

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

**(D) Filing an Amendment**

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

# SEC FORM - ACGR

## ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is Filed for the Year 2014
2. Exact Name of Registrant as Specified in its Charter Primex Corporation  
Ground Fl. Richbelt Terraces
3. 19 Annapolis St., Greenhills, San Juan City 1502  
Address of Principal Office Postal Code
4. SEC Identification Number 133828 5. (SEC Use Only)  
Industry Classification Code
6. BIR Tax Identification Number 420-000-188-756
7. (632) 722-8078   
Issuer's Telephone number, including area code
8. ....  
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	Nine (9)
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Actual number of Directors for the year	Nine (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)	Elected when (Annual / Special Meeting)	No. of years served as director
Ernesto O. Ang	ED		Edgard O. Ang	1986	June 27, 2014	Annual	28
Eduardo O. Ang	NED		Ernesto O. Ang	1986	June 27, 2014	Annual	28
Emilio O. Ang	ED		Ericson O. Ang	1986	June 27, 2014	Annual	28
Edgard O. Ang	ED		Ericson O. Ang	1998	June 27, 2014	Annual	16
Ericson O. Ang	ED		Emilio O. Ang	1998	June 27, 2014	Annual	16
Karlvin Ernest L. Ang	ED		Eduardo O. Ang	2009	June 27, 2014	Annual	5
Jossie O. Chan	NED		Eduardo O. Ang	1995	June 27, 2014	Annual	19
Willy G. Ong	ID		Ericson O. Ang	2014	June 27, 2014	Annual	1
Benito Chua Co Kiong	ID		Ernesto O. Ang	2009	June 29, 2012	Annual	3

- (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.

A compliance Officer, who shall report directly to the Chairman of the Board, shall be appointed to ensure adherence to the prescribed good corporate governance principles and practices.

All shareholders shall have voting rights, Power of Inspection, Right to Information, Right to Dividends, and Appraisal Right.

The compliance with the principles of good corporate governance shall start with the Board of Directors. The Board of Directors shall be responsible for the governance and setting up of policies of the company. The Board shall commit, at all times, to fully disclose all material information and cause the filing of all required information for the benefit of the stockholders.

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

The vision and mission of the company is reviewed after every directors' meeting.

- (d) Directorship in Other Companies

- (i) Directorship in the Company's Group<sup>1</sup>

Identify, as and if applicable, the members of the company's Board of Directors who hold the

<sup>1</sup> The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

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.
Ernesto O. Ang	Omega Lumber Corporation	Executive/Chairman
	Primex Development Corp.	Executive/Chairman
	Primex Domains Inc.	Executive
	Primex Realty Corp.	Executive/Chairman
	Primex Land Inc.	Executive/Chairman
Eduardo O. Ang	Omega Lumber Corp.	Executive
	Primex Development Corp.	Executive
	Primex Realty Corp.	Non-Executive
	Primex Land Inc.	Non-Executive
Emilio O. Ang	Omega Lumber Corp.	Executive
	Primex Development Corp.	Executive
	Primex Domains Inc.	Non-Executive
	Primex Realty Corp.	Executive
	Primex Land Inc.	Non-Executive
Edgard O. Ang	Primex Domains Inc.	Executive
	Primex Realty Corp.	Executive
	Primex Land Inc.	Executive
	Primex Development Corp.	Executive
Ericson O. Ang	Primex Domains Inc.	Executive
	Primex Realty Corp.	Executive
	Primex Land Inc.	Executive
	Primex Development Corp.	Executive
Jossie O. Chan	Omega Lumber Corp.	Non-Executive
Karlvin Ernest L. Ang	Primex Land Inc.	Executive
	Primex Realty Corp.	Executive
	Primex Development Corp.	Executive
	Omega Lumber Corp.	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:

No directors of the company were appointed nor elected as directors of other publicly-listed companies outside of its group.

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.

(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
Ernesto O. Ang	Eduardo Ang, Emilio Ang, Edgard Ang, Ericson Ang, Jossie Chan	Siblings
Eduardo O. Ang	Ernesto Ang, Emilio O. Ang, Edgard Ang, Ericson Ang, Jossie Chan	Siblings
Emilio O. Ang	Ernesto Ang, Eduardo Ang, Edgard Ang, Ericson Ang, Jossie Chan	Siblings
Edgard O. Ang	Ernesto Ang, Eduardo Ang, Emilio Ang, Ericson Ang, Jossie Chan	Siblings
Ericson O. Ang	Ernesto Ang, Eduardo Ang, Emilio Ang, Edgard Ang, Jossie Chan	Siblings
Jossie O. Chan	Ernesto Ang, Eduardo Ang, Emilio Ang, Edgard Ang, Ericson Ang	Siblings
Karlvin Ernest L. Ang	Ernesto O. Ang	Father & Son

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

	Guidelines	Maximum Number of Directorships in other companies
<b>Executive Director</b>	Participation in at least 2/3 of the number of board meetings	Maximum of 12 but limited to 5 in other publicly listed companies



<b>Non-Executive Director</b>	Participation in at least 2/3 of the number of board meetings	Maximum of 12 but limited to 5 in other publicly listed companies
<b>CEO</b>	Participation in at least 2/3 of the number of board meetings	Maximum of 12 but limited to 5 in other publicly listed companies

(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
Ernesto O. Ang	75,324,666	NONE	23.296
Eduardo O. Ang	40,055,667	NONE	12.388
Emilio O. Ang	40,055,667	NONE	12.388
Edgard O. Ang	38,647,000	NONE	11.953
Ericson O. Ang	39,723,666	NONE	12.286
Karlvin Ernest L. Ang	80,000	NONE	0.0002
Jossie O. Chan	1,350,000	NONE	0.418
Benito Chua Co Kiong	1,000	NONE	0.0000
Willy G. Ong	4,000	NONE	0.0000
<b>TOTAL</b>	<b>235,241,666</b>		<b>72.729</b>

2) Chairman and CEO

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

Yes  No

Identify the Chair and CEO:

Chairman of the Board	Ernesto O. Ang
CEO/President	Ernesto O. Ang

(b) Roles, Accountabilities and Deliverables

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

	<b>Chairman</b>	<b>Chief Executive Officer</b>
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Role	Schedule board meetings. Supervise the preparation of the agenda. Exercise control over management. Ensuring compliance with guideline of good governance. Maintain communication lines between Board and Management.	Executes and directs the execution of Board directives and policies. Supervises executive officers and ensures performance of company objectives.
Accountabilities	Reports to the Board on executive performances and accomplishments	Reports to the Chairman and the Board on performances and target accomplishments
Deliverables	Reports n accomplishments and performance targets	Compliances and accomplishments

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 formulates policies and ensures continuity of performance. Toward this end, it encourages officers and directors to interact as a means to acquaint officers in company objectives, to learn by doing, to measure the officers' respective strengths in the performance of their duties and to gauge their suitability for higher responsibilities within the organization.

4) Other Executive, Non-Executive and Independent Directors

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

The company is open to nominating directors in other industries/businesses which are not inconsistent with its primary purpose as a real estate company. The basic criteria are the business orientation and broad business experiences of the nominee(s). As it stands, the current crop of Directors have different focuses, business experiences and educational backgrounds. This fosters diverse perspectives and different points of views.

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

The selection criteria for directors is sufficiently broad to include the more important business knowledge and experience and familiarity in real estate.

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

	Executive	Non-Executive	Independent Director
Role	Policy making & execution	Policy formulation & review	Policy formulation & review
Accountabilities	Performance reports and accomplishments	Performance reports	Performance reports
Deliverables	Reports on financial and performance progress	Approval of policy direction and mission	Approval of policy direction, mission and independent review.

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

The company adopts the definition accepted by regulatory agencies. In general it would be the absence of any substantial personal and financial interest (gain/loss) of the affected person from the activities of the company where he serves.

