

# COVER SHEET

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S.E.C. Registration Number

V A N T A G E E Q U I T I E S I N C .

F O R M E R L Y I V A N T A G E C O R P .

(Company's Full Name)

2 7 / F E A S T T O W E R , P S E C E N T R E  
E X C H A N G E R O A D , O R T I G A S P A S I G

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

ADRIAN FRANCIS S. BUSTOS

Contact Person

632-09-05

Company Telephone Number

1 2      3 1

Month      Day  
Fiscal Year

LAST FRIDAY OF JUNE

Month      Day

Annual Meeting

R E V I S E D M A N U A L C N C O R P G O V .

FORM TYPE

Secondary License Type, If Applicable

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Dept. Requiring this Doc.

Amended Articles Number/Section

Amended Articles Number/Section

Total No. of Stockholders

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Domestic

Foreign

Foreign

To be Accomplished by SEC Personnel concerned

File Number

File Number

LCU

LCU

Document I.D.

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Cashier

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Remarks = pls. use black ink for scanning purposes

# **VANTAGE EQUITIES, INC.**

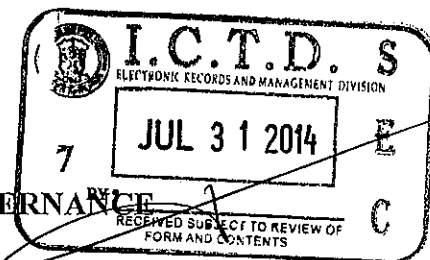
## **AMENDED MANUAL ON CORPORATE GOVERNANCE**

As approved by the Board of Directors  
of Vantage Equities, Inc. on  
19 June 2014

Effective 1 August 2014

VANTAGE EQUITIES, INC.

AMENDED MANUAL ON CORPORATE GOVERNANCE



In compliance with Memorandum Circular No. 9, Series of 2014 or the Amendment to the Revised Code of Corporate Governance (the 'Revised Code') issued by the Securities and Exchange Commission (the 'Commission'), the Board of Directors approves the revision of this Manual on Corporate Governance (the 'Manual').

PART I

OBJECTIVE

This Manual shall institutionalize the principles of good corporate governance in the entire organization of Vantage Equities, Inc. (the 'Corporation').

PART II

COMPLIANCE SYSTEM

A. Board of Directors

1. The Board shall foster the Corporation's long-term success and secure its sustained competitiveness and profitability in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Corporation, its stockholders and other stakeholders. It shall formulate the Corporation's vision, mission, strategic objectives, and policies and procedures that shall guide its activities, including the means to effectively monitor the Management's performance.
2. To ensure a high standard of best practice for the Corporation, its stockholders and other stakeholders, the Board shall conduct itself with utmost honesty and integrity in the performance of, among others the following duties, functions and responsibilities:
  - a. 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;
  - b. Appoint competent, professional, honest and highly-motivated management officers and adopt an effective succession planning program for Management;
  - c. Provide sound strategic policies and guidelines to the Corporation on major capital expenditures and establish programs that can sustain the Corporation's long-term viability and strength;

- d. Periodically evaluate and monitor the implementation of its strategic policies and programs, business plans, operating budgets, including the Management's overall performance;
- e. Ensure the Corporation's faithful compliance with all applicable laws, regulations and best business practices;
- f. Establish and maintain an investor relations program that will keep the stockholders informed of important developments in the Corporation;
- g. Identify the Corporation's stakeholders 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;
- h. Adopt a system of check and balance within the Board, conduct a regular review of the effectiveness of such system to ensure the integrity of the decision-making and reporting processes at all times and perform a continuing review of the Corporation's internal control system in order to maintain its adequacy and effectiveness;
- i. 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;
- j. 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;
- k. Constitute Nomination, Compensation and Remuneration, Audit, Risk and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities;

The Board, after consultations with the Audit Committee, shall recommend to the stockholders an external auditor duly accredited by the Commission who shall undertake an independent audit of the corporation, and shall provide an objective assurance on the manner by which the financial statements shall be prepared and presented to the stockholders. The external auditor shall not, at the same time, provide internal audit services to the corporation. Non-audit work may be given to the external

auditor, provided it does not conflict with his duties as an independent auditor, or does not pose a threat to his independence.

l. 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.

m. Meet at such times or frequency as may be needed;

The minutes of such meetings should be duly recorded. Independent views during Board meetings should be encouraged and given due consideration.

n. 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; and

o. Provide the stockholders with a balanced and comprehensive assessment of the Corporation's performance, position and prospects on a quarterly basis, including interim and other reports that could adversely affect the Corporation's business, as well as reports to regulatory agencies as required by law.

