

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 Centre, 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 the Annual Corporate Governance Report ("ACGR") attached herewith as **Annex "A"** is the Corporation's ACGR for the year 2015 and that the significant changes from the previous year were reported to the Securities and Exchange Commission on 8 January 2016 through a secretary's certificate attached herewith as **Annex "B"**.

**IN ATTESTATION OF THE ABOVE**, this Certificate has been signed this 14<sup>th</sup> day of April 2016 at Pasig City.



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

**SUBSCRIBED AND SWORN** to before me this 14<sup>th</sup> day of April 2016 at Pasig City, affiant exhibited to me his Integrated Bar of the Philippines ID, with his photograph and signature appearing thereon, with Roll of Attorneys No. 62610, Non-Professional Driver's License with No. C10-04-100129 that will expires on 15 September 2016 and his Community Tax Certificate No. 15181389 issued on 07 January 2016 at Manila.

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Series of 2016.

*Ann Lorengo*  
**ANN MARGARET K. LORENZO**  
Notary Public for Pasig City, San Juan & Pateros  
Appointment No. 101 (2016-2017)  
Commission Expires on December 31, 2017  
2704 East Tower, Phil. Stock Exchange Centre  
Exchange Road, Ortigas Center, Pasig City  
PTR No. 2445446 / 01-11-16 / Mandaluyong  
IBP No. 1023309 / 01.08.16 / Bulacan Chapter  
Roll of Attorneys No. 64875

**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.

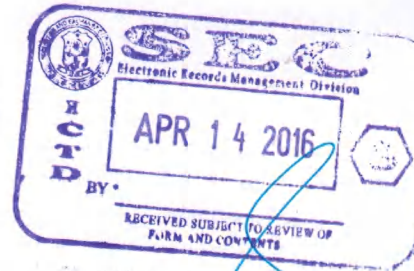
**(D) Filing an Amendment**


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".

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT



1. Report is Filed for the Year 2015
2. Exact Name of Registrant as Specified in its Charter Vantage Equities, Inc.
3. Metropolitan Manila, Philippines  
Address of Principal Office 1605  
Postal Code
4. SEC Identification Number ASO92-007059  
Industry Classification Code
5. (SEC Use Only) 
6. BIR Tax Identification Number 002-010-620
7. (02)6898050  
Issuer's Telephone number, including area code
8. N/A  
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) <sup>1</sup>	Elected when (Annual /Special Meeting)	No. of years served as director
Valentino C. Sy	ED	NA	Ignacio B. Gimenez	2002	2015	1 August 2015 (Annual Meeting)	13
Edmundo Marco P. Bunyi	ED	NA	Valentino C. Sy	2006	2015	1 August 2015 (Annual Meeting)	9
Joseph L. Ong	ED	NA	Valentino C. Sy	2003	2015	1 August 2015 (Annual Meeting)	12
Gregorio T. Yu	ID	NA	Edmundo Marco P. Bunyi (no relationship)	2013 <sup>2</sup>	2015 (3 <sup>rd</sup> year as ID)	1 August 2015 (Annual Meeting)	3 <sup>rd</sup> term <sup>3</sup>
Antonio R. Samson	ID	NA	A. Bayani K. Tan (no relationship)	2005	2015 (4 <sup>th</sup> year as ID)	1 August 2015 (Annual Meeting)	10
Ignacio B. Gimenez	ED	NA	Valentino C. Sy	2003	2015	1 August 2015 (Annual Meeting)	12
Roberto Lorayes	ED	NA	Ignacio B. Gimenez	2003	2015	1 August 2015 (Annual Meeting)	2015
Willy N. Ocier	ED	NA	Ignacio B. Gimenez	1999	2015	1 August 2015 (Annual Meeting)	2015
Wilson L. Sy	ED	NA	Ignacio B. Gimenez	2005	2015	1 August 2015 (Annual Meeting)	2015

<sup>1</sup> Reckoned from the election immediately following January 2, 2012.

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

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

The Board has adopted a Manual on Corporate Governance which became effective on 1 April 2011. This Manual is divided into five main substantive parts, particularly:

- Internal corporate compliance system
- Stockholders' Rights and Protection of Minority Stockholders
- Adequate and Timely Information for the Board of Directors
- Disclosures and Transparency and
- Commitment to Good Corporate Governance

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

The Board reviews and approves its vision and mission when it deems important to realign them in light of the direction of the Company.