Does the company have a term limit of five consecutive years for independent directors? If after two

years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

The company does not have a term limit for its independent directors but is committed to follow the rules and guidelines on term limits promulgated by concerned governmental regulatory agencies.

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

(a) Resignation/Death/Removal

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

Name	Position	Date of Cessation	Reason
None			

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

(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
<b>a. Selection/Appointment</b>		
(i) Executive Directors	Thru Election	Business Experience, Integrity, Ability to constructively engage other directors and officers
(ii) Non-Executive Directors	Thru election	Business Experience and Integrity
(iii) Independent Directors	Thru election	Business Experience and Integrity
<b>b. Re-appointment</b>		
(i) Executive Directors	Thru election	Same as above
(ii) Non-Executive Directors	Thru election	Same as above
(iii) Independent Directors	Thru election	Same as above
<b>c. Permanent Disqualification</b>		
(i) Executive Directors	Removal/non-election as per MCG	Same as above, performance (failure), legal impediment , conflict of interest
(ii) Non-Executive Directors	Removal/non-election as per MCG	Same as above, performance (failure), legal impediment , conflict of interest

(iii) Independent Directors	Removal/non-election as per MCG	Same as above, performance (failure), legal impediment , conflict of interest
<b>d. Temporary Disqualification</b>		
(i) Executive Directors	Suspension/Temporary Replacement as per MCG	Same as above, performance (failure), legal impediment , conflict of interest
(ii) Non-Executive Directors	Suspension/Temporary Replacement as per MCG	Same as above, performance (failure), legal impediment , conflict of interest
(iii) Independent Directors	Suspension/Temporary Replacement as per MCG	Same as above, performance (failure), legal impediment , conflict of interest
<b>e. Removal</b>		
(i) Executive Directors	Removal by the BOD/ Replacement by BOD/ Election	Same as above, performance (failure), legal impediment , conflict of interest
(ii) Non-Executive Directors	Removal by the BOD/ Replacement by BOD/ election	Same as above, performance (failure), legal impediment , conflict of interest
(iii) Independent Directors	Removal by the BOD/ Replacement by BOD/ election	Same as above, performance (failure), legal impediment , conflict of interest
<b>f. Re-instatement</b>		
(i) Executive Directors	Reinstatement by BOD	Same as above, performance (failure), legal impediment , conflict of interest
(ii) Non-Executive Directors	Reinstatement by BOD	Same as above, performance (failure), legal impediment , conflict of interest
(iii) Independent Directors	Reinstatement by BOD	Same as above, performance (failure), legal impediment , conflict of interest
<b>g. Suspension</b>		
(i) Executive Directors	Suspension/Replacement by BOD	Same as above, performance (failure), legal impediment , conflict of interest
(ii) Non-Executive Directors	Suspension/Replacement by BOD	Same as above, performance (failure), legal impediment , conflict of interest

(iii) Independent Directors	Suspension/Replacement by BOD	Same as above, performance (failure), legal impediment , conflict of interest
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#### Voting Result of the last Annual General Meeting

Name of Director	Votes Received
Ernesto O. Ang	247,003,333
Eduardo O. Ang	247,003,333
Emilio O. Ang	247,003,333
Edgard O. Ang	247,003,333
Ericson O. Ang	247,003,333
Karlvin Ernest L. Ang	247,003,333
Jossie O. Chan	247,003,333
Benito Chua Co Kiong	247,003,333
Willy G. Ong	247,003,333

#### 6) Orientation and Education Program

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

Generally, the Corporate Secretary will orient them on the pertinent provisions of the Corporation Code on Directorships and Conflicts-of-Interest, Manual on Corporate Governance. Where required, they will be enrolled in seminars at company expense to qualify as directors.

- (b) State any in-house training and external courses attended by Directors and Senior Management<sup>2</sup> for the past three (3) years:

Program	Name of Training Institution
Corporate Governance & Anti-money Laundering Seminar	PHILSECC
Corporate Governance Workshop	PICPA

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

Name of Director/ Officer	Date of Training	Program	Name of Training Institution
None			

#### 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:

<sup>2</sup> Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

<b>Business Conduct &amp; Ethics</b>	<b>Directors</b>	<b>Senior Management</b>	<b>Employees</b>
(a) Conflict of Interest			
(b) Conduct of Business and Fair Dealings			
(c) Receipt of gifts from third parties			
(d) Compliance with Laws & Regulations			
(e) Respect for Trade Secrets/Use of Non-public Information			
(f) Use of Company Funds, Assets and Information			
(g) Employment & Labor Laws & Policies			
(h) Disciplinary action			
(i) Whistle Blower			
(j) Conflict Resolution			

- 2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees?
- 3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.

The company disseminates the Manual of Corporate Governance to the affected officers and employees.

#### 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.

In general, the company adheres to the Corporation Code and adopts the "arms-length" approach in transactions that involve related party transactions to avoid any conflict-of-interest situations.

<b>Related Party Transactions</b>	<b>Policies and Procedures</b>
(1) Parent Company	
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	

(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	
(7) Directors including spouse/children/siblings/parents	
(8) Interlocking director relationship of Board of Directors	

(b) Conflict of Interest

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

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

There were no actual or probable incident of conflict of interest to which directors/officers/5% or more shareholders are involved.

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	NONE
Name of Officer/s	
Name of Significant Shareholders	

(ii) Mechanism

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

Once any officer/director/employee is discovered or disclosed to have any possible conflict-of-interest or any relationship with a party which will transact with the company, the officer/director/employee is not allowed to directly transact with the related party or is subject to oversight/review to eliminate any conflict-of-interest.

	Directors/Officers/Significant Shareholders
Company	
Group	

5) Family, Commercial and Contractual Relations

(a) Indicate, if applicable, any relation of a family,<sup>3</sup> commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

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

<sup>3</sup> Family relationship up to the fourth civil degree either by consanguinity or affinity.


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

Names of Related Significant Shareholders	Type of Relationship	Brief Description
NONE		

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

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

#### 6) Alternative Dispute Resolution

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

	Alternative Dispute Resolution System
Corporation & Stockholders	In-house mediation
Corporation & Third Parties	Party to party liaison/mediation
Corporation & Regulatory Authorities	None

### C. BOARD MEETINGS & ATTENDANCE

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

Board meetings are scheduled according to necessity or according to need.

2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Ernesto O. Ang	06/27/14	3	3	100
Member	Eduardo O. Ang	06/27/14	3	3	100



Member	Emilio O. Ang	06/27/14	3	3	100
Member	Edgard O. Ang	06/27/14	3	3	100
Member	Ericson O. Ang	06/27/14	3	3	100
Member	Karlvin Ernest L. Ang	06/27/14	3	3	100
Member	Jossie O. Chan	06/27/14	3	3	100
Independent	Benito Chua Co Kiong	06/27/14	3	3	100
Independent	Willy G. Ong	06/27/14	3	3	100

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

No separate meetings for non-executive directors were held during the year.

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

No. In matters where a simple or qualified majority is needed by law, the company uniformly notifies all directors of the meeting.

- 5) Access to Information

- (a) How many days in advance are board papers<sup>4</sup> for board of directors meetings provided to the board?

Usually forwarded with the notice.

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

The company does not exercise any restriction for any Board member with respect to access to Management or 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?

The general role of the corporate secretary is to assist management in preparing the agenda and keeping the directors informed of relevant regulatory changes and to act as liaison officer of the Chairman with Board members, to assist in director training and their queries for information.

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

The company secretary is trained in company secretarial practices and has a background in general business accountancy. With respect to legal practices, he has access to the VP for Legal Affairs and/or legal counsel that may have been engaged by the company.

- (e) Committee Procedures

Disclose whether there is a procedure that Directors can avail of to enable them to get

<sup>4</sup> 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.

information necessary to be able to prepare in advance for the meetings of different committees:

Yes

No

Committee	Details of the procedures
Executive	By verbal or written request to the corporate secretary
Audit	-ditto-
Nomination	-ditto-
Remuneration	-ditto-
Others (specify)	-ditto-

#### 6) External Advice

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

Procedures	Details
NONE	

#### 7) Change/s in existing policies

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

Existing Policies	Changes	Reason
NONE		

### D. REMUNERATION MATTERS

#### 1) Remuneration Process

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

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration		
(2) Variable remuneration		
(3) Per diem allowance		
(4) Bonus		

(5) Stock Options and other financial instruments		
(6) Others (specify)		

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

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

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors			
Non-Executive Directors			

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.

Since directors are likewise stockholders, they have the opportunity to approve the decision on remunerations. However, no changes have yet been implemented in the last three (3) years.

Remuneration Scheme	Date of Stockholders' Approval

## 3) Aggregate Remuneration

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

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	1,471,000.00		
(b) Variable Remuneration			
(c) Per diem Allowance	10,000.00 P.A.	10,000.00 P.A.	10,000.00 P.A.
(d) Bonuses	90,000.00		
(e) Stock Options and/or other financial instruments			
(f) Others (Specify)			
<b>Total</b>			

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

#### 4) Stock Rights, Options and Warrants

##### (a) Board of Directors

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

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

##### (b) Amendments of Incentive Programs

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

Incentive Program	Amendments	Date of Stockholders' Approval
NONE	NONE	NONE
NONE	NONE	NONE
NONE	NONE	NONE

#### 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:

All members of management are also directors.

Name of Officer/Position	Total Remuneration
NONE	
NONE	
NONE	
NONE	
NONE	

## 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	1	1	1			Review & Recommend, Approve	
Audit	2		1			Review	
Nomination	2		1			Review & Recommend	
Remuneration	1	1	1			Review & Recommend	
Others (specify)							

### 2) Committee Members

#### (a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Ernesto O. Ang	06-27-2014	4	4		
Member (ED)						
Member (NED)	Eduardo O. Ang	06-27-2014	4	4		
Member (ID)	Johnny L. Co	06-27-2014	4	4		
Member						

#### (b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Benito Chua Co Kiong	06-27-2014	3	3		
Member (ED)	Ernesto O. Ang Emilio O. Ang	06-27-2014	3	3		
Member (NED)						
Member (ID)	Benito Chua Co Kiong	06-27-2014	3	3		
Member						

Disclose the profile or qualifications of the Audit Committee members.

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

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Ernesto O. Ang	06-27-2014	1	1		
Member (ED)	Ericson O. Ang	06-27-2014	1	1		
Member (NED)						
Member (ID)	Benito Chua Co Kiong	06-27-2014	1	1		
Member						

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Ernesto O. Ang	06-27-2014	1	1		
Member (ED)						
Member (NED)	Eduardo O. Ang	06-27-2014	1	1		
Member (ID)	Johnny L. Co	06-27-2014	1	1		
Member						

(e) Others (Specify)

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

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman						
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 committee membership 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		
Audit		
Nomination		
Remuneration		
Others (specify)		

### 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	NONE	NONE
Audit	NONE	NONE
Nomination	NONE	NONE

Remuneration	NONE	NONE
Others (specify)	NONE	NONE

## F. RISK MANAGEMENT SYSTEM

### 1) Disclose the following:

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

### 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

#### (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

#### (c) Minority Shareholders

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

Risk to Minority Shareholders



--

3) Control System Set Up

(a) Company

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

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

(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)

(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

**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;

In general , the purpose of internal audit control is to ensure that all company resources are

directed only to activities/service that will redound to its benefit.

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

The directors have reviewed the basic internal control system and find it adequate to meet its stated purpose.

- (c) Period covered by the review;

The review covered the previous year's transactions.

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

The review is conducted semi-annually.

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

## 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
Review all transactions for compliance with basic internal control measures	All transactions on record	In-house Internal Audit	Lourdes Mamerto	Submission of report to the A u d i t Committee for action

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

Yes.

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

The internal auditor has access to the board of directors and the audit committee members. She has access to all records, properties and personnel.

- (d) Resignation, Re-assignment and Reasons

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

Name of Audit Staff	Reason
NONE	

--	--

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

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

<b>Progress Against Plans</b>	<b>Complied</b>
<b>Issues</b>	None
<b>Findings</b>	None remarked
<b>Examination Trends</b>	Nil

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

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

(f) Audit Control Policies and Procedures

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

<b>Policies &amp; Procedures</b>	<b>Implementation</b>
All expenses are recorded and pass through accounting and field records to check against actual deliveries/service vis-a-vis billings	Acceptable
All vouchers are checked against records before approval for payment	Acceptable
All approved vouchers are paid only through two separate approved signatories	Acceptable

(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):

<b>Auditors (Internal and External)</b>	<b>Financial Analysts</b>	<b>Investment Banks</b>	<b>Rating Agencies</b>

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

The Chairman/CEO is charged with enforcing compliance with the SEC Code of Corporate Governance. All directors, officers and employees of the company have been briefed on company policies, the manual on corporate governance and their respective duties to secure compliance therewith.

## H. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' welfare	NIL	NIL
Supplier/contractor selection practice	Competitive bidding/ comparative canvass on product pricing	Periodic reevaluation of bids and quotes
Environmentally friendly value-chain	NIL	NIL
Community interaction	NIL	NIL
Anti-corruption programmes and procedures?	NIL	NIL
Safeguarding creditors' rights	Internal Audit Controls to minimize misuse of company resources and assets.	Periodic Validation on receipt of goods/service & payment processing

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

No. Any issue will be brought before the board for proper action and appointment of a point man to address any such issue(s).

3) Performance-enhancing mechanisms for employee participation. NONE

(a) What are the company's policy for its employees' safety, health, and welfare? The company adheres to the standards promulgated by regulatory authorities.

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

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

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

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.  
None.

## I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
Ernesto O. Ang	75,324,666	23.296	
Eduardo O. Ang	40,055,667	12.388	

<b>Emilio O. Ang</b>	<b>40,055,667</b>	<b>12.388</b>	
<b>Ericson O. Ang</b>	<b>39,723,666</b>	<b>12.286</b>	
<b>Edgard O. Ang</b>	<b>38,647,000</b>	<b>11.953</b>	

<b>Name of Senior Management</b>	<b>Number of Direct shares</b>	<b>Number of Indirect shares / Through (name of record owner)</b>	<b>% of Capital Stock</b>
Ernesto O. Ang	75,324,666		23.296
Emilio O. Ang	40,055,667		12.388
Ericson O. Ang	39,723,666		12.286
Edgard O. Ang	38,647,000		11.953
Karlvin Ernest L. Ang	80,000		0.0002
<b>TOTAL</b>			

2) Does the Annual Report disclose the following:

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

The Annual Report does not disclose details which are not marked in the above table, to avoid clutter and information overload. Should an entitled party so request, this information may be furnished. Performance data is disclosed by Financial Statement and mandated reports required by regulatory agencies.

3) External Auditor's fee

<b>Name of auditor</b>	<b>Audit Fee</b>	<b>Non-audit Fee</b>
<b>SGV</b>	<b>P 420,000.00</b>	

4) Medium of Communication

Disclosure of pertinent information by the corporate secretary upon request of person entitled. Disclosures filed with the Securities and Exchange Commission.

5) Date of release of audited financial report: April 15,2014

6) Company Website

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

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

Some aspects of company information is not available for reasons of security and business strategy.

7) Disclosure of RPT

RPT	Relationship	Nature	Value
NONE			

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?

Whenever related-party transactions may be involved, the company adopts the arms-length approach in evaluating the validity of the transaction and its compliance with the Corporation Code with respect to conflict-of interest. Moreover, officers or employees with RPT would naturally be subject to oversight and insulated from exercising unsupervised discretion.

## 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.

<b>Quorum Required</b>	Simple Majority
------------------------	-----------------

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

<b>System Used</b>	Approval/Authority/Ratification of Acts by the Board of Directors or shareholders
<b>Description</b>	All major corporate acts are subject to prior or post review by the Board of Directors to safeguard corporate and shareholder interests

(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
Same	None

Dividends

Declaration Date	Record Date	Payment Date
NIL		

(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.

2. Measures Adopted	3. Communication Procedure

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

The company will notify shareholders and complies with pertinent laws and regulations on such notice on the following matters:

- 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

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?

- a. Date of sending out notices: June 03, 2014
- b. Date of the Annual/Special Stockholders' Meeting: June 28, 2013

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

No questions were asked at the Annual Stockholders' meeting during the recent year.

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

12. Resolution	13. Approving	14. Dissenting	15. Abstaining
16. 5	17. 5	18. NIL	19. NIL

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

The company files notice of the AGM in compliance with SEC regulations.

(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:

No modifications were made at the Annual Stockholders' meeting during the recent year.

Modifications	Reason for Modification
NONE	

(f) Stockholders' Attendance

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

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	9	June 27, 2014	By show of hands	79 %	none	79%
Special						

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

No independent party inspectors were used in view of the minimal number of stockholders.

(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.

One share is equivalent to one vote as specified in the company's charter.

(g) Proxy Voting Policies

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

As a rule, the company does not encourage the use of proxies.

	Company's Policies
Execution and acceptance of proxies	
Notary	
Submission of Proxy	



Several Proxies	
Validity of Proxy	
Proxies executed abroad	
Invalidated Proxy	
Validation of Proxy	
Violation of Proxy	

(h) Sending of Notices

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

The company strictly complies with the rules and guidelines set by governmental regulatory agencies regarding the sending of notices of Annual/Special Stockholders meeting.

Policies	Procedure

(i) Definitive Information Statements and Management Report

<b>Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials</b>	26 stockholders
<b>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners</b>	June 01, 2014
<b>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders</b>	June 03, 2013
<b>State whether CD format or hard copies were distributed</b>	Hard copies
<b>If yes, indicate whether requesting stockholders were provided hard copies</b>	Yes

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

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

The amount payable for final dividends.	N/A
Documents required for proxy vote.	Yes

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

## 2) Treatment of Minority Stockholders

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

Policies	Implementation
Voting Rights	Respected
Pre-emptive Rights	No pre-emptive right
Right to Information	Respected
Right to Dividends	Respected
Appraisal Right	Respected

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

Yes

## K. INVESTORS RELATIONS PROGRAM

- 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.
- 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	
(2) Principles	
(3) Modes of Communications	
(4) Investors Relations Officer	

- 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?

NIL. The company has never entered into any extraordinary transactions as enumerated.

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

None. The company has never entered into any extraordinary transactions as enumerated and has not had occasion to name an independent party to evaluate a transaction price of this nature.

## L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiative	Beneficiary
------------	-------------

None	

**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	NIL	
Board Committees	NIL	
Individual Directors	NIL	
CEO/President	NIL	

**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
1 <sup>st</sup> violation	Reprimand
2 <sup>nd</sup> violation	Suspension
3 <sup>rd</sup> violation	Removal from office

The internal policies on sanctions for any violation or breach of the corporate governance manual involving directors, officers, management and employees are spelled out in the same manual.

Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of \_\_\_\_\_ on \_\_\_\_\_, 20\_\_.

**SIGNATURES**

ERNESTO O. ANG

Chairman of the Board

ERNESTO O. ANG

Chief Executive Officer

BENITO CHUA CO KIONG

Independent Director

WILLY G. ONG

Independent Director

ATTY. ERICSON O. ANG

Compliance Officer

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ , affiant(s) exhibiting to me their \_\_\_\_\_, as follows:

NAME	T.I.N.
Ernesto O. Ang	212-621-196
Ericson O. Ang	108-929-281
Benito Chua Co Kiong	100-809-658
Willy G. Ong	181-297-412

**NOTARY PUBLIC**

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Book No. \_\_\_\_\_  
Series of \_\_\_\_\_