3. The members of the Board shall be elected at each annual meeting of the stockholders in accordance with the By-Laws, and shall hold office until the next annual meeting or until successors shall have been duly elected and qualified. The Board shall be composed of eleven (11) members or such other number as the Corporation's Articles of Incorporation shall provide. At least two (2) or twenty percent (20%) of the members of the Board, whichever is lesser shall be independent directors. Non-executive directors shall possess such qualifications and stature that would enable them to effectively participate in the deliberations of the Board.

4. Independent directors shall be subjected to the following rules:

a. If the independent director becomes an officer or employee of the Corporation, or his beneficial security ownership in the Corporation or in its related companies exceeds 10%, he shall automatically be disqualified from being an independent director;

b. At least one of the independent directors shall be present in all meetings of the Board in person or by teleconferencing, subject to the existing regulations;

- c. Absence of an independent director from a Board meeting shall be for a justifiable cause only if such is due to a grave illness, the death of an immediate family member or a serious injury to himself;
  - d. He should not be is not a director or officer of the Corporation or of its related companies or any of its substantial shareholders except when the same shall be an independent director of any of the foregoing;
  - e. He should not be related to any director, officer or substantial shareholder of the Corporation, any of its related companies or any of its substantial shareholder. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
  - f. He should not be acting as a nominee or representative of any director or substantial shareholder of the Corporation, and/or any of its related companies and/or any of its substantial shareholders, pursuant to a Deed of Trust or under any contract or arrangement;
  - g. He has not been employed in any executive capacity by the Corporation, any, any of its related companies and/or by any of its substantial shareholder within the last five (5) years;
  - h. He has not retained as professional adviser by the Corporation, and/or any of its related companies and/or any of its substantial shareholders within the last five (5) years;
  - i. He has not been retained, either personally or through his firm or any similar entity, as professional adviser, by the Corporation, any of its related companies and/or any of its substantial shareholders, either personally or through his firm; and
  - j. He has not engaged and does not engage in any transaction with the Corporation and/or with any of its related companies and/or with any of its substantial shareholders, whether by himself and/or with other persons and/or through a firm of which he is a partner and/or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms length and are immaterial.
5. The office of a Director is one of trust and confidence. As such, a Director should act in the best interest of the Corporation in a manner characterized by transparency, accountability and fairness. He should also exercise leadership, prudence and integrity in directing the Corporation towards sustained progress. His duties and responsibilities include:
- a. Conduct fair business transactions with the corporation and ensure that his personal interests do not conflict with the interests of the Corporation;

- b. Devote the time and attention necessary to properly and effectively perform his duties and responsibilities;
  - c. Act judiciously;
  - d. Exercise independent judgment;
  - e. 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; and
  - f. Observe confidentiality.
6. The following shall be grounds for the permanent disqualification of a director:
- a. Conviction by final judgment or order of a competent judicial or administrative body or of a competent foreign court or equivalent financial authority of any crime or offense that:
    - i. involves the purchase or sale of securities;
    - ii. 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;
    - iii. arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;
    - iv. involves moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;
    - v. he had willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law, rules and regulations administered by the Commission or the BSP;
  - b. By reason of misconduct, after hearing and by final judgment or order of the Commission or a competent judicial or administrative body, or of a competent foreign court or equivalent financial authority, permanent enjoinder from:
    - i. acting as an underwrite, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker;
    - ii. acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; or