- (d) Directorship in Other Companies

- (i) Directorship in the Company's Group<sup>4</sup>

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

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Valentino C. Sy	e-Business Services, Inc. Philequity Management, Inc.	Executive Executive
Edmundo P. Bunyi	e-Business Services, Inc. Philequity Management, Inc.	Executive Executive
Ignacio B. Gimenez	e-Business Services, Inc. Philequity Fund, Inc. Philequity Peso Bond Fund, Inc. Philequity Dollar Income Fund, Inc. Philequity PSE Index Fund, Inc. Philequity Resources Fund, Inc. Philequity Balanced Fund, Inc. Philequity Strategic Growth Fund, Inc. Philequity Dividend Yield Fund, Inc. Philequity Foreign Currency Fixed Income Fund, Inc.	Executive Executive Executive  Executive Executive Executive Executive Executive Executive
Joseph L. Ong	e-Business Services, Inc. Philequity Management, Inc.	Executive Executive
Willy N. Ocier	e-Business services, Inc. Philequity Management, Inc.	Executive Non-Executive
Roberto Z. Lorayes	e-Business Services, Inc. Philequity Management, Inc.	Executive Executive
Wilson L. Sy	Philequity Management, Inc. e-Business services, Inc.	Executive Executive

<sup>4</sup> The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

Antonio R. Samson	e-Business Services, Inc. Philequity Management, Inc.	Executive Independent
Gregorio T. Yu	e-Business Services, Inc. Philequity Management, Inc.	Executive Independent

(ii) Directorship in Other Listed Companies

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

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Wilson L. Sy	Pacific Online Systems Corporation Leisure and Resorts World Corp.	Independent Director
Willy N. Ocier	Pacific Online Systems Corporation Premium Leisure Corporation APC Group Belle Corporation	Chairman Chairman Chairman Co-Vice 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

The members of the Board have no relationship/linkage with significant shareholders in the Company and/or in its group.

(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
Executive Director		
Non-Executive Director		
CEO		

The Company has not set a limit on the number of board seats in other companies that an individual director or CEO may hold simultaneously. However, the Company makes sure that, despite holding other positions in other companies, its directors and CEO function properly, in accordance to their duties.

(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
Ignacio B. Jimenez	12,500	-	0.0006
Roberto Z. Lorayes	25,000	-	0.0012
Gregorio T. Yu	2,600,000	-	0.1238
Willy N. Ocier	10,284,740	-	0.4898
Joseph Ong	12,500	-	0.0006
Antonio R. Samson	62,500	-	0.0030
Valentino C. Sy	175,000		0.0083
Wilson L. Sy	184,150,000		8.7699
Edmundo P. Bunyi, Jr.	6,262,500		0.2982
<b>TOTAL</b>	<b>203,584,740</b>		<b>9.6954</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 and CEO	Valentino C. Sy
President	Edmundo Marco P. Bunyi

Mr. Valentino C. Sy functions as Chairman and CEO while Mr. Edmundo Marco P. Bunyi functions as President. Both are members of the Board of Directors where each member may express their independent views in any matter being taken up during meetings.

- (b) Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	According to the By-Laws of the Corporation, the Chairman of the Board shall be the "Chief Executive Officer of the Corporation. He shall, if present, preside at all meetings of the stockholders and of the Board of Directors. The Chairman shall also perform such other duties as shall from time to time assigned to him by the Board of Directors.	According to the Corporation's Manual on Corporate Governance, the following are the roles of the CEO: <ul style="list-style-type: none"> <li>a. Supervise and control all the business and affairs of the Corporation;</li> <li>b. 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;</li> <li>c. Together with other officers designated by the Board, sign all checks, drafts, or other orders with respect to any funds of the</li> </ul>

		<p>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</p> <p>d. 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.</p>
Accountabilities	<p>The Chairman of the Board directly answers to the stockholders as well as his constituents in the Board.</p> <p>He is accountable for the orderly administration of Board matters and meetings of the Corporation.</p>	<p>The CEO directly answers to the Chairman and Vice Chairman of the Board.</p> <p>In general, he is accountable for the proper operation and day-to-day administration of the Corporation.</p>
Deliverables	<p>He is accountable for the orderly administration of Board matters and meetings of the Corporation.</p>	<p>In general, he is accountable for the proper operation and day-to-day administration of the Corporation.</p>

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

The strategy of the Board is to develop in-house talents to replace the CEO or any senior officer. However, the Board can also turn to external search companies. The latter can best identify the most appropriate candidates in the marketplace given its professional search mechanisms and wider pool of talents.

The Board shall ensure that the Company always has succession planning for key executives in cases of extraordinary circumstances. This will ensure continuity of operations.

- 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 has a policy of ensuring diversity of experience and background of directors in its Board. In fact, its Manual on Corporate Governance requires, through the Nomination Committee, the implementation of a “process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies”

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 Corporation, in accordance with law, has at any given time, two (2) independent directors. These directors could be considered as non-executive directors.

The Corporation makes sure that these directors belong to the same industry as its business since the former deems it important to have an outsider perspective on its business concerns.

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

	Executive	Non-Executive	Independent Director
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Role	<p>Executive directors manage the day-to-day business of the company.</p> <p>Additionally, Executive Directors have the following general functions, in accordance with the Corporation's Manual on Corporate Governance:</p> <ol style="list-style-type: none"> <li>1. Conduct fair business transactions with the corporation and ensure that his personal interests do not conflict with the interests of the Corporation;</li> <li>2. Devote the time and attention necessary to properly and effectively perform his duties and responsibilities;</li> <li>3. Act judiciously;</li> <li>4. Exercise independent judgment;</li> <li>5. 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</li> <li>6. Observe confidentiality.</li> </ol>	<p>Non-executive directors are not involved in the day-to-day operations of the Company. However, they are involved in planning and policy-making.</p> <p>Non-executive directors also:</p> <ol style="list-style-type: none"> <li>1. Review with management, performance of statutory and internal auditors, adequacy of internal control systems, adequacy of internal audit function including their structure, frequency, reporting.</li> <li>2. Recommend to Board on the appointment, re-appointment and, if required, the replacement or removal of statutory auditor and fixation of audit fees.</li> </ol> <p>Aside from these, Executive Directors also have the general functions of Executive Directors.</p>	<p>Independent directors provide oversight of company financial reporting process and disclosures of financial information. They also:</p> <ol style="list-style-type: none"> <li>1. Form part of various committees of the Company, which includes, but is not limited to, audited financial statements.</li> <li>2. Review with management, performance of statutory and internal auditors, adequacy of internal control systems, adequacy of internal audit function including their structure, frequency, reporting.</li> <li>3. Recommend to Board on the appointment, re-appointment and if required replacement or removal of statutory auditor and fixation of audit fees.</li> </ol> <p>Aside from these, Independent Directors also have the general functions of Executive Directors.</p>
Accountabilities	Accountable for smooth day-to-day operation of the Corporation.	Accountable for formulation of adequate, responsive	Accountable for its independent appraisal of the inner workings of

		and effective policies of Corporation.	the Corporation.
Deliverables	The smooth day-to-day operation of the Corporation.	Policies which are adequate, responsive and effective to the direction and/or needs of the Corporation.	Independent appraisal of the inner workings of the Corporation.

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

Independence means distinction to and absence of any relationship with management or any other relationship which could, or could reasonably be perceived to, materially interfere with the exercise of independent judgment in carrying out one's responsibilities. The Company complies with this definition through assuring that its independent director sufficiently qualifies as such, in accordance with SEC Memorandum Circular No. 16-02.

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 has a term limit of five (5) consecutive years for independent directors. After two years of rest from the initial five years of service, an independent director may again serve for another five years. Such independent director would subsequently be forever disqualified from holding the position of independent director after the second five years of service, in accordance with the relevant SEC Memorandum Circular.

#### 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: None

##### (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	According to the By-Laws of the Corporation, the nomination of directors shall be done prior to the annual stockholders' meeting. The nomination committee shall then prepare a list of candidates which shall be voted upon during the meeting of the stockholders of the Corporation.	<p>According to the Manual on Corporate Governance of the Corporation, directors of the Corporation must not be disqualified by reason of the following:</p> <ul style="list-style-type: none"> <li>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: <ul style="list-style-type: none"> <li>i. involves the purchase or sale of securities;</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>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;</li> <li>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;</li> <li>iv. involves moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;</li> <li>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;</li> </ul> <p>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 injunction from:</p>
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		<ul style="list-style-type: none"> <li>i. acting as an underwrite, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker;</li> <li>ii. acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; or</li> <li>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.</li> </ul> <p>c. Currently subjected to any of the following:</p> <ul style="list-style-type: none"> <li>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;</li> <li>ii. an order of the Commission, the</li> </ul>
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		<p>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</p> <p>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.</p> <p>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.</p> <p>e. Judicial declaration of insolvency</p>
(ii) Non-Executive Directors	Same as Executive Directors	Same as Executive Directors
(iii) Independent Directors	Same as Executive Directors	<p>Aside from the disqualifications of Executive Directors, Independent Directors are subject to the following rules, in accordance with the Manual on Corporate Governance:</p> <p>1. If the independent director becomes an officer or employee of the Corporation, or his beneficial security ownership in the Corporation or in its</p>

		<p>related companies exceeds 10%, he shall automatically be disqualified from being an independent director;</p> <p>2. 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;</p> <p>3. 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 shareholders. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;</p> <p>4. 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;</p> <p>5. 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;</p> <p>6. He has not retained as professional adviser by the Corporation, and/or any of its related companies and/or any of its substantial</p>
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		<p>shareholders within the last five (5) years;</p> <p>7. 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</p> <p>8. 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 arm's length and are immaterial.</p>
<b>b. Re-appointment</b>		
(i) Executive Directors	Same for election/appointment.	Same for election/appointment.
(ii) Non-Executive Directors	Same for election/appointment.	Same for election/appointment.
(iii) Independent Directors	Same for election/appointment.	Same for election/appointment.
<b>c. Permanent Disqualification</b>		
(i) Executive Directors	The nomination committee shall determine whether or not a nominated director is permanently disqualified from running for the positions. If he is, then he shall not be allowed to be elected by the stockholders.	Should any of the criteria on selection/appointment above be permanent, then the disqualification of the director to run for the positions shall also last the same.
(ii) Non-Executive Directors	Same as Executive Directors.	Same as Executive Directors.
(iii) Independent Directors	Same as Executive Directors.	Same as Executive Directors, plus the appointment/selection criteria above.
<b>d. Temporary Disqualification</b>		

(i) Executive Directors	<p>According to the Manual on Corporate Governance of the Corporation, the Board may temporarily disqualify a director for any of the reasons in the criteria.</p>	<p>The Board may provide for the temporary disqualification of a director for any of the following reasons:</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul> <p>The disqualification shall apply for purposes of the succeeding election.</p> <ul style="list-style-type: none"> <li>c. Dismissal or termination for cause as director of any corporation covered by the Revised Code.</li> </ul> <p>The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination.</p> <ul style="list-style-type: none"> <li>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.</li> </ul> <p>The disqualification shall be lifted if the limit is later complied with.</p>
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		e. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.
(ii) Non-Executive Directors	Same as Executive Directors	Same as Executive Directors
(iii) Independent Directors	Same as Executive Directors	Same as Executive Directors
<b>e. Removal</b>		
(i) Executive Directors	According to the By-Laws of the Corporation, any director may be removed, with or without cause, at any time, by the affirmative vote of the stockholders holding or representing at least two-thirds of the outstanding capital stock entitled to vote at a regular meeting or at a special meeting for the purpose after due notice.	The stockholders may remove directors for any reason.
(ii) Non-Executive Directors	Same as Executive Directors	Same as Executive Directors
(iii) Independent Directors	Same as Executive Directors	Same as Executive Directors
<b>f. Re-instatement</b>		
(i) Executive Directors	Same for election/appointment.	Same for election/appointment.
(ii) Non-Executive Directors	Same for election/appointment.	Same for election/appointment.
(iii) Independent Directors	Same for election/appointment.	Same for election/appointment.
<b>g. Suspension</b>		
(i) Executive Directors	The Board of the Corporation may suspend a director for just causes.	The Board may suspend a director for any just cause.
(ii) Non-Executive Directors	Same as Executive Directors	Same as Executive Directors
(iii) Independent Directors	Same as Executive Directors	Same as Executive Directors

#### Voting Result of the last Annual General Meeting

Name of Director	Votes Received
Valentino C. Sy	1,894,585,195
Edmundo Marco P. Bunyi	1,894,585,195
Joseph L. Ong	1,894,585,195
Gregorio T. Yu	1,894,585,195
Antonio R. Samson	1,894,585,195
Ignacio B. Gimenez	1,894,585,195
Roberto Z. Lorayes	1,894,585,195
Willy N. Ocier	1,894,585,195
Wilson L. Sy	1,894,585,195

#### 6) Orientation and Education Program

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

All incoming Directors are given the appropriate orientation to ensure familiarity with the Corporation's business and governance processes.

- (b) State any in-house training and external courses attended by Directors and Senior Management<sup>5</sup> for the past three (3) years:

In-house training and external courses include both leadership and technical trainings.

- (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

All directors attended a corporate governance seminar.

## B. CODE OF BUSINESS CONDUCT & ETHICS

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

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	A Director should not use his position to make profit or acquire advantage for himself and his related interests.	Senior management is expected to ensure that they themselves and their subordinates are not in any way involve in any conflict of interest which can adversely influence their judgment, objectivity or loyalty to the Company.	The Company has adopted certain basic work rules for all employees, based on common sense guidelines, basic work ethics, and respect for others. The Company recognizes that employees may take part in other activities outside of their work, but any potential conflict of interest arising from said activities must be disclosed promptly to management.
(b) Conduct of Business and Fair Dealings	A Director is expected to conduct fair business transactions with the Corporation and to ensure that personal interests do not influence board decisions.	Senior Management and Employees should ensure that their personal interest s do not conflict with the interest of the Company. Senior management should make sure that employees abide by all laws and company policies at all times.	
(c) Receipt of gifts from third parties	It is recognized by the Company that giving and receiving “business gifts” to include entertainment and gift items is a customary way to strengthen relationships. However, said gifts should be nominal in value and not given or received with intent to influence the decision making of the recipient. No one may give or receive gifts		

<sup>5</sup> Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

	that will violate laws, regulations and agreements.		
(d) Compliance with Laws & Regulations	Directors are expected to comply with the SRC disclosure requirements, rules and regulations.	Senior officers are expected that policies and regulations of the Company are practiced by the employees. Should violations occur, management should ensure that appropriate disciplines are applied including or up to termination of employment.	Each employee is expected to follow all Company policies and regulations at all times.
(e) Respect for Trade Secrets/Use of Non-public Information	Directors are expected to respect the sensitivity of the information received during their term of service. Confidentiality should be maintained at all times.	At all times, company assets should be protected including trademarks, intellectual property, electronic files and confidential information. All officers and staff are prohibited to communicate material non-public information to any person.	
(f) Use of Company Funds, Assets and Information	Directors should ensure that all policies with regard to Company assets, funds and information are widely practiced. Said policies are supposed to be reviewed regularly.	Officers and staff are expected to use Company Assets, information and funds with utmost respect and within the boundaries of policies and regulations, in pursuit of legitimate company business interests. Senior management is expected to make sure that all employees adhere to the guidelines.	
(g) Employment & Labor Laws & Policies	Directors are expected to ensure that employment labor laws are strictly followed and adhered to by the Company.	Employment and labor laws are widely disseminated in the Company for everyone to follow and comply with.	
(h) Disciplinary action	All directors, officers and staff who violate the provisions stated in the Corporate Governance Manual and Code of Ethics shall be subject to penalties and/or sanctions as maybe imposed by the Board of Directors.		
(i) Whistle Blower	Established by the Audit Committee and approved by the Board, the Company has existing procedures with regard to receipt, retention, treatment of complaints and confidential/anonymous submission of information regarding internal dishonest or illegal activities. The procedures are designed to facilitate disclosures and proper individual conduct of everyone in the Company.		
(j) Conflict Resolution	Resolutions of conflicts in the Company involve negotiation, mediation, arbitration, diplomacy, peace building, etc. Said conflicts, if not resolved within the Senior Management level, are elevated to the respective Committees created by the Board to include, Executive Committee, Audit Committee, Corporate Governance Committee, among others. Said committees are guided by their respective guidelines and policies to consider in resolving conflicts between and among stockholders, Corporation and third parties, etc.		

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

Yes.

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

The Board of Directors establishes the vision, strategic objectives, key policies and procedures to ensure sufficient

control mechanisms for good governance. Regular Committee meetings are scheduled to ensure compliance to the Corporate Governance Manual and Code of Ethics.

#### 4) Related Party Transactions

##### (a) Policies and Procedures

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

Related Party Transactions	Policies and Procedures
(1) Parent Company	All business transactions with the Parent Company should always be above board and transparent. All disclosures requirements needed by governing authorities should be complied with by both parties.  The Board of Directors formulate policies and procedures that would ensure the integrity and transparency of related party transactions to include joint ventures, subsidiaries, affiliates, stockholders, officers and directors, spouses, children, etc. The Board ensures that all transactions are always to the interest of the 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.

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	
Name of Officer/s	
Name of Significant Shareholders	

There is no actual or probable conflict of interest identified.

##### (ii) Mechanism

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

	Directors/Officers/Significant Shareholders
Company	The Company expects directors, as well as officers and employees, to act ethically at all times and to acknowledge their adherence to the policies comprising the Company's code of conduct set forth in the Company's Code of Ethics. The Company will not make any personal loans or extensions of credit to directors or executive officers. The
Group	

	Company will not permit any waiver of any ethics policy for any director or executive officer. If an actual or potential conflict of interest arises for a director or officer, the director or officer shall promptly inform the CEO and the presiding director. If a significant conflict exists and cannot be resolved, the director or officer should resign.
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5) Family, Commercial and Contractual Relations

- (a) Indicate, if applicable, any relation of a family,<sup>6</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

No relation between holders of significant equity is known to the Company.

- (a) 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

No relation between holders of significant equity is known to the Company.

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

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction

The Company is not aware of any arrangement that may result in a change in control of the Company.

6) Alternative Dispute Resolution

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

	Alternative Dispute Resolution System
Corporation & Stockholders	To resolve disputes and conflicts, the Company may enter into discussions, negotiations, mediations and arbitrations, among others, with its
Corporation & Third Parties	
Corporation & Regulatory Authorities	

<sup>6</sup> Family relationship up to the fourth civil degree either by consanguinity or affinity.

	stockholders, third parties and regulatory authorities.
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### C. BOARD MEETINGS & ATTENDANCE

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

The meetings of the Board are set at the beginning of the year. The directors of the Corporation are aware that meetings are held immediately after each quarter of the year.

- 2) Attendance of Directors\*

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Valentino C. Sy	1 August 2015	8	8	100%
Member	Edmundo Marco P. Bunyi	1 August 2015	8	8	100%
Member	Joseph L. Ong	1 August 2015	8	8	100%
Member	Ignacio B. Gimenez	1 August 2015	8	7	87.5%
Member	Roberto Z. Lorayes	1 August 2015	8	8	100%
Member	Willy N. Ocier	1 August 2015	8	7	87.5%
Member	Wilson L. Sy	1 August 2015	8	8	100%
Independent	Gregorio T. Yu	1 August 2015	8	7	87.5%
Independent	Antonio R. Samson	1 August 2015	8	6	75%

\* As updated on 5 January 2015 in accordance with paragraph (4) of SEC Memorandum Circular No. 1, Series of 2014.

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

Non-executive directors have separate meetings during the year. They meet as frequently as required, usually in time for the submission of the Corporation's financial reports.

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

The quorum required to conduct business during a board meeting is more than fifty percent (50%) of the attendance of the directors of the Corporation. Generally, only majority of the quorum is required to pass corporate acts, unless, as the By-Laws of the Corporation states, "otherwise provided by statute, by the Articles of Incorporation or by the By-Laws."

- 5) Access to Information

- (a) How many days in advance are board papers<sup>7</sup> for board of directors meetings provided to the board?

Board papers are provided to the directors about a week prior to the meeting.

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

The members have an independent access to Management and the Corporate Secretary. In fact, this is required in the Manual of Corporate Governance of the Corporation.

- (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?

<sup>7</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.



According to the Manual on Corporate Governance of the Corporation, the following are the roles of the Corporate Secretary:

- i. Attendance in all Board meetings, except when justifiable causes prevent him from doing so;
  - ii. Ensure strict compliance with all Board procedures and rules and regulations;
  - iii. 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;
  - iv. 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
  - v. 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.
  - vi. Awareness of the laws and rules and regulations necessary in the performance of his duties and responsibilities.
- (d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.

The Company's secretary is well-versed in legal, accountancy or company secretarial practices. He is a lawyer engaged in corporate/commercial law practice.

(e) Committee Procedures

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes ☒ No ☐

Committee	Details of the procedures
Executive	Directors may either request for a conference or for documents from this committee through any of the modes of communication available. The directors are not prohibited to access information.
Audit	Same as the Executive Committee.
Nomination	Same as the Executive Committee.
Remuneration	Same as the Executive Committee.
Others (specify)	Same as the Executive Committee.

6) External Advice

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

Procedures	Details

There is no procedure for receiving external advice, save for instances when directors invite resource persons during meetings to enlighten them on corporate issues.

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

The Board has not implemented any new significant changes in company policies.

## 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	Benchmarked against current rates in the industry	Benchmarked against current rates in the industry
(2) Variable remuneration	Benchmarked against current rates in the industry	Benchmarked against current rates in the industry
(3) Per diem allowance	Benchmarked against current rates in the industry	Benchmarked against current rates in the industry
(4) Bonus	Based on achievement of targets	Based on achievement of targets
(5) Stock Options and other financial instruments	Based on achievement of targets	Based on achievement of targets
(6) Others (specify)	None	None

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

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

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	The Compensation and Remuneration Committee provides oversight on directors' compensation and remuneration of senior management and key personnel. The Committee is guided by the following goals: (1) compensation should fairly pay directors for work required in the Company, (2) compensation should align directors' interests with the long-term interests of shareowners, and (3) the structure of the compensation should be simple, transparent and easy for shareholders to understand.		
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.

Remuneration Scheme	Date of
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	Stockholders' Approval

Shareholders of Vantage do not approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors. This is because the Corporation already has a stringent and exhaustive salary scheme in place for its employees.

### 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	4,131,346		
(b) Variable Remuneration			
(c) Per diem Allowance	211,765	-	70,588
(d) Bonuses	1,129,412	-	282,353
(e) Stock Options and/or other financial instruments			
(f) Others (Specify)			
<b>Total</b>	5,472,523		352,941

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances			
2) Credit granted			
3) Pension Plan/s Contributions			
(d) Pension Plans, Obligations incurred			
(e) Life Insurance Premium			
(f) Hospitalization Plan			
(g) Car Plan			
(h) Others (SSS, Philhealth, HDMF, Rice subsidy)	38,954		
<b>Total</b>	38,954		

### 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

The Company has no stock rights, options or warrants over its shares.

(b) Amendments of Incentive Programs

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

Incentive Program	Amendments	Date of Stockholders' Approval

There has been no amendment or discontinuation of any incentive programs introduced last year.

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: None

Name of Officer/Position	Total Remuneration

## 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
	Exec. Director (ED)	Non-exec. Director (NED)	Ind. Director (ID)				
Executive	6	0	1	Yes	The Executive Committee manages the day-to-day operations of the Corporation.		
Audit	1	0	2	Yes	1. Assist the Board in the performance of its oversight responsibility for the		

					<p>financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;</p> <p>2. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Corporation;</p> <p>This function shall include regular receipt from Management of information on risk exposures and risk management activities.</p> <p>3. Perform oversight functions over the Corporation's Internal and External Auditors;</p> <p>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;</p> <p>4. Review the annual internal audit plan to ensure its conformity with the objectives of the Corporation;</p> <p>The plan shall include the audit scope, resources and budget necessary to implement it.</p> <p>5. Prior to the commencement of the audit, discuss with the External Auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;</p> <p>6. Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;</p> <p>7. Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, including financial reporting control and information technology security;</p> <p>8. Review the reports submitted by the Internal and External Auditors;</p> <p>9. Review the quarterly, half-year and</p>
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					<p>annual financial statements before their submission to the Board, with particular focus on the following matters:</p> <p>10. Coordinate, monitor and facilitate compliance with laws, rules and regulations;</p> <p>11. Evaluate and determine the non-audit work, if any, of the External Auditor, and review periodically the non-audit fees paid to the External Auditor in relation to their significance to the total annual income of the External Auditor and to the Corporation's overall consultancy expenses;</p> <p>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.</p> <p>12. Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities;</p> <p>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.</p>
Nomination	2	0	1	Yes	<p>1. 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;</p> <p>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;</p>
Remuneