures are being processed by the Human Resources/Personnel Department. Those who are determined to have conflicts of interest are transferred to jobs or positions that do not place them in conflict of interest.</p> <p>All transactions within the Group are subject to the approval of the Board of Directors of the companies involved.</p>

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:

The company does not have any knowledge or information of any relation of a family, commercial, contractual or business nature that exists between the holders of significant equity.

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

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the 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:

The company does not have any knowledge or information of any relation of a family, commercial, contractual or business nature that exists between the holders of significant equity.

Names of Related Significant Shareholders	Type of Relationship	Brief Description

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

The company does not have any knowledge or information of any shareholder agreement 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

6) Alternative Dispute Resolution

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

Alternative Dispute Resolution System	
Corporation & Stockholders	The company will establish and maintain an alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders. (p. 8, Revised Manual on Corporate Governance). In the meantime, the company adopts the provisions of Republic Act 9285, otherwise known as the Alternative Dispute Resolution System in the Philippines, in the resolution of disputes or controversies that may arise between the company and its stockholders. R.A. 9285 and its Implementing Rules and Regulations were enacted and issued principally to actively promote the use of the Alternative Dispute Resolution (ADR) as

	<p>an important means to achieve a speedy and impartial justice and as an efficient tool and an effective alternative procedure for the resolution of all disputes or controversies.</p>
<p>Corporation & Third Parties</p>	<p>The company will establish and maintain an alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and third parties (p. 8, Revised Manual on Corporate Governance). In the meantime, the company adopts the provisions of Republic Act 9285, otherwise known as the Alternative Dispute Resolution System in the Philippines, in the resolution of disputes or controversies that may arise between the company and third parties. R.A. 9285 and its Implementing Rules and Regulations were enacted and issued principally to actively promote the use of the Alternative Dispute Resolution (ADR) as an important means to achieve a speedy and impartial justice and as an efficient tool and an effective alternative procedure for the resolution of all disputes or controversies.</p>
<p>Corporation & Regulatory Authorities</p>	<p>The company will establish and maintain an alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and the regulatory authorities (p. 8, Revised Manual on Corporate Governance). In the meantime, the company adopts the provisions of Republic Act 9285, otherwise known as the Alternative Dispute Resolution System in the Philippines, in the resolution of disputes or controversies that may arise between the company and the regulatory bodies. R.A. 9285 and its Implementing Rules and Regulations were enacted and issued principally to actively promote the use of the Alternative Dispute Resolution (ADR) as an important means to achieve a speedy and impartial justice and as an efficient tool and an effective alternative procedure for the resolution of all disputes or controversies.</p>

C. BOARD MEETINGS & ATTENDANCE

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

Art. III, Section 4 of the By-laws of the Company provides that the regular meetings of the Board of Directors shall be held quarterly. The meetings of the Board of Directors every fiscal year are already determined and conveyed to the directors at the beginning of every year.

2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Pedro E. Roxas	22 Feb. 2012	5	5	100%
Member	Antonio J. Roxas	22 Feb. 2012	5	3	60%
Member	Beatriz O. Roxas	22 Feb. 2012	5	5	100%
Member	Francisco Jose R. Elizalde	22 Feb. 2012	5	4	80%
Member	Carlos R. Elizalde	22 Feb. 2012	5	4	80%
Member	Eduardo R. Areilza	22 Feb. 2012	5	4	80%
Member	Renato C. Valencia	22 Feb. 2012	5	5	100%
Independent	Ramon Y. Dimacali	22 Feb. 2012	5	1	20%
Independent	Guillermo D. Luchangco	22 Feb. 2012	5	5	100%

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

Non-executive directors did not have separate meetings without the presence of any executive of the company during the year.

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

No. Art. III, Section 5 of the By-laws of the Company provides that unless the law requires a greater number, the majority of the directors in the Articles of Incorporation shall constitute a quorum to finalize corporate decisions and any decision made and approved by the majority of the directors present in the meeting wherein a quorum exists shall be valid.

5) Access to Information

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

The Board of Directors are provided the board papers or materials at least two (2) days before the meeting of the Board of Directors.

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

Yes, the members of the Board of Directors have independent access to management and the Corporate Secretary.

(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?

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

The By-laws of the company provides:

The Secretary, who must be a citizen and a resident of the Philippines, shall have the following duties and functions:

1. Record the minutes of all meetings of the Board of Directors, the Executive Committee, the stockholders and the special and standing committees of the Board, and to maintain separate Minutes books in the form and manner required by law at the principal office of the Corporation.
2. Give or cause to be given, all notices required by the law or by the By-Laws of the Corporation, as well as notices required of meetings of the Directors and of the stockholders.
3. Keep records indicating the details required by law with respect to the certificates of stock of the Corporation, including ledgers and stock transfers and the date of each issuance and transfer.
4. Fill and countersign all certificates of stock issued and to make the corresponding annotations on the margins or stubs of such certificates upon their issuance.
5. Take note of all stock transfers and cancellations, and keep in alphabetical or numerical order all certificates of stock so transferred as well as the names of stockholders, their addresses and the number of shares owned by each, keeping up to date all the addresses of the stockholders.
6. Prepare the various reports, statements, certifications and other documents which may from time to time be required by government rules and regulations, except those required to be made by the Treasurer, and to submit the same to the proper government agencies.
7. Keep and affix the corporate seal to all paper and documents requiring seal and to attest by his signature all corporate documents requiring the same.
8. Pass upon the form and the manner of voting proxies, the acceptability and the validity of their issuance and use, and to decide all contests and returns relating to the election of the members of the Board of Directors.

The Secretary shall perform such duties and functions as may, from time to time, be assigned to him by the Board of Directors, the Chief Executive Officer or the President.

On the other hand, the Revised Manual On Corporate Governance of the company provides:

The Corporate Secretary, who should be a Filipino citizen and a resident of the Philippines, is an officer of the corporation. He shall have the following responsibilities:

1. Be responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its committees, as well as the other official records of the corporation;
2. Be loyal to the mission, vision and objectives of the corporation;
3. Work fairly and objectively with the Board, Management and stockholders;
4. Have appropriate administrative and interpersonal skills;
5. If he is not at the same time the corporation's legal counsel, be aware of the laws, rules and regulations necessary in the performance of his duties and responsibilities;
6. Have a working knowledge of the operations of the corporation;

7. Inform the members of the Board, in accordance with the by-laws, of the agenda of their 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;
9. Attend all Board meetings, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent him from doing so;
10. Ensure that all Board procedures, rules and regulations are strictly followed by the members; and
11. If he is also the Compliance Officer, perform all the duties and responsibilities of the said officer as provided for in this Manual.
12. Submit to the Commission, on or before January 30 of the following year, a sworn certification about the directors' record of attendance in Board meetings. The certification may be submitted through SEC Form 17-C or in a separate filing.

The Corporate Secretary or in his absence, the Assistant Corporate Secretary, assists the Chairman in the preparation of the board agenda, facilitates the training of the directors and updates the directors on any relevant statutory and regulatory changes. The Chairman supervises the preparation of the board agenda taking into consideration the suggestions of the Chief Executive Officer and the directors (Revised Manual on Corporate Governance).

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

Yes, the Company's Corporate Secretary is trained in legal, accountancy and company secretarial practices.

(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
Compensation	On his initiative or as requested by the CEO/President, the Committee Chairperson shall convene the committee to discuss matters brought before it. Management and/or resource persons are invited to present the important issues. The presentation materials are provided to the Committee Members within a reasonable time before the Committee meeting. Management and/or the resource person are available for consultation of the members.
Audit & Risk	The Committee meetings are scheduled before or at the beginning of the fiscal year. The presentation materials are made available to the members within a reasonable time before the scheduled meeting. At the same time, Management, the internal and external auditors, and/or resource persons are available for consultation of the members.
Nomination, Election &	The Nomination Committee is convened not less than 15 days

Governance	prior to the election of directors. The Committee may summon the shareholder making the nomination to provide such other information requested by the members.
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6) External Advice

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

The company does not have a fixed or definite procedure whereby its directors can receive external advise. However, should there be a need for external advise, the same is coursed through and facilitated by Senior Management.

Procedures	Details

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:

There has been no change on existing policies during the Board’s most recent term.

Existing Policies	Changes	Reason

D. REMUNERATION MATTERS

1) Remuneration Process

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

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	The Board of Directors determines the fixed remuneration of the CEO taking into account the company’s salary structure as well as the prevailing compensation of the CEO in the industry.	The President & CEO, in consultation with the Chairman of the Board of Directors, determines the fixed remuneration of the top 4 highest paid management officers of the company taking into account the company’s salary structure as well as the prevailing compensation for the same level of officers in the industry.
(2) Variable remuneration	n/a	n/a
(3) Per diem allowance	Per diem allowance of	Per diem allowance of management officers is subject

	management officers is determined on the basis of existing company rules and regulations on per diems that they are entitled during official business trips.	to existing company rules and regulations on per diems that they are entitled during official business trips.
(4) Bonus	n/a	n/a
(5) Stock Options and other financial instruments	n/a	n/a
(6) Others (specify)	None	None

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

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

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	<p>The monthly compensation/salaries of the Executive Directors is determined by the Compensation Committee and approved by the Board of Directors taking into account the company's salary structure and benefit package as well as the prevailing compensation benefit for the same position in the market.</p> <p>Article III, Section 7 of the By-Laws of the Company provides that the Board of Directors shall be given 2% of the net income of the corporation before tax which shall be distributed among the directors. Presently, the members of the Board of Directors receive a per diem of Php10,000.00 for each meeting of the Board that they attend. They are also paid a per diem of Php10,000.00 for each meeting of the committee where they are members.</p>		
Non-Executive Directors	<p>Article III, Section 7 of the By-Laws of the Company provides that the Board of Directors shall be given 2% of the net income of the corporation before tax which shall be distributed among the directors. Presently, the members of the Board of Directors receive a per diem of Php10,000.00 for each meeting of the Board that they attend. They are also paid a per diem of Php10,000.00 for each meeting of the committee where they are members.</p>		

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
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The same scheme as above mentioned.	Annual meeting of shareholders held on November 2010
The same scheme as above mentioned.	Annual meeting of shareholders held on 22 February 2012
The same scheme as above mentioned.	Annual meeting of shareholders held on 27 February 2013

3) Aggregate Remuneration

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

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	Php70,000	Php430,000	Php160,000
(b) Variable Remuneration	n/a	n/a	n/a
(c) Per diem Allowance	n/a	n/a	n/a
(d) Bonuses	n/a	n/a	n/a
(e) Stock Options and/or other financial instruments	n/a	n/a	n/a
(f) Others (Specify)	n/a	n/a	n/a
Total	Php70,000	Php430,000	Php160,000

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	n/a	n/a	n/a
2) Credit granted	n/a	n/a	n/a
3) Pension Plan/s Contributions	n/a	n/a	n/a
(d) Pension Plans, Obligations incurred	n/a	n/a	n/a
(e) Life Insurance Premium	n/a	n/a	n/a
(f) Hospitalization Plan	n/a	n/a	n/a
(g) Car Plan	n/a	n/a	n/a
(h) Others (Specify)	n/a	n/a	n/a
Total	n/a	n/a	n/a

4) Stock Rights, Options and Warrants

(a) Board of Directors

Complete the following table, on the members of the company's Board of Directors who own or are entitled to

stock rights, options or warrants over the company's shares:

Based on the current remuneration policy for the Board of Directors, none of the Directors are holders of any 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
n/a				

(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
There was no amendment or discontinuance of any incentive programs introduced.		

5) Remuneration of Management

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

Name of Officer/Position	Total Remuneration
Mr. Armando B. Escobar – VP/CFO and Risk Management Officer, Treasurer	Php2,804,771 inclusive of predecessors
Atty. Alejandro S. Casabar –Assistant Corporate Secretary, Corporate Information Officer, Compliance Officer	

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	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Audit & Risk		2	1	Audit Charter	The Audit & Risk	The Audit & Risk	The Audit & Risk

				<p>Committee has the following functions:</p> <p>Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;</p> <p>Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the corporation. This function shall include regular receipt from Management of information on risk exposures and risk management activities;</p> <p>Perform oversight functions over the corporation's internal and external auditors. It shall ensure that the internal and external auditors act independently from each other and that both auditors are given unrestricted access to all records, properties and personnel to enable them to</p>	<p>Committee has the following key responsibilities:</p> <p>Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;</p> <p>Oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the corporation;</p> <p>Ensure that the internal and external auditors act independently from each other and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;</p> <p>Review the annual internal audit plan to ensure its conformity with the objectives of the corporation;</p> <p>Discuss with the external auditor the nature, scope</p>	<p>Committee has the following powers:</p> <p>Review the internal control and the audit process;</p> <p>Review and monitor compliance with laws, rules and regulations;</p> <p>Supervise the internal and external auditors;</p> <p>Review the annual audit plan;</p> <p>Organize an internal audit department;</p> <p>Determine the adequacy and effectiveness of the internal control system, financial reporting control and information technology security;</p> <p>Disallow any non-audit work of external auditors that may pose a threat to their independence;</p> <p>Supervise the formulation of rules and procedures on financial reporting. (Revised Manual on Corporate Governance).</p>
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				<p>perform their respective audit functions;</p> <p>Review the annual internal audit plan to ensure its conformity with the objectives of the corporation. The plan shall include the audit scope, resources and budget necessary to implement it;</p> <p>Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;</p> <p>Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;</p> <p>Monitor and evaluate the adequacy and effectiveness of the corporation's internal control</p>	<p>and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;</p> <p>Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;</p> <p>Ensure the effectiveness of the corporation's internal control system, including financial reporting control and information technology security;</p> <p>Review the reports submitted by the internal and external auditors;</p> <p>Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:</p> <p>Any change/s in accounting policies</p>	
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				<p>system, including financial reporting control and information technology security;</p> <p>Review the reports submitted by the internal and external auditors;</p> <p>Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:</p> <p>Any change/s in accounting policies and practices</p> <ul style="list-style-type: none"> i. Major judgmental areas ii. Significant adjustments resulting from the audit iii. Going concern assumptions iv. Compliance with accounting standards v. Compliance with tax, legal and regulatory requirements. <p>Coordinate, monitor and facilitate compliance with laws, rules and regulations;</p> <p>Evaluate and determine the non-audit work, if</p>	<p>and practices</p> <ul style="list-style-type: none"> vi. Major judgmental areas vii. Significant adjustments resulting from the audit viii. Going concern assumptions ix. Compliance with accounting standards x. Compliance with tax, legal and regulatory requirements. <p>Facilitate compliance with laws, rules and regulations;</p> <p>Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the corporation's overall consultancy expenses;</p> <p>Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities.</p> <p>Ensure that, in the</p>	
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				<p>any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the corporation's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, shall be disclosed in the corporation's annual report.</p> <p>Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit & Risk Committee.</p> <p>The Audit & Risk Committee shall ensure that, in the performance of the work of the Internal Auditor, it shall be free from interference by</p>	<p>performance of the work of the Internal Auditor, it shall be free from interference by outside parties. (Revised Manual on Corporate Governance)</p>	
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					outside parties. (Revised Manual on Corporate Governance)		
Nomination, Election & Governance	1	1	1		<p>The Nomination, Election & Governance Committee has the following functions:</p> <p>It shall review and evaluate the qualifications of and shortlist all persons nominated to the Board and other appointments that require Board approval.</p> <p>It shall assess the effectiveness of the Board's processes and procedures in the election or replacement of directors.</p> <p>It shall consider the following guidelines in the determination of the capability of a director to serve as such:</p> <ul style="list-style-type: none"> i. The nature of the business of the corporation of which he is a director; ii. Age of the director; iii. Number of directorships/ active memberships and officers in 	<p>The Nomination, Election & Governance Committee has the following key responsibilities:</p> <p>Review and evaluate the qualifications of and shortlist all persons nominated to the Board and other appointments that require Board approval.</p> <p>Assess the effectiveness of the Board's processes and procedures in the election or replacement of directors.</p> <p>Consider the following guidelines in the determination of the capability of a director to serve as such:</p> <ul style="list-style-type: none"> i. The nature of the business of the corporation of which he is a director; ii. Age of the director; iii. Number of directorships/ active memberships and officers in 	<p>The Nomination, Election & Governance Committee has the following powers:</p> <p>Evaluate the qualifications of all persons nominated to the Board and other appointments which require Board approval;</p> <p>Assess the effectiveness of the Board processes and procedures in the election or replacement of the directors;</p> <p>Recommend election of Board members and other executive officers whose appointments require Board approval. (Revised Manual on Corporate Governance).</p>

					<p>other corporations or organizations; and</p> <p>iv. Possible conflict of interest.</p> <p>(Revised Manual on Corporate Governance)</p>	<p>other corporations or organizations; and</p> <p>iv. Possible conflict of interest.</p>	
Remuneration	1		2		<p>The Executive Compensation Committee has the following functions:</p> <p>It shall establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors and provide oversight over remuneration of senior management and other key personnel to ensure that their compensation is consistent with the corporation's culture, strategy and control environment;</p> <p>Designate the amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the</p>	<p>The Executive Compensation Committee has the following key responsibilities:</p> <p>Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors;</p> <p>Provide oversight over remuneration of senior management and other key personnel to ensure that their compensation is consistent with the corporation's culture, strategy and control environment;</p> <p>Designate the amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the</p>	<p>The Executive Compensation Committee has the following powers:</p> <p>Establish a formal procedure for developing a policy on executive compensation;</p> <p>Determine the compensation packages of corporate directors and officers;</p> <p>Compel the disclosure of business interests and conflict of interest. (Revised Manual on Corporate Governance).</p>

				<p>company successfully, subject to approval of the Board of Directors;</p> <p>Develop a form on Full Business Interest Disclosure as part of pre-employment requirements for all incoming officers, which, among others, shall compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of the duties once hired;</p> <p>Disallow any director to decide his or her own remuneration;</p> <p>Provide in the corporation's annual reports prescribed by the Commission, information and proxy statements a clear, concise and understandable disclosure of all fixed and variable compensation that may be paid, directly or indirectly, to its directors and top four (4) management officers during the preceding fiscal year;</p>	<p>company successfully;</p> <p>Develop a form on Full Business Interest Disclosure as part of pre-employment requirements for all incoming officers, which, among others, shall compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of the duties once hired;</p> <p>Disallow any director to decide his or her own remuneration;</p> <p>Provide a clear, concise and understandable disclosure of all fixed and variable compensation that may be paid, directly or indirectly, to its directors and top four (4) management officers during the preceding fiscal year;</p> <p>Review existing Human Resources Development or Personnel Handbook to strengthen provisions on conflict of interest,</p>	
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					<p>Review of existing Human Resources Development or Personnel Handbook to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be met periodically in their respective posts. (Revised manual on Corporate Governance).</p>	<p>salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be met periodically in their respective posts. (Revised manual on Corporate Governance).</p>	
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2) Committee Members

(a) Executive Committee

The Company has no Executive Committee.

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	n/a					
Member (ED)	n/a					
Member (NED)	n/a					
Member (ID)	n/a					
Member	n/a					

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Ramon Y. Dimacali	22 February 2012	4	3	75%	1 year
Member (NED)	Eduardo R. Areilza	22 February	4	4	100%	1 year

		2012				
Member (NED)	Francisco Jose R. Elizalde	22 February 2012	4	4	100%	1 year
Member (ID)						
Member						

Disclose the profile or qualifications of the Audit Committee members.

Mr. Ramon Y. Dimacali is 64 years old and is a Filipino. Mr. Dimacali is the Chairman of the Audit and Risk Committee and a member of the Compensation Committee and the Nomination, Election and Governance Committee. He has been a member of the Board of Directors since 20 November 2002. Mr. Dimacali is the President and CEO of Federal Phoenix Assurance Company Inc. and Chairman of Asia Pacific College. He holds key positions in Manchester Ltd. (Interphil Laboratory), IBM Philippines Retirement Board, International Fellowship Program (Ford Foundation), Larger Than Life, Inc., and Manila Polo Club. He was formerly the President and CEO of IBM Philippines, Inc. Mr. Dimacali was educated at the University of the Philippines where he earned his BS Civil Engineering and his Master in Business Administration. Mr. Dimacali is an independent director of the Company and he has possessed all the qualifications and none of the disqualifications of a director since he was first nominated and elected as a director of the Company.

Mr. Eduardo R. Areilza is 35 years old, married, and a Spanish citizen. He was elected as a member of the Board of Directors on 25 June 2009. Mr. Areilza obtained his degree in Business Administration in 1999 from the University of CUNEF Madrid, Spain. He is Head of Corporate Development of Bankia, Spain's largest domestic bank.

Mr. Francisco Jose R. Elizalde is 46 years old and is a Filipino. He was elected as member of the Board of Directors on 25 June 2009. Mr. Elizalde is the Managing Director of ELRO Corporation and Vice President of its Consumer Goods Business Unit. He is a Director in SPCI Holdings, Inc., ELRO Trading Corporation, ELRO Land, Inc., Bais Multi Farms, Inc., Twenty Four Hours Vendo Machine Corporation, Roxaco Land Corporation, Club Punta Fuego, Inc., and Mutual Fund Management Company of the Philippines, Inc. Mr. Elizalde was educated at Portsmouth Abbey School, USA and at the University of Vermont, USA where he obtained a degree in Bachelor of Science.

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

The Audit & Risk Committee perform oversight functions over the company's external auditors. It ensures that the external auditors act independently and are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions. Prior to the audit, the Audit & Risk Committee also discusses with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts. The committee also reviews the reports submitted by the external auditors before their submission to the Board, with particular focus on the following matters:

- a. Any change/s in accounting policies and practices
- b. Major judgmental areas
- c. Significant adjustments resulting from the audit
- d. Going concern assumptions
- e. Compliance with accounting standards
- f. Compliance with tax, legal and regulatory requirements.

The Audit & Risk Committee also evaluates and determines the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the corporation's overall consultancy expenses. The committee also has the power to disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, shall be disclosed in the corporation's annual report (Revised Manual on Corporate Governance).

(c) **Nomination Committee**

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Pedro E. Roxas	22 February 2012	1	1	100%	1 Year
Member (ED)	Antonio J. Roxas	22 February 2012	1	1	100%	1 Year
Member (ID)	Ramon Y. Dimacali	22 February 2012	1	1	100%	1 Year

(d) **Remuneration Committee**

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Guillermo D. Luchangco	22 February 2012	0	0	0	1 Year
Member (ED)	Pedro E. Roxas	22 February 2012	0	0	0	1 Year
Member (ID)	Ramon Y. Dimacali	22 February 2012	0	0	0	1 Year

(e) **Others (Specify)**

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

There are no other committees of the Company.

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman						
Member (ED)						
Member (NED)						
Member (ID)						
Member						

3) Changes in Committee Members

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

There were no changes in the Committees during the year.

Name of Committee	Name	Reason
Executive		
Audit		

Nomination		
Remuneration		
Others (specify)		

4) Work Done and Issues Addressed

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

Name of Committee	Work Done	Issues Addressed
Executive	n/a	n/a
Audit	<p>The Audit & Risk Committee reviewed and approved Consolidated Financial Statements of the company as of September 30, 2012 as well as the quarterly Consolidated Financial Reports of the company that are regularly submitted to the SEC and PSE.</p> <p>The Audit & Risk Committee also reviewed and approved the Audit Plans and Programs of the External Auditors for the fiscal year 2012-2013.</p> <p>The Audit & Risk Committee also assisted the Board in the performance its oversight responsibility for financial reporting process, system of internal control, audit process and monitoring compliance with applicable laws.</p>	<p>The regular review and approval of the company's Consolidated Financial Reports ensures the accuracy and the reliability of the financial reports as well as their compliance with the relevant accounting and auditing standards.</p> <p>The review and approval of the Audit Plans and Programs of the External auditors for the fiscal year 2012-2013 defined the nature, scope and expenses of the external audit.</p> <p>The financial reporting process is put into order, internal controls are reviewed and revisited for improvements and/or revisions and compliance with laws are enforced.</p>
Nomination	The Nomination, Election & Governance Committee reviewed the qualifications of the directors who were elected during the recent annual meeting of the stockholders' of the company held last 27 February 2013.	The review of the qualifications of the directors who were elected during the recent annual meeting of shareholders held on 27 February 2013 addressed the competence and qualifications of the newly elected members of the Board of Directors.
Remuneration	None	None
Others (specify)	n/a	n/a

5) Committee Program

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

Name of Committee	Planned Programs	Issues to be Addressed
Executive	n/a	n/a
Audit	None for the period.	None for the period.
Nomination	None for the period.	None for the period.

Remuneration	None for the period.	None for the period.
Others (specify)	n/a	n/a

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

The Board and Management adopted a 'risk management policy' which aims to help the Company grow shareholder value by comprehensively reviewing and improving its risk management infrastructure and culture and ensuring that the relevant activities are aligned with the overall goals and strategies of the Company.

An enterprise risk management shall provide a strategic business process and function that will ensure that all business risks are identified, measured and managed effectively and continuously within a structured, robust, integrated and proactive framework. This risk management framework is intended to enhance the Company's shareholder value by sustaining sources of its competitive advantage, optimizing risk management costs and enabling it to pursue strategic growth opportunities with efficiencies that surpass industry standards.

The Enterprise Risk Management (ERM) initiative aims to help the company grow shareholder value by comprehensively reviewing and improving its risk management infrastructure and culture and ensuring that the relevant activities are aligned with the overall goals and strategies of the company.

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

The Board of Directors, thru its Audit and Risk Committee, periodically review financial reports and the related internal control evaluations of internal and external auditors to evaluate not only the adequacy but also its impact in measuring results of operation and financial conditions.

(c) Period covered by the review;

Fiscal year 2011-2012.

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

The risk Management system is reviewed annually.

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

The risk Management system is reviewed annually.

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
Reporting	Process and internal controls are	Relevant, reliable and credible

	adequate to ensure complete, accurate and transparent financial and operating information to all stakeholders.	financial and operating information.
Compliance	Adherence to all applicable laws and internal rules and regulations instill integrity and support sustainable and profitable growth.	Compliant with laws, regulations, ethical and business norms and contracts.

(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
Strategic: commodity price risk	Commodity price risk is a primary concern thus maintaining a balance between operational efficiency and trading/selling exposure is maintained.	Established objectives and goals for operations or programs, aligned with and supporting the entity's mission
Operational: sugar and real estate	Empower business units, with the guidance of management committee, to continuously evaluate the strategies.	Effective and efficient use of entity's resources
Reporting	Process and internal controls are adequate to ensure complete, accurate and transparent financial and operating information to all stakeholders.	Relevant, reliable and credible financial and operating information.
Compliance	Adherence to all applicable laws and internal rules and regulations instill integrity and support sustainable and profitable growth.	Compliant with laws, regulations, ethical and business norms and contracts.

(c) Minority Shareholders

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

Risk to Minority Shareholders
The principal risk of the exercise of controlling shareholders' voting power through the device of a proxy or voting trust agreements for the purpose of voting control or management or operational control might deprive the minority shareholders of a fair representation in the management and control of the affairs of the corporation. These control devices, while legal, may affect to a large extent the right of minority shareholders to participate in charting the future of a corporation.

3) Control System Set Up

(a) Company

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

Risk Exposure	Risk Assessment	Risk Management and Control
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	(Monitoring and Measurement Process)	(Structures, Procedures, Actions Taken)
Reporting	Inaccuracy in reporting places the Company at material risk.	The Audit & Risk Committee reviews the audit plan for any given fiscal year. It also reviews and evaluates the performance of management and reports its findings to the Board for appropriate action.
Compliance	Failure to observe laws, rules and regulations places the Company in material risk.	The Audit & Risk Committee oversees the work of the external and internal auditors. It also reviews and evaluates the Company's compliance with the laws, rules and regulations. It monitors the Company's exposure in litigated cases. It reports its findings to the Board for appropriate action.

(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)
Strategic: commodity price risk	An imbalanced commodity positioning exposes the company to material losses.	The Board continuously exercises its oversight function in ensuring that strategies are aligned to operational plans with calculated exposures. Inventory levels and buying and selling prices are monitored weekly.
Operational: sugar and real estate	Efficiency of operations and sustainability of revenues are hinged on continuous supply of the lack of which means low return on assets.	Conducts review and evaluation of strategies on a regular basis to fortify current sources and determine steps on how to increase supply from other areas.

(c) Committee

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

Committee/Unit	Control Mechanism	Details of its Functions
Risk and Audit Committee	Oversight on financial reporting and internal controls.	Periodic review of financial reports and internal control review reports of auditors (both internal and external)

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

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

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

Internal control is defined as a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: a) Effectiveness and efficiency of operations; b) Reliability of financial reporting; and c) Compliance with laws and regulations.

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

The result of the 2012 Internal Control Assessment has been presented to the Audit Committee. Based on the assessment, Internal Control in the company is strong to which the Audit Committee concurs.

(c) Period covered by the review;

Fiscal year 2012.

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

The assessment of internal controls is preferably done after every two years or when there are significant changes that would entail revision or enhancement of existing controls. The criteria for internal control assessment is based on the COSO framework.

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

A review was conducted within the year.

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
To provide an independent, objective assurance and consulting services designed to add value and	As provided in the duly approved Internal Audit Charter: The scope of work of	<i>In-house</i>	THELMA C. RODRIGUEZ	The Internal Audit Group, reports functionally to the Audit Committee and

<p>improve the organization's operations. It assists the organization achieve its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance process.</p>	<p>the Internal Audit is to determine whether the organization's network of risk management, control and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure that:</p> <ul style="list-style-type: none"> • Risks are appropriately identified and managed; • Significant financial, managerial, and operating information is accurate, reliable and timely; • Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations; • Resources are acquired economically, used efficiently, and adequately protected; • Significant legislative or regulatory issues impacting the organization are recognized and addressed appropriately; and • Interaction with various governance groups occurs as 			<p>administratively to the Management, its activities are guided and performed in accordance with the revised "Standards for the Professional Practice of Internal Auditing" and "Code of Ethics" developed by the Institute of Internal Auditors (IIA) and/or any other auditing standards as may be adopted by the Internal Audit.</p>
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	needed; Opportunities for improving management control, profitability, and the organization's image which are identified during the audits shall be communicated to the management.			
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(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?

Internal Auditor(s) appointment or removal is vested in the Audit Committee. For other services, the Audit Committee Charter provides that the Audit committee: Recommend to the Board appointment, compensation, and oversee the work of any registered public accounting firm employed by the organization (i.e. external auditors).

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

The following are provided in the Audit Committee Charter:

- The Committee shall ensure the existence of a working internal audit group, which shall be headed by a competent business manager, to identify audit issues, propose resolutions to these issues, and provide reasonable assurance that key organizational and procedural controls as promulgated by Management are effective, appropriate, and enforced.
- The Committee shall establish a direct reporting line of the internal audit to the Committee to prevent impediments in the conduct of internal audit activities and the conveyance/presentation of audit findings. The internal audit shall functionally report directly to the Audit Committee.
- The Committee shall periodically review the internal audit charter and amend any revisions thereto as applicable.
- Review with management and the chief audit executive the charter, plans, activities, staffing and organizational structure of the internal audit function;
- Ensure that there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the chief audit executive;
- Review the effectiveness of internal audit function, including compliance with the International Standards for the Professional Practice of Internal Auditing; and

On a regular basis, meet separately with the chief audit executive to discuss any matters that the committee or internal audit believes should be discussed privately.

(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.

There were no resignations and/or re-assignment of internal audit staff for the period.

Name of Audit Staff	Reason

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

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

Progress Against Plans	<p>The progress of Annual Internal Audit Plan vs. Actual is being monitored on a semi-annual basis and is reported to Audit Committee and Management.</p> <p>Internal Audit Group is done with parts of the Financial, Controllership and IT audit which are part of the planned audit engagement for the year. However, due to change of management, unplanned audit increased abruptly.</p>	
Issues⁶	<p>Issues are discussed with the Audit Committee during closing or exit meetings and their responses are incorporated in the Internal Audit Engagement Report</p>	
Findings⁷	<p>Findings are reported to the Management through the Internal Audit Engagement Report, and to Audit Committee through the Internal Audit Updates during Audit Committee meetings.</p>	
Examination Trends	<p>As a holding company, the examinations are being done mostly on the subsidiaries and investments of the company.</p> <p>Test of controls are most likely used in the past audit engagements. The new Management focused more on the profitability and stability of the business for the upcoming changes on year 2015 on tariff of sugar or agricultural products, thus, high controls are much needed to reach Company’s goals and objectives.</p>	

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;

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

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

The Internal Audit Process includes Managing the Internal Audit Activities, part of which is the preparation of the Annual Internal Audit Plan.

Planning and managing the internal audit activity

- 1.1. Understanding the business and control environment
- 1.2. Risk Assessment
- 1.3. Managing the internal audit activity
 - 1.3.1. Planning work schedules
 - 1.3.2. Staffing and budgets
 - 1.3.3. Approval by Board (Audit Committee) and Senior Management

The Annual Internal Audit Plan is being submitted to the Audit Committee for approval.

2) Conduct of examination based on the plan;

The process of conducting the examination based on the plan is also part of the Internal Audit Process under “Internal audit engagement”. It includes the following:

- 2.1. Engagement planning
 - 2.1.1. Familiarization, preliminary survey/research and setting of initial objectives and scope
 - 2.1.2. Opening conference with auditee
 - 2.1.3. Preparation of audit engagement work program and allocation of audit resources
- 2.2. Performing the Engagement
 - 2.2.1. Identifying, gathering data
 - 2.2.2. Analyzing/Evaluating data/information
 - 2.2.3. Documenting/recording data/information
- 2.3. Communicating Results
 - 2.3.1. Draft audit report
 - 2.3.2. Review of draft audit report
 - 2.3.3. Exit conference with auditee
 - 2.3.4. Preparation of final audit report
 - 2.3.5. Disseminate approved audit report
- 2.4. Follow-up and monitoring
 - 2.4.1. Audit follow-up
 - 2.4.2. Disseminate approved report

3) Evaluation of the progress in the implementation of the plan;

The progress in the implementation of the plan is being monitored on a regular basis and result of the Annual Internal Audit Performance vs. the Annual Internal Audit Plan is submitted to the Audit Committee and to the Management Representative (MR) under the Integrated Management System (IMS). Internal Audit is part of the IMS Certified process of the Company.

4) Documentation of issues and findings as a result of the examination;

Documentation of the audit engagement (including issues and findings) is done thru the auditor’s work papers. There is a duly approved process and procedures for the proper preparation of audit’s work papers. Portion of the approved work paper preparation process/procedures are shown below:

- 2.1. Work Paper preparation

The work paper file documents the work the auditor has done. The work papers serve as the connecting link between the audit assignment, the auditor’s fieldwork and the final report. Work papers contain the records of planning and preliminary surveys, the audit program, audit procedures, fieldwork and other documents relating to the audit. Most importantly, the work papers document the auditor’s conclusions and the reasons those conclusions were reached. The disposition of each audit finding identified during the audit and its related corrective action should be documented.

2.1.1. In the preparation of the audit work papers, the following should be observed:

- Work papers should be completed throughout the audit;
- The work papers should provide a basis for evaluating the Internal Audit’s quality assurance program and demonstrate compliance with the Standards for the Professional Practice of Internal Auditing (SPPIA);
- Work papers should be economical to prepare and not difficult to review.
- Work papers should be complete but concise--a usable record of work performed. Auditors should include in their work papers only what is essential; and, they should ensure that each work paper included serves a purpose that relates to an audit procedure. Work papers that are created and later determined to be unnecessary should be deleted.

Also, the findings, issues and other relevant information in the audit engagement are further documented in the minutes of the closing meeting, and the final internal audit engagement report.

5) **Determination of the pervasive issues and findings (“examination trends”) based on single year result and/or year-to-year results;**

Though the follow up and monitoring process, the status of the audit findings and issues are tracked as to the Auditee’s committed implementation plans.

(f) Audit Control Policies and Procedures

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

Policies & Procedures	Implementation
Appointment of an Internal auditor	implemented
Preparation and implementation of Business Continuity Plan	Management is still preparing the guidelines for implementation.
Review and approval of internal audit plan	The Audit & Risk Committee will be reviewing the recommendations of the internal auditor in due course.

(g) Mechanisms and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the company’s shares and 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
1. Direct Reporting to the Audit Committee	There are no independence issues. Material information about the company are disclosed by the company directly to the regulatory bodies.	There are no independence issues. Material information about the company are disclosed by the company directly to the regulatory bodies.	There are no independence issues. Material information about the company are disclosed by the company directly to the regulatory bodies.
2. Annual declaration/undertaking of Non-Conflict of Interests by the Internal Auditors			
3. Duly approved Audit Committee Charter and Internal Audit Charter			
4. Duly approved Internal Audit Policies and Procedures			

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

The company executed its annual Certification of Compliance with the Code of Corporate Governance for year 2012 in accordance with SEC Memorandum Circular No. 6, Series of 2009. The certification was signed by the Compliance Officer and countersigned by the President & CEO.

H. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' welfare	<p>To be a premier publicly listed holding firm with investments in the country's leading sugarcane-based solutions provider and property development businesses.*</p> <p>The Company strives to be a leader in all its business undertakings, empowering lives and delivering value to its stakeholders.</p>	<p>The Company has improved and expanded the efficiencies of its sugar mills and ethanol plant to be able to produce and deliver to its customers quality and reasonably priced sugar and ethanol.</p> <p>The Company continually improves its production process and adheres to all applicable health and safety regulations and globally accepted food safety and</p>

		<p>quality standards.</p> <p>The Company, through its property arm, Roxaco Land Corp., continues to build its name with affordable and safe housing developments.</p>
Supplier/contractor selection practice	Suppliers and contractors are selected based on the lowest and most advantageous bid to the company.*	The bidding committee meets in a meeting at least once a week to review and evaluate all bids of suppliers and contractors.
Environmentally friendly value-chain	<p>Mindful of the challenges and changes affecting the environment.*</p> <p>Accredit suppliers and contractors on the basis of their compliance with environmental laws and regulations.</p> <p>Proactive protection of the environment.**</p>	<p>The company has an Environmental Management and Safety Department which monitors the company's compliance with anti-pollution programs such as wastewater management, air pollution control, solid waste management, toxic and hazardous waste management.</p> <p>Conduct inspection and audit of supplier's compliance with applicable environmental regulations.</p> <p>Prevention of pollution by setting objectives and targets to attain waste minimization.</p> <p>Its property arm also complies with relevant environmental standards for its projects.</p>
Community interaction	Be a responsible corporate citizen.*	The company provides jobs to the members of the communities where its businesses are operating. The company performs/implements corporate social responsibility programs in the said communities through Roxas Foundation, Inc.
Anti-corruption programmes and procedures	Set high standards and ethics in the company's operations.*	<p>The company has organized a bidding committee which reviews and approves all purchases of materials, supplies and labor and all other contracts to which the company is party.</p> <p>Prohibition on acceptance of gifts, favors, loans or other material</p>

		benefits from third parties doing business with the company. The Company strictly prohibits its senior management and employees from conducting business in an unlawful manner or entering transactions which are unlawful and unethical.
Safeguarding creditors' rights	Conduct business following the time tested principles of fairness, transparency, and honesty.*	The company settles its liabilities to its suppliers and its loan obligations to its bank creditors on time.

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

Yes. The corporate responsibility report or section is found in the Annual Report on SEC Form 17-A of the company. The company performs its corporate social responsibility through the Roxas Foundation, Inc. (RFI). RFI is a foundation that was organized by the Roxas family to perform and deliver the social responsibilities of the corporations under which the Roxas family is conducting their businesses.

3) **Performance-enhancing mechanisms for employee participation.**

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

Being a holding company, the Company has adopted the foregoing procedure contained in RHI's IMS Policy as stated below:

In CADPI, we commit to achieve total customer satisfaction by providing solutions, to include the best quality and safe sugar products and services, while proactively protecting the environment and achieving a healthy and safe workplace.

We will accomplish this by:

- *Providing for the total development of our people and empowering them to the organization's growth;*
- *Prevent pollution by setting objectives and targets to attain waste minimization and generate savings on energy, water and other resources;*
- *Continually improving our process;*
- *Establishing and maintaining harmonious partnership with our stakeholders; and*

Adhering to all applicable health and safety regulations, statutory and regulatory environmental requirements and globally-accepted food safety and quality standards.

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

- List of Safety Trainings conducted for CY 2011-2012:

TRAINING	DATE
1. First Aid for Industrial Employees with Basic Life Support-Adult Cardio Pulmonary Resuscitation Training (FAT BLS-CPR) for Lay Rescuers	1 st Batch: July 9-11, 2012 2 nd Batch: July 12-14, 2012

2. Safety Inspection Training for Environmental Safety and Health Inspection Team (ESH Team) Leaders and Members	August 5, 2011
3. Conduct Emergency Drills covering fire and chemical spills	1 st Batch: September 16, 2011 2 nd Batch: March 7, 2012
4. Emergency and Disaster Management Training	October 18-19, 2011

- Continuous implementation of various safety programs to attain reduction in Lost Time Accident and Fire Prevention.
- Continuing issuance of CPIAR per accident case in order to identify the root cause and address hazards by implementation of corrective and preventive measures.
- Conducted Work Environment Measurement (WEM) last March 29-30, 2012 to check compliance with safety standards in the workplace on the following parameters:
 - Dust Emission (Bagacillo, etc.)
 - Heat Exposure
 - Noise level
 - Illumination
 - Vibration
 - Exposure to Hydrogen Sulfide (H₂S) in confined spaces and other areas.
 - Asbestos
 - Hazardous Chemicals
 - Ventilation
- List of Basic Personal Protective Equipment issued to Regular Employees:
 - a. Safety Helmet
 - b. Safety Shoes
 - c. Dust Mask
 - d. Gas Mask
 - e. Goggles
 - f. Rubber Boots
 - g. Rain Coats
- Quarterly Meeting of CADPI Multi-Partite Monitoring Team (MMT) in compliance with ECC condition. The MMT which is composed of sectoral and executive committees convene is being chaired by PENRO. Membership of this multi-sectoral committee is represented by EMB PENRO and CENRO, MENRO, PGENRO, Philippine Coast Guard – Environmental Protection, Barangay, Municipal Health Office, NGOs and Barangay Chairman of Lumbangan. The Memorandum of Agreement was finalized and signed by DENR-EMB and Batangas Provincial Governor. Five meetings were conducted and the corresponding Compliance Monitoring and Verification Reports (CMVR) were already submitted to EMB Region 4A.
- Quarterly evaluation of compliance with ESH laws and regulations is being done using Matrix of Regulatory and Legal Requirements. This is part of compliance with ISO 14001. All necessary environmental and safety permits and licenses were already secured as of July 30, 2012.
- CADPI received a special recognition from Nestle Phils., Inc. for achieving the highest actual volume of water saved based on pledged target for the year 2011 as a result of the company exemplary water conservation efforts. This is part of their program on Greening the Supply Chain with CADPI as one of the business partners.
- Surveillance audit was conducted by SGS last January 24-25, 2012 to check sustained compliance with

the requirements of ISO 14001 standards. Only one (1) minor non-conformity was raised and eight (8) observations.

- Ongoing monitoring of overall Risk Control Action Plan (RCAP) on a quarterly basis. All RCs are required to prepare their own monitoring of the status of program implementation as stated in their respective RCAPs. This is to address the significant hazards and risks identified in the documented Hazard Identification Risk Assessment and Determination of Controls (HIRADC).

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

a) Related Integrated Management System Trainings for Fiscal Year 2012-2013:

1. Food Safety Orientation for the different Departments in the factory of CADPI
2. Seminar on Understanding the Requirements of the Integrated Management System
3. Refresher Course on the Food Safety Management System (ISO 22000:2005)

b) Job Fundamentals Training for Fiscal Year 2012-2013:

For CADPI Refinery Department:a) Raw Sugar Quality and Handling, Affination and Centrifugal Operation;b) Carbonation, Filtration and IER Decolorization;c) Evaporation and Sugar Boiling; d) White Centrifugal Operation and Drying;e) Sugar Storing, Blending, Scalping Conditioning, Grading and Packaging;f) Sugar Dust Explosion, Guidelines in Entering Packaging Room and Preventive Maintenance.

c) Training for Contractual Employees for Fiscal year 2012-2013:

1. Orientation covering Food Safety, HACCP, GMP, 5S, EMS and Safety.

d) Assisted Trainings for Fiscal year 2012-2013:

1. Emergency and Disaster Management Training.
2. Fire Brigade Training.

e) Functional/Technical Trainings for Fiscal Year 2012-2013:

1. Analysts Skills Evaluation Program.

f) Leadership/Behavioral training for Fiscal year 2012-2013:

1. Leadership Development Program – Behavioral Leadership and Employee Relations Training Program

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

As part of the reward/compensation policy, the company grants its employees Service Incentive, Profit Sharing and Target Achievement Rewards (TAR).

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

1. Upon receipt of a written complaint or report of an alleged violation, the Supervisor or Department Head concerned investigates and reviews the facts of the case, giving the respondent the opportunity to be heard.

2. The respondent is served with a letter informing him/her of the alleged violation and directing him/her to explain in writing within five (5) working days upon receipt of the same. A duplicate of a written notice or letter is signed by the respondent to signify that he/she received the same.
3. If the respondent refuses to receive the same, the Supervisor shall leave a copy to the respondent in the presence of two witnesses who shall attest to the fact that the respondent refuses to acknowledge receipt of the same. Such fact must be annotated in the receiving copy by the witnesses.
4. Failure of the employee to answer in writing within the required period shall be construed as a waiver of his right to submit his answer/explanation.
5. Thereafter, the Supervisor and/or Department Head concerned shall evaluate the facts of the case.
6. The Supervisor or Department Head concerned shall then prepare a written report on the alleged infraction, his findings and the appropriate penalty to be imposed, if any. A copy of the said report together with the other copies of the documentary evidence and written testimonies, if applicable, shall be forwarded to the Human Resources Section for the proper disposition.
7. If the Supervisor or Department Head believes that the evidence available is insufficient to constitute a prima facie case, he/she may seek the assistance of the Office of the VP-Legal & Compliance Officer to conduct further investigation.
8. Supervisor or Department Head concerned makes a formal request to the Office of the VP-Legal & Compliance Officer.
9. Supervisor or Department Head concerned forwards all his findings together with available written testimony of all parties involved in the particular case, if applicable, to the Office of the VP-Legal & Compliance Officer for further investigation.
10. The Office of the VP-Legal & Compliance Officer informs those involved in the case by accomplishing the "Notice of Investigation" form four (4) copies. Copies of this shall be furnished to the following:

Employee concerned
Human Resources Section
Office of the VP-Legal & Compliance Officer
Section/Department concerned
11. The Office of the VP-Legal & Compliance Officer conducts the investigation.
12. The Office of the VP-Legal & Compliance Officer forwards the results of the investigation evaluation to the requesting Supervisor or Department Head.
13. The Supervisor or Department Head concerned shall again evaluate the report/findings and proceed as in Step 3.
14. The Human Resources Section prepares a "Notice of Disciplinary Action" to implement the decision upon finding that everything is in order.
15. The employee's Supervisor, Department Head or Group Manager as the case may be, and the SVP-CHR signs the appropriate space in all four (4) COPIES OF THE "Notice of Disciplinary Action" informing the employee of his offense/s with the corresponding penalty. Copies of this shall be furnished to the following:

Employee concerned
HR Section
Department concerned

Office of the VP-Legal & Compliance Officer

Explain how employees are protected from retaliation.

The company has an existing public disclosure (whistleblowing) policy. Management ensures that employees who act in good faith and in compliance with the law are adequately protected from interference in or retaliation for reporting improper actions and cooperating with subsequent investigations or proceedings.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

<i>Title of Class</i>	<i>Name and Address of Owner/Relationship with Issuer</i>	<i>Name of Beneficial Ownership and Relationship with Record Owner</i>	<i>Citizenship</i>	<i>Number and Nature of Ownership</i>	<i>Percent of Class⁸</i>
Common	Antonio J. Roxas 7/F CG Building 101 Aguirre Street, Legaspi Village, Makati City Director	Antonio J. Roxas	Filipino	643,945,909 (direct)	22.11%
Common	SPCI Holdings, Inc. Unit 1701, The Peak Tower 107 Leviste St., Salcedo Village, Makati City	SPCI Holdings, Inc. ⁹	Philippine National	642,779,593 (direct)	22.07%
Common	Pedro E. Roxas 7/F CG Bldg., 101 Aguirre St., Legaspi Village, Makati City Executive Chairman President & CEO	Pedro E. Roxas/ Pesan Holdings, Inc.	Filipino/ Philippine National	534,648,169 (direct & indirect)	18.36%
Common	HSBC OBO Manila A/C 000-262931-575 12/F, The Enterprise Center	HSBC ¹⁰	Other Alien	273,124,090 (direct)	9.38%

⁸ The percentages of shareholding were arrived at by dividing the number of shares owned, directly and indirectly, by the shareholders over 2,911,885,870 common shares, the total outstanding shares as of 30 November 2012.

⁹ Messrs. Francisco Jose R. Elizalde and Carlos R. Elizalde, directors of the Company, each owns 24.99% of the total outstanding shares of SPCI Holdings, Inc. (SPCI). Collectively, the Board of Directors of SPCI consisting of its 6 shareholders has the power to decide on how the shareholdings of SPCI in the Company shall be voted.

¹⁰ The Company has no official information as to who is/are the beneficial owner/s of the shares in the name of HSBC OBO Manila.

<i>Title of Class</i>	<i>Name and Address of Owner/Relationship with Issuer</i>	<i>Name of Beneficial Ownership and Relationship with Record Owner</i>	<i>Citizenship</i>	<i>Number and Nature of Ownership</i>	<i>Percent of Class⁸</i>
	Tower I, 6766 Ayala Avenue Makati City				
Common	Pilar Olgado Roxas Unit 3201 Regent Parkway Condominium, 21 st Drive, Bonifacio Global City, Taguig	Pilar Olgado Roxas	Filipino	262,706,512 (direct)	9.02%
Common	Marta O. Roxas Dela Rica c/o 7F CG Bldg., 101 Aguirre St., Legaspi Village, Makati City	Marta Olgado Roxas Dela Rica	Spanish	258,180,365 (direct)	8.87%
Common	Beatriz Olgado Roxas Unit 3201 Regent Parkway Condominium, 21 st Drive, Bonifacio Global City, Taguig Director	Beatriz Olgado Roxas	Spanish	257,579,335 (direct)	8.85%
TOTAL				2,614,783,608	89.80%

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Pedro E. Roxas	939,031	- 340,527,520 through Pesan Holdings, Inc. - 1,271,559 through Pesan Holdings, Inc. (PCD Lodged) - 762,217 (PCD Lodged)	-11.69% through Pesan Holdings, Inc. -.03% direct -.04% Pesan Holdings, Inc (PCD Lodged) -.03% PCD Lodged
Armando B. Escobar	0	0	0
TOTAL	939,031	342,561,296	11.79%¹¹

¹¹Per Public Ownership Report dated 03/31/2013.

2) Does the Annual Report disclose the following:

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	Yes
Dividend policy	Yes
Details of whistle-blowing policy	No. The details of the whistle blowing were not included in the annual report. Henceforth, the details of the whistle-blowing policy shall be disclosed in the Annual Report on SEC Form 17-A.
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	No. The details of the training and continuing education programme attended by each director/commissioner were not included in the Annual Report. Henceforth, the details thereof shall be disclosed in the Annual Report on SEC Form 17-A.
Number of board of directors/commissioners meetings held during the year	No. The number of board directors'/commissioners meetings held during the year were not included in the Annual Report. However, the details of the meetings are disclosed in a report, on SEC Form 17-C, which is submitted to the Commission in January of every year. The number of the directors/commissioners meetings will henceforth be disclosed in the Annual Report on SEC Form 17-A.
Attendance details of each director/commissioner in respect of meetings held	No. The details of the attendance of the directors in the board meetings of the company were not disclosed in the Annual Report on SEC Form 17-A but are contained in a report, on SEC Form 17-C, which is submitted to the Commission in January of each year. The details of the attendance of directors/commissioners in respect meetings held will henceforth be

	disclosed in the Annual Report on SEC Form 17-A.
Details of remuneration of the CEO and each member of the board of directors/commissioners	Yes

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

3) **External Auditor's fee**

Name of auditor	Audit Fee	Non-audit Fee
Sycip Gorres & Velayo*	Php700,000	None

*The shareholders of the company elected the auditing firm of Reyes Tacandong as the new external auditors during their Annual Meeting held on 27 February 2013.

4) **Medium of Communication**

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

1. Disclosures on SEC Form 17-C;
2. Disclosures on SEC Form 20-IS;
3. Disclosures on SEC Form 23-A and 23-B;
4. Disclosures on SEC Form 17-A;
5. Company website;
6. Media interviews; and
7. Newspapers of general circulation.

5) **Date of release of audited financial report: 26 January 2013**

6) **Company Website**

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

Business operations	Yes
Financial statements/reports (current and prior years)	Yes
Materials provided in briefings to analysts and media	Yes
Shareholding structure	Yes
Group corporate structure	Yes
Downloadable annual report	Yes
Notice of AGM and/or EGM	Yes
Company's constitution (company's by-laws, memorandum and articles of association)	Yes

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

7) **Disclosure of RPT**

As part of the corporate reorganization of the Roxas Group, the Company's stockholders approved the following in

2008: (i) the sale to Roxas Holdings, Inc. (RHI) of sugar-related assets, liabilities and all interests of CADPGC in sugar-related operating subsidiaries and associate; and (ii) the merger of RCI and CADPGC.

Messrs. Antonio J. Roxas, Pedro E. Roxas, Francisco Jose R. Elizalde, and Ms. Beatriz O. Roxas, who are incumbent directors of the Company, were also directors of the absorbed company, RCI. They, together with directors Carlos R. Elizalde and Eduardo R. Areilza, are members of the Roxas family which owns RCI prior to its merger with CADPGC.

Messrs. Pedro E. Roxas and Antonio J. Roxas and Ms. Beatriz O. Roxas, incumbent directors of the Company, are also directors of RHI, the Company's publicly-listed subsidiary. Mr. Eduardo R. Areilza, an incumbent director of RCI, is a member of RHI's Board of Advisors. As of 30 October 2011, the Company owns 65.70% of the total issued and outstanding capital of RHI.

Other than the foregoing, there is no transaction or proposed transaction during the last two (2) fiscal years to which the Company was or is to be a party in relation to any director, any nominee for election as director, any security holder of certain record or beneficial owner or management or any member of the immediate families of the directors.

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?

In determining whether to approve, ratify, disapprove or reject a Related Party Transaction, as appropriate, the company takes into account, among others, factors that it deems appropriate in order to determine whether the terms of the Related Party Transaction is less favorable to the Company than the terms generally available to an unaffiliated third-party under the same or similar circumstances. The company ensures that the transactions are "arms length".

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	Article II, Section 3 of the By-Laws of the company provides that in all or regular or special stockholders' meetings, the presence of shareholders who represent a majority of the outstanding capital stock entitled to vote shall constitute a quorum and all decisions made by the majority shall be final, unless pertaining to resolutions for which the laws require a greater number.
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(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	For the ratification of the acts of the Board of Directors and Officers, the vote required is a <u>majority of the outstanding common stock present in person or by proxy</u> , provided constituting a quorum.
Description	The method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The votes shall be counted by a show of hands, or, upon motion duly made and seconded, by secret ballot.

(c) Stockholders' Rights

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

Stockholders' Rights under The Corporation Code	Stockholders' Rights <u>not</u> in The Corporation Code
The right to vote either in person or proxy on the following: Amendments to the company's constitution; Authorization of additional shares; Transfer of all or substantially all assets, which in effect results in the sale of the company; Extension or shortening of corporate life; Election or removal of directors; and Election of external auditors.	There are no stockholders' rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code.

Dividends

<i>Declaration Date</i>	<i>Dividend Per Share</i>	<i>Record Date</i>	<i>Payment Date</i>
29 June 2006	₱ 0.06	14 July 2006	31 July 2006
5 October 2006	₱ 0.06	19 October 2006	10 November 2006
21 June 2007	₱ 0.06	13 July 2007	31 July 2007
20 September 2007	₱ 0.04	15 October 2007	8 November 2007
26 June 2008	₱ 0.06	15 July 2008	31 July 2008
2 October 2008	₱ 0.06	15 October 2008	30 October 2008

(d) Stockholders' Participation

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

Measures Adopted	Communication Procedure
<p>The company prepares its detailed Information Statement on SEC Form 20-IS. The Information Statement informs all shareholders and the public a) the date, place and time of the annual/special meeting of the shareholders and b) the Agenda of the meeting; c) the names of all the directors and senior management of the company including the details of their personal information; d) the names and personal information of the persons nominated for election as directors of the corporation; and e) the financial and other information about the company, among others;</p> <p>The Information Statement is submitted to the SEC and disclosed to the PSE for the information of the public and is sent to all shareholders of record individually at least fifteen (15) trading days before the annual/special meeting of the shareholders;</p> <p>The company conducts an open forum during the shareholders' meetings as additional venue where shareholders could participate in the meeting and communicate directly to the Chairman, the individual directors, and the members of the board committees and make known their views and concerns about the company. In addition, the Chairman and the PCEO and the members of the Board committees entertain interviews and queries from the shareholders and media after the holding of the annual/special meeting to provide the shareholders and members of the media additional opportunity to share their views to the Chairman, the PCEO and the members of the Board committees on issues relating to the company.</p> <p>The company has put in place a Stakeholder Relations & Corporate Communications Department to take care of all issues relating to</p>	<p>The Information Statement is submitted to the SEC and disclosed to the PSE for the information of the public and is sent to all shareholders of record individually at least fifteen (15) trading days before the annual/special meeting of the shareholders.</p> <p>The Investor Relations Department of the company facilitates and sets the conduct of shareholder and media interviews on the Chairman, PCEO and other directors after the annual/special meetings of the shareholders.</p>

investors or shareholders and to attend to their queries and concerns about the company.	
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2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:

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

The company, pursuant to law, submits the approval of amendments to the company's constitution, authorization of additional shares and transfer of all or substantially all assets, which in effect results in the sale of the company, to the approval and ratification of its shareholders in a regular or special meeting held for the purpose. Details of the proposed amendments to the company's constitution or authorization of additional shares or transfer of all or substantially all assets, if any, will be contained and explained in the information Statement on SEC 201S that is sent to all shareholders of record in order to solicit their active participation in corporate discussions regarding such matters.

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?

No. The company observes a minimum of 15 business days for giving out of notices to the AGM in accordance with the provisions of the Securities Regulation Code (SRC).

- a. **Date of sending out notices:** 26 January 2013.
- b. **Date of the Annual/Special Stockholders' Meeting:** 27 February 2013

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

During the Annual Stockholders' Meeting, the following questions were asked and answered:

Q: A stockholder asked about the status of the Company's land cases.

A: Mr. Pedro E. Roxas replied that the Supreme Court rejected RCI's contention that its properties were automatically reclassified by PD 1520. However, Mr. Roxas clarified that this should not be regarded as a total loss since the Court recognized that RCI may apply for exemption under the TIEZA law. He further explained that some of the land cases have been adjudged in RCI's favor. RCI has also begun the process of CLOA cancellation over some land holdings declared exempt. But the process is slow.

Q: A stockholder also asked whether there is a road which connects Cavite to Nasugbu.

A: Mr. Roxas replied that the said road is yet to be constructed. The road is a stretch of 8-10 kilometers, the construction of which involves right-of-way issues.

Q: A stockholder asked how the Philippines's bioethanol production compares with that of Brazil.

A: Mr. Roxas replied that Brazil began ahead of us and thus has an advantage because of their learning curve. Most importantly, Brazil has a good bioethanol regulatory system in place.

Q: A stockholder asked if the Company will declare dividends.

A: Mr. Roxas replied that the Company is constrained from declaring dividends due to losses and business reverses during the last fiscal year.

Q: A stockholder asked if price of sugar will continue to be volatile.

A: Mr. Roxas replied that the Company does not see continued volatility of sugar prices in the future.

Q: A stockholder asked why the Company did not export significantly last year.

A: Mr. Roxas replied that sugar prices were slightly higher on the domestic side compared to prices abroad.

Q: A stockholder inquired whether there are plans to have Roxaco Land Corp. listed in the stock exchange.

A: Mr. Roxas explained that there are no plans as of yet. He clarified that as the Company scales up its business, opening the Roxaco to the public may be one means of increasing the capital.

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

Resolution	Approving	Dissenting	Abstaining
Approval of the Minutes of the Stockholders' Meeting held on 22 February 2012	2,609,097,875 representing 89.60%	None	None
Approval of the Annual Report to the Stockholders for the fiscal year ending 30 September 2012	2,609,097,875 representing 89.60%	None	None
Approval of the all acts and resolutions of the Board of Directors and management	2,609,097,875 representing 89.60%	None	None
Election of the Board of Directors	2,609,097,875 representing 89.60%	None	None
Election of the external auditors	2,609,097,875 representing 89.60%	None	None

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

27 February 2013

(e) Modifications

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

Modifications	Reason for Modification
None	None

(f) Stockholders' Attendance

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

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	Antonio J. Roxas Pedro E. Roxas Francisco Jose R. Elizalde Renato C. Valencia Ramon Y. Dimacali Guillermo D. Luchangco	22 February 2012	By show of hands	22.15%	67.45%	89.60%
Special	None					

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

Yes. The company appoints its external auditors and stock transfer agent to count and/or validate the votes at the ASM.

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

Yes. The company has only one class of share. Each share is entitled to one (1) vote.

(g) Proxy Voting Policies

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

	Company's Policies
Execution and acceptance of proxies	The company allows the execution of Proxies. (Art. II, Section 4 ABL).
Notary	The Proxy may be notarized by a notary public. A Proxy which is not notarized is nonetheless accepted and validated by the company.
Submission of Proxy	A Proxy must be submitted to the office of the Corporate Secretary not later than five (5) days before the date of the meeting of shareholders. (Art. II, ABL).
Several Proxies	Stockholders may execute several Proxies provided that the number of shares represented by each Proxy shall be indicated in the Proxy form.
Validity of Proxy	Unless otherwise stated, a Proxy shall be valid only for the meeting at which it has been presented to the Corporate Secretary. (Art. II, ABL).
Proxies executed abroad	A Proxy executed abroad is valid and is accepted if it complies with the formalities of law.
Invalidated Proxy	Invalidated proxy is not valid and shall not be considered by the company at the meeting of the shareholders.

Validation of Proxy	A Proxy is validated by the Corporate Secretary in coordination with the company's stock transfer agent.
Violation of Proxy	Violation of Proxy shall invalidate the Proxy and shall subject the offender to the administrative sanctions provided under Section 144 of the Corporation Code and Section 54 of the Securities Regulation Code.

(h) Sending of Notices

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

Policies	Procedure
<p>Article II, Section 2 of the By-Laws of the company states that the regular meeting of stockholders may be held without prior notice. Notices for special meetings of stockholders may be sent by the Secretary by personal delivery or by mailing the notice at least ten (10) days prior to the date of the meeting to each stockholder of record at his last known post office or by publishing the notice in a newspaper of national circulation at least ten (10) days prior to the date of the meeting. The notice shall state the place, date and the hour of the meeting, and the purpose or the purposes for which the meeting is called. Only matters stated in the notice can be subject of motions or discussions at the meeting. Notice of special meeting may be waived in writing by any shareholder, in person or by proxy, before or after the meeting.</p> <p>When the meeting of stockholders is adjourned to another time or place, it shall not be necessary to give a notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting.</p>	<p>The company prepares a detailed Information Statement on SEC Form 20-IS which contains the date, place, time and the Agenda of the meeting. The company submits the Information Statement on SEC form 20IS to the SEC and discloses the same to the PSE for the information of the public. The Information Statement on SEC Form 20-IS is sent individually to all shareholders of record at least fifteen (15) business days before the meeting of the shareholders.</p>

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	3,476
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	26 January 2013

Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	26 January 2013
State whether CD format or hard copies were distributed	Yes, CD format was distributed.
If yes, indicate whether requesting stockholders were provided hard copies	Yes, requesting stockholders were provided with hard copies.

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

Each resolution to be taken up deals with only one item.	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	Yes
The auditors to be appointed or re-appointed.	Yes
An explanation of the dividend policy, if any dividend is to be declared.	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
<p>The minority stockholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda provided the items are for legitimate business purposes and, in accordance with law, jurisprudence and best practice. (Revised Manual on Corporate Governance)</p> <p>The minority stockholders shall have access to any and all information relating to matters for which management is accountable for and to those relating to matters which should have been included in the agenda of the annual meeting and, if not included, then the minority stockholders shall be allowed to propose such matters in the agenda of the stockholders' meeting being within the definition of "legitimate purposes" and in accordance with law, jurisprudence and best practice. (Revised Manual on Corporate</p>	<p>The company prepares its detailed Information Statement on SEC Form 20-IS. The Information Statement informs all shareholders and the public a) the date, place and time of the annual/special meeting of the shareholders and b) the Agenda of the meeting; c) the names of all the directors and senior management of the company including the details of their personal information; d) the names and personal information of the persons nominated for election as directors of the corporation; and e) the financial and other information about the company, among others;</p> <p>The Information Statement is submitted to the SEC and disclosed to the PSE for the information of the public and is sent to all shareholders of record individually, including the minority shareholders, at least fifteen (15) trading days</p>

<p>Governance)</p> <p>Although all stockholders shall be treated equally or without discrimination, the Board shall give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the corporation. (Revised Manual on Corporate Governance)</p>	<p>before the annual/special meeting of the shareholders;</p> <p>The company conducts an open forum during the shareholders' meetings as additional venue where shareholders, including minority shareholders, could participate in the meeting and communicate directly to the Chairman, the individual directors, and the members of the board committees and make known their views and concerns about the company. In addition, the Chairman and the PCEO and the members of the Board committees entertain interviews and queries from the shareholders and media after the holding of the annual/special meeting to provide the shareholders and members of the media additional opportunity to share their views to the Chairman, the PCEO and the members of the Board committees on issues relating to the company.</p> <p>The company has put in place a Stakeholder Relations & Corporate Communications Department to take charge of all issues relating to investors or shareholders and to attend to their queries and concerns about the company.</p>
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(b) Do minority stockholders have a right to nominate candidates for board of directors?

Yes, Article III, Section 3 of the By-laws of the company provides for the right of any stockholder to nominate candidates to the Board.

K. INVESTORS RELATIONS PROGRAM

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

The company has put in place communication channels that effectively process and address the concerns of its shareholders and the investing public. The Company regularly reports developments and submits disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange.

The company also maintains its website (www.roxascompany.com.ph), which provides timely information about the Company. The website serves also as an avenue for RCI's stockholders, stakeholders and the general public to send in their inquiries or comments, which the company responds to at the soonest possible time through the Stakeholder Relations and Corporate Communications Department.

The company also ensures that its stakeholders and the investing public are apprised of developments in the RCI Group through regular press conferences and press releases.

As for its internal communications, the company conducts forum for its employees once or twice a year to share information on its projects and plans.

The policies governing both the external and internal communication channels of RCI are anchored on the Company's values of reliability and relevance, high standards and integrity, and are reviewed as frequently as needed.

- 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 enable stockholders, investors and the general public to understand the developments in the company and equip them to make wise and informed decisions on their investment transactions in the company.
(2) Principles	To handle queries and requests of stockholders, investors and the general public with utmost priority.
(3) Modes of Communications	The Company website (www.roxascompany.com.ph); the SEC; RCI's page on the PSE website (www.pse.com.ph); press releases; press conferences; forums.
(4) Investors Relations Officer	Roulee Jane F. Calayag Tel. No.: (63 2) 810 8901 Fax: (63 2) 894 0989 Email: rfcalayag.rhi@cadp.com.ph

- 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 has no separate rules or 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 other than the provisions stated under Sections 42, 40, 81 and 82 of the Corporation Code of the Philippines. Thus:

Section 42. *Power to invest corporate funds in another corporation or business or for any other purpose.* - Subject to the provisions of this Code, a private corporation may invest its funds in any other corporation or business or for any purpose other than the primary purpose for which it was organized when approved by a majority of the board of directors or trustees and ratified by the stockholders representing at least two-thirds (2/3) of the outstanding capital stock, or by at least two thirds (2/3) of the members in the case of non-stock corporations, at a stockholder's or member's meeting duly called for the purpose. Written notice of the proposed investment and the time and place of the meeting shall be addressed to each stockholder or member at his place of residence as shown on the books of the corporation and deposited to the addressee in the post office with postage prepaid, or served personally: Provided, That any dissenting stockholder shall have appraisal right as provided in this Code: Provided, however, That where the investment by the corporation is reasonably necessary to accomplish its primary purpose as stated in the articles of incorporation, the approval of the stockholders or members shall not be necessary.

Section 40. *Sale or other disposition of assets.* - Subject to the provisions of existing laws on illegal combinations and monopolies, a corporation may, by a majority vote of its board of directors or trustees, sell, lease, exchange, mortgage, pledge or otherwise dispose of all or substantially all of its property and assets, including its goodwill, upon such terms and conditions and for such consideration, which may be money, stocks, bonds or other instruments for the payment of money or other property or consideration, as its board of directors or trustees may deem expedient, when authorized by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock, or in case of non-stock corporation, by the vote of at least to two-thirds (2/3) of the members, in a stockholder's or member's meeting duly called for the purpose. Written notice of the proposed action and of the time and place of the meeting shall be addressed to each stockholder or member at his place of residence as shown on the books of the corporation and deposited to the addressee in the post office with postage prepaid, or served personally: Provided, That any dissenting stockholder may exercise his appraisal right under the conditions provided in this Code.

A sale or other disposition shall be deemed to cover substantially all the corporate property and assets if thereby the corporation would be rendered incapable of continuing the business or accomplishing the purpose for which it was incorporated.

After such authorization or approval by the stockholders or members, the board of directors or trustees may, nevertheless, in its discretion, abandon such sale, lease, exchange, mortgage, pledge or other disposition of property and assets, subject to the rights of third parties under any contract relating thereto, without further action or approval by the stockholders or members.

Nothing in this section is intended to restrict the power of any corporation, without the authorization by the stockholders or members, to sell, lease, exchange, mortgage, pledge or otherwise dispose of any of its property and assets if the same is necessary in the usual and regular course of business of said corporation or if the proceeds of the sale or other disposition of such property and assets be appropriated for the conduct of its remaining business.

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

In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;

In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Code; and

In case of merger or consolidation.

Sec. 82. How right is exercised. - The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares: Provided, That failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or affected, the corporation shall pay to such stockholder, upon surrender of the certificate or certificates of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

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

The company has no pending transaction involving the acquisition of corporate control in the capital markets or mergers or sale of all or substantially all of the corporate assets. As such, the Board of Directors of the company has not appointed an independent party to evaluate the fairness of the transaction price.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiative	Beneficiary
Operasyon Balik-Paaralan (Educational Assistance Program). RFI, in partnership with Educational Research and Development Assistance Foundation, Inc.	For preschool and elementary students in Nasugbu, Batangas and La Carlota City, Negros Occidental.
Scholarship Program	For high school and college students in partnership with Sugar Industry Foundation, Inc. and employees’ dependents in Central Azucarera de la Carlota, Inc.
Day Care Service	For 18 Day Care Centers in Nasugbu and Lian,

	Batangas.
Tulong Aral ng Sentral Scholarship Program	For selected RFI & CADPI/CACI dependents/beneficiaries in Nasugbu, Batangas and La Carlota City, Negros Occidental.
Busog Lusog Talino School Feeding Program. RFI, in partnership with Jollibee Group Foundation and Local Government Unit.	For grade I-II public school pupils Nasugbu, Batangas and La Carlota City, Negros Occidental.
Medical and Dental Missions. RFI, in partnership with Fundacion Santiago and Sociedad Asocacion de Beneficiencia.	Residents of Nasugbu and Lian, Batangas and residents La Carlota City, Negros Occidental. in partnership with Fundacion Santiago and Sociedad Asocacion de Beneficiencia.
Sports Advocacy	Provides sponsorship to five teams of soccer players composed of 8U, 10U, 12U, 14U and 16U in Nasugbu, Batangas and two (2) teams, 8U and 10U in La Carlota City, Negros Occidental. Sponsorship of trainings for two (2) football teams, 8U and 10U) for the dependents of CACI employees and pupils from La Carlota Sugar Central Elementary School.
Casa Republika	A social enterprise project which offers bed and breakfast to donors, training venue/laboratory for HRM, Food & Beverage and related courses OJTs and out of school youth.
Café Central	A social enterprise project which offers fine dining and refreshment to travelers and local residents. It is also a training ground for OJTs and out of school youth with HRM, Food and Beverage, and other related courses.
Casa Central	A shop to showcase the products of RFI assisted communities and various livelihood groups/individuals.
Training Center	Offers food and beverages course and small engine mechanic course.
Tree Planting	Rehabilitation of Watershed Areas along the riverbanks of Marayo River in La Carlota City, Negros Occidental.

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

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

	Process	Criteria
Board of Directors	The company does not yet have a formal evaluation for the assessment of the annual performance of the Board of Directors.	
Board Committees	The Audit Committee conducts an annual performance evaluation in compliance with SEC Memorandum Circular No. 4, Series of 2012.	The criteria set forth in SEC Memorandum Circular No. 4, Series of 2012.

Individual Directors	The company does not yet have a formal evaluation for the assessment of the annual performance of the individual members of the Board of Directors.	
CEO/President	The company does not yet have a formal evaluation for the assessment of the annual performance of the CEO/President.	

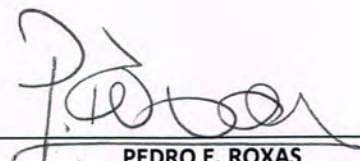
N. INTERNAL BREACHES AND SANCTIONS

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

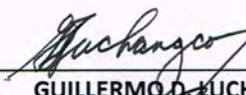
Violations	Sanctions
First Violation of the Corporate Governance Manual	Reprimand
Second Violation of the Corporate Governance Manual	Suspension from Office. The duration of the suspension shall depend on the gravity of the violation.
Third Violation	Maximum Penalty of Removal from Office.

Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on JUN 28 2013 2013.

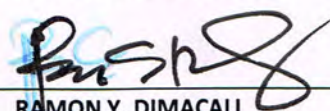
SIGNATURES



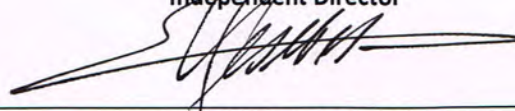
PEDRO E. ROXAS
Chairman, President & CEO



GUILLERMO D. LUCHANGCO
Independent Director



RAMON Y. DIMACALI
Independent Director



ALEJANDRO S. CASABAR
Compliance Officer

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2013, affiant(s) exhibiting to me their respective Community Tax Certificates and Valid IDs, as follows:

NAME	CTC NO.	DATE/PLACE OF ISSUE	VALID ID
PEDRO E. ROXAS	10707422	20 Feb. 2013/ Makati City	Phil. Passport No. EB0094507 issued 13 Apr. 2010-12 Apr 2015
GUILLERMO D. LUCHANGCO	10659792	24 January 2013/Makati City	Phil. Passport No. EB3916661 issued 20 Oct 2011 – 19 Oct 2016
RAMON Y. DIMACALI			Phil. Passport ZZ5393442 28 Jan 2010 – 27 Jan 2015
ALEZANDRO S. CASABAR			IBP Lifetime Membership No. 07519 Driver's License No. N03-98-250674

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 Series of 2013.

ATTY. AMADOR C. CASINO
 NOTARY PUBLIC
 UNTIL DEC. 31, 2013
 PTR NO. 3688861 / 01-21-13/ MAKATI
 IBP NO. 902065 / 01-21-13/ MAKATI