- iii. engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (i) and (ii) above, or willfully violating the laws that govern securities and banking activities.
  - c. Currently subjected to any of the following:
    - i. an order of the Commission, the Bangko Sentral ng Pilipinas (BSP), a competent judicial or administrative body or a competent foreign court or equivalent financial authority, denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law, rules and regulations administered by the Commission or the BSP;
    - ii. an order of the Commission, the Bangko Sentral ng Pilipinas (BSP), a competent judicial or administrative body or a competent foreign court or equivalent financial authority, restraining him from engaging in any activity involving securities and banking; or
    - iii. an effective order of a self-regulatory organization, whether domestic or foreign, suspending or expelling him from membership, participation or association with a member or participant of the organization.
  - d. Conviction by final judgment or order of a competent judicial or administrative of any crime or offense punishable by imprisonment for more than six (6) years or of any violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.
  - e. Judicial declaration of insolvency
7. The Board may provide for the temporary disqualification of a director for any of the following reasons:
- 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.
  - b. Absence in more than fifty percent (50%) of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident.  
  
The disqualification shall apply for purposes of the succeeding election.



- c. Dismissal or termination for cause as director of any corporation covered by the Revised 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.

- 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.

- e. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.

A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.

## B. Board Committees

### 1. Nomination Committee

- a. The Nomination Committee shall be composed of at least three (3) members of the Board, one of whom shall be an independent director.
- b. The Nomination Committee shall have the following duties and responsibilities:
  - i. Pre-screen and shortlist all candidates nominated to become a member of the Board of Directors in accordance with the qualifications and disqualifications under the Corporation Code, the Securities Regulation Code, this Manual and pertinent rules and regulations, as well as those qualifications and disqualifications set by the Board;
  - ii. Re-define the role, duties and responsibilities of the Chief Executive Officer by integrating the dynamic requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance;
- c. The Nomination Committee shall consider the following guidelines in the determination of the number of directorships that may be held by a director:
  - i. The nature of the business of the corporations which he is a director;



- ii. Age of the director;
- iii. Number of directorships/active memberships and officerships in other corporations or organizations; and
- iv. Possible conflict of interest.

The optimum number shall be related to the capacity of a director to perform his duties diligently.

## 2. Compensation and Remuneration Committee

- a. The Compensation and Remuneration Committee shall be composed of at least three (3) members of the Board, one of whom shall be an independent director.
- b. The Compensation and Remuneration Committee shall have the following duties and responsibilities:
  - i. 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 the compensation levels are consistent with the Corporation's culture, strategy and control environment;
  - ii. Determine the amount of remuneration for the Corporation's directors and officers, which shall be in a sufficient level to attract and retain personnel who are needed to run the Corporation successfully;
  - iii. Insure that all incoming officers and directors disclose fully their existing business interests or shareholdings that may directly or indirectly conflict with the performance of their intended duties and responsibilities, under the penalty of perjury;
  - iv. Disallow any director to decide his or her own remuneration;
  - v. Provide Management with a clear, concise and understandable disclosure of the compensation of the Corporation's directors and top four (4) management officers for the previous fiscal year and the current year, which shall be incorporated in the Corporation's annual reports, information and proxy statements; and
  - vi. Review the existing Human Resources Development or Personnel Handbook or its equivalent, 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. In the absence of such Personnel Handbook or its equivalent, the Committee, in coordination with the Human Resources Department, shall develop such a handbook which shall cover the same parameters of governance stated above.

## 3. Audit Committee

- a. The Audit Committee shall be composed of at least three (3) members of the Board, one (1) of whom shall be an independent director and shall be the Chairman thereof. Preferably, the members shall have accounting and finance backgrounds, and at least one (1) member shall have audit experience.

Each member shall have adequate understanding at least, or competence at most, of the Corporation's financial management systems and environment.

- b. The Audit Committee shall have the following duties and responsibilities:
  - i. 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;
  - ii. 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.

- iii. Perform oversight functions over the Corporation's Internal and External Auditors;

It should 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;

- iv. 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.

- v. 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;
- vi. Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;

- vii. Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, including financial reporting control and information technology security;
- viii. Review the reports submitted by the Internal and External Auditors;
- ix. Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:
  - Any change/s in accounting policies and practices
  - Major judgmental areas
  - Significant adjustments resulting from the audit
  - Going concern assumptions
  - Compliance with accounting standards
  - Compliance with tax, legal and regulatory requirements
- x. Coordinate, monitor and facilitate compliance with laws, rules and regulations;
- xi. 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;

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, should be disclosed in the Corporation's annual report.

- xii. 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 Committee.

- xiii. The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties.

#### 4. Risk Committee

- a. The Risk Committee shall be composed of at least three (3) members of the Board, one (1) of whom shall be an independent director and shall be the Chairman thereof.

The Risk Committee is established for the purpose of assisting the Board in overseeing the Corporation's practices and processes relating to risk assessment and risk management; maintaining an appropriate risk culture, reporting of financial and business risks and associated internal controls.

The Risk Committee will assist the Board in providing framework to identify, assess, monitor and manage the risks associated with the Corporation's business. It helps the Board to adopt practices designed to identify significant areas of business and financial risks and to effectively manage those risks in accordance with Corporation's risk profile.

- b. The Risk Committee shall have the following duties and responsibilities:
  - i. Oversee the Corporation's risk management function;
  - ii. Develop a formal risk management policy that guides the Corporation's risk management and compliance processes and procedures;
  - iii. Design and undertake its enterprise-wide risk management activities in accordance with internationally recognized frameworks;
  - iv. Discuss and review policies with respect to risk assessment and risk management including the Corporation's major financial and business risk exposures and the actions the Management has undertaken to control them;
  - v. Set the tone and influence the culture of risk management which includes determining the appropriate risk appetite (risk-taker or risk-averse) or level of exposure as a whole or on any relevant individual issue, determining what types of risk are acceptable and which are not;
  - vi. Monitor the Management of significant risk to reduce the likelihood of unwelcome surprises;
  - vii. Satisfy itself that less significant risks are being actively managed with the appropriate controls in place and working effectively;
  - viii. Annually review the Corporation's approaches to risk management and recommends to the Board changes or improvements to key elements of its processes and procedures; and
  - ix. Perform other activities consistent with this Manual, the Corporation's By-Laws and governing law as the Committee or the Board deems necessary or appropriate.

### C. The Management

1. The Management shall provide all members of the Board with complete, accurate and timely information about matters to be taken up during its meetings and to enable it to comply with its responsibilities to its stockholders.
2. The Management should formulate, under the supervision of the Audit Committee, the rules and procedures on financial reporting and internal control in accordance with the following guidelines:
  - i. The extent of its responsibility in the preparation of the financial statements of the Corporation, with the corresponding delineation of the

- responsibilities that pertain to the External Auditor, should be clearly explained;
- ii. An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the Corporation should be maintained for the benefit of all stockholders and other stakeholders;
  - iii. On the basis of the approved audit plans, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the Corporation's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules and regulations;
  - iv. The Corporation should consistently comply with the financial reporting requirements of the Commission;
  - v. The External Auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Corporation, should be changed with the same frequency.
  - vi. The Internal Auditor should submit to the Audit Committee and Management an annual report on the internal audit department's activities, responsibilities and performance relative to the audit plans and strategies as approved by the Audit Committee. The annual report should include significant risk exposures, control issues and such other matters as may be needed or requested by the Board and Management.

D. Chief Executive Officer

- a. The Chief Executive Officer (CEO) shall be appointed by the Board to serve as such until his successor shall have been elected and qualified. At the option of the Board, a person other than the President may be designated CEO, at which instance the President may be designated Chief Operating Officer (COO).

The CEO should both be held by a Filipino citizen. Being a principal officer of the Corporation, he shall be a person of outstanding knowledge and integrity. The CEO shall work and deal fairly and objectively with all the constituencies of the Corporation, namely, the Board, the Management and stockholders.

- b. Subject to the control of the Board, the CEO shall:
  - i. Supervise and control all the business and affairs of the Corporation;
  - ii. In the absence of the Chairman and the Vice Chairman of the Board, preside at all meetings of the Board and stockholders. If the President and CEO positions are not held by one individual, then the President shall preside unless absent, in which case the CEO shall preside;
  - iii. Together with other officers designated by the Board, sign all checks, drafts, or other orders with respect to any funds of the Corporation maintained in any bank, certificates of stock of the Corporation, any deed,

- mortgage, bond, contract, or other instrument which the Board has authorized to be executed; and
- iv. Perform all duties incident to the office of the CEO, those provided in the By-Laws and existing laws and regulations and such other duties as may be prescribed by the Board from time to time.
  - c. In case the CEO is also the Chairman of the Board, he shall strictly follow the checks and balances provided by the Board in accordance with this Manual to ensure that independent and outside views, perspectives and judgments are given proper hearing by the Board.

#### E. Corporate Secretary

1. The Corporate Secretary is an officer of the Corporation. He shall be a Filipino citizen and a resident of the Philippines. He must possess appropriate administrative and interpersonal skills, as well as a working knowledge of the Corporation's operations.
2. The Corporate Secretary's duties and responsibilities include:
  - a. Attendance in all Board meetings, except when justifiable causes prevent him from doing so;
  - b. Ensure strict compliance with all Board procedures and rules and regulations;
  - c. Inform the members of the Board, in accordance with the Corporation's 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;
  - d. Safekeeping and preservation of the integrity of the minutes of the Board and its committees, as well as the other official records of the Corporation; and
  - e. Issue a certification on or before January 30 of each year on the attendance of the Directors in meetings of the Board of Directors, countersigned by the Chairman of the Board.

In the exercise of his duties and responsibilities, the Corporate Secretary must observe the following:

- a. Loyalty to the mission, vision, strategic objectives, and policies and procedures of the Corporation;



- b. Fairness and objectivity in performing his duties relative to the Board, the Management and the Corporation's stockholders and other stakeholders; and
- c. Awareness of the laws and rules and regulations necessary in the performance of his duties and responsibilities.

F. Compliance Officer

1. The Chairman of the Board shall designate the Corporation's Compliance Officer. The Compliance Officer shall have direct reporting responsibilities to the Chairman of the Board.
2. The appointment of the Compliance Officer shall be immediately disclosed to the Commission. All correspondence relative to the Corporation's compliance with the Revised Code shall be addressed to the Compliance Officer.
3. The Compliance Officer shall have the following duties and responsibilities:
  - a. Monitor compliance by the Corporation with the provisions of the Revised Code and the rules and regulations of pertinent regulatory agencies, such as the Commission and the Philippine Stock Exchange (the 'Exchange') and, if there be any violation(s), report the matter to the Board and recommend the imposition of appropriate disciplinary action and the adoption of appropriate corrective measures to prevent repetition of the violation(s);
  - b. Appear before the Commission when summoned in relation to compliance with the Revised Code; and
  - c. Issue a certification on or before January 30 of each year on the extent of the Corporation's compliance with the Revised Code for the completed year and, if there be any deviation(s), explain the reason(s) therefor.

G. External Auditor

1. The External Auditor shall be selected and appointed by the stockholders during the annual stockholders' meetings, upon recommendation of the Audit Committee.
2. The reason/s for the resignation, dismissal or cessation from service, and the date thereof, of an External Auditor shall be reported in the Corporation's annual and current reports. Said report shall include a discussion of any disagreement with said former External Auditor on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure. A preliminary copy

of the said report shall be given by the Corporation to the External Auditor before its submission.

3. The External Auditor of the Corporation shall not at the same time provide the internal audit services to the Corporation. Non-audit work may be given to the External Auditor, provided it does not conflict with his duties as an independent auditor, or does not pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Corporation's annual report.
4. The External Auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Corporation, should be changed with the same frequency.
5. If an External Auditor believes that any statements made in the Corporation's annual report, information statement or any report filed with the Commission or any regulatory body during the period of his engagement is incorrect or incomplete, he shall give his comments or views in said reports.

#### H. Internal Auditor

1. The Audit Committee shall establish an independent internal audit function which shall be performed by an Internal Auditor or a group of Internal Auditors, through which the Board, senior management, and stockholders shall be provided with reasonable assurance that its key organizational and procedural controls are effective, appropriate, and complied with. The Internal Auditor shall report to the Audit Committee.

The Internal Auditor should certify that he conducts his activities in accordance with the International Standards on the Professional Practice of Internal Auditing. If he does not, he shall disclose to the Board and Management the reasons why he has not fully complied with the said standards.

2. The minimum internal control mechanisms for Management's operational responsibility shall center on the CEO, being ultimately accountable for the Corporation's organizational and procedural controls.
3. The scope and particulars of a system of effective organizational and procedural controls shall be based on the following factors:
  - i. the nature and complexity of business and the business culture;
  - ii. the volume, size and complexity of transactions; the degree of risk;
  - iii. the degree of centralization and delegation of authority; the extent and effectiveness of information technology; and
  - iv. the extent of regulatory compliance.

**PART III**  
**STOCKHOLDERS' RIGHTS AND PROTECTION OF MINORITY STOCKHOLDERS**

A. The Board shall respect the following rights of the stockholders:

1. Voting Right

- a. The stockholders shall have the right to elect, remove and replace directors and to vote on certain corporate acts in accordance with the Corporation Code.
- b. Cumulative voting shall be used in the election of directors.
- c. A director shall not be removed without cause if it will deny minority stockholders representation in the Board.
- d. Although all stockholders should be treated equally and without discrimination, the minority stockholders shall have 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.

2. Pre-Emptive Right

- a. Any stockholder of the Corporation shall have the right to subscribe to all issues or disposition of shares of any class, in proportion to their respective shareholdings, unless such right is denied by the Corporation's Articles of Incorporation.
- b. This right shall not extend to the following:
  - i. Shares to be issued in compliance with laws requiring stock offerings or minimum stock ownership by the public; and
  - ii. Shares to be issued in good faith with the approval of the stockholders representing two-thirds (2/3) of the outstanding capital stock, in exchange for property needed for corporate purposes or in payment of a previously contracted debt.

3. Right to Inspect Corporate Books and Records

- a. The records of all business transactions of the Corporation and the minutes of any meeting shall be open to inspection by any stockholder at

reasonable hours on business days. He may demand, in writing, for a copy of excerpts from said corporate books and records, at his expense.

4. Right to Information

- a. Upon request, the stockholders shall be provided with periodic reports which disclose personal and professional information about the Corporation's directors and officers, including their shareholdings in the Corporation, dealings with the Corporation, relationships among directors and key officers and their aggregate compensation.

5. Right to Dividends

- a. The stockholders shall have the right to receive dividends subject to the discretion of the Board and on the basis of outstanding stock held by them.
- b. The Corporation shall declare dividends when its retained earnings is in excess of 100% of its paid-in capital stock, except in the following instances:
  - i. When justified by definite corporate expansion projects or programs approved by the Board;
  - ii. When the Corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or
  - iii. When it can be clearly shown that such retention is necessary under special circumstances obtaining in the Corporation.

6. Appraisal Right

- a. Any stockholder of the Corporation shall have the right to dissent and demand payment of the fair value of his shares in accordance with Title 10 of the Corporation Code, under any of the following instances:
  - i. 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;
  - ii. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the Corporation's property and assets; and
  - iii. In case of sale merger of consolidation.

- B. The Board shall exercise transparency and fairness in the conduct of the Corporation's annual and special stockholders' meetings. The stockholders should be encouraged to personally attend such meetings.

If they cannot attend, they should be apprised of their right to appoint a proxy. Subject to the requirements of the Corporation's By-Laws, the exercise of the right to appoint a proxy shall not be unduly restricted. Any doubt concerning the validity of a proxy shall be resolved in the stockholder's favor.

The Board shall promote the rights of the stockholders, remove impediments to the exercise of such rights and provide an adequate avenue for them to seek timely redress for any breach thereof. It shall also take appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether in person or by proxy. Accurate and timely information should be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.

#### PART IV ADEQUATE AND TIMELY INFORMATION

Reliance on information volunteered by Management would not be sufficient in all circumstances and further inquiries may have to be made by a member of the Board to enable him to properly perform his duties and responsibilities. Hence, the members should be given independent access to Management and the Corporate Secretary.

The information may include the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

The members, either individually or as a Board, and in furtherance of their duties and responsibilities, should have access to independent professional advice at the corporation's expense.

#### PART V DISCLOSURE AND TRANSPARENCY

All material information about the Corporation which could adversely affect its viability or the interests of its stockholders and other stakeholders shall be publicly and timely disclosed to the Philippine Stock Exchange and the Commission. Such material information shall include, among others, earnings results, acquisition or disposition of assets, off-balance sheet transactions, related party transactions and direct and indirect remuneration of members of the Board and the Management.

The Board shall commit at all times to full disclosure of material information dealings. It shall cause the filing of all required information through Philippine Stock Exchange mechanisms and the submissions to the Commission for the interest of its stockholders and other stakeholders.

**PART VI  
COMMITMENT TO GOOD CORPORATE GOVERNANCE**

This Manual shall be made available for inspection by any stockholder at reasonable hours on business days.

**PART VII  
PENALTIES FOR NON-COMPLIANCE**

To strictly observe and implement the provisions of this manual, the following penalties shall be imposed, after notice and hearing, on the Corporation's directors, officers, staff, subsidiaries and affiliates and their respective directors, officers and staff in case of violation of any of the provision of this Manual:

- a. In case of **first violation**, the subject person shall be reprimanded.
- b. In case of **second violation**, suspension from office shall be imposed. The duration of the suspension shall depend on the gravity of the violation.
- c. **For third violation**, the maximum penalty of removal from office shall be imposed.

The commission of a third violation of this Manual by any member of the board of the Corporation or its subsidiaries and affiliates shall be a sufficient cause for removal from directorship.

The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend to the Chairman of the Board the imposable penalty for such violation, for further review and approval of the Board.

*(Sgd.)* VALENTINO C. SY  
**Chairman**  
**Date: 31 March 2011**

REPUBLIC OF THE PHILIPPINES )  
PASIG CITY ) S.S.

### SECRETARY'S CERTIFICATE

**ADRIAN FRANCIS S. BUSTOS**, of legal age, Filipino, with office address at 2704 East Tower, Philippine Stock Exchange Center, Exchange Road, Ortigas Center, Pasig City, Metro Manila, being the duly elected and qualified Assistant Corporate Secretary of **VANTAGE EQUITIES, INC.** (the "Corporation"), a corporation organized and existing under the laws of the Philippines, under oath, does hereby certify that during the meeting of the Board of Directors held on 19 June 2014, the following resolution was approved:

"RESOLVED, that **VANTAGE EQUITIES, INC.** (the 'Corporation') hereby approves the Revised Manual of Corporate Governance in compliance with the requirements of the Securities and Exchange Commission ('SEC') pursuant to SEC Memorandum Circular No. 9, Series of 2014."


**IN ATTESTATION OF THE ABOVE**, this Certificate was signed on 30<sup>th</sup> day of July 2014 at Pasig City.

  
**ADRIAN FRANCIS S. BUSTOS**  
Assistant Corporate Secretary

**SUBSCRIBED AND SWORN** to before me on 30<sup>th</sup> day of July 2014 at Pasig City, affiant exhibiting his Community Tax. Certificate No. 34260631 issued on 16 January 2014 at Manila and his TIN 435-573-019 as his competent evidence of identity.

Doc. No. 129 ;  
Page No. 24 ;  
Book No. II ;  
Series of 2014.

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**ROBIN BRYAN F CONCEPCION**  
Notary Public for  
Pasig City, San Juan, Taguig & Pateros  
Appointment No. 295 (2013-2014)  
Commission Expires on December 31 2014  
2704 East Tower PSE Centre Exchange Road  
Ortigas Center 1805 Pasig City  
PTR No 9443771 / 01.02.2014 / Pasig City  
IBP No. 945760 / 12.27.2013 Cavite  
Roll No 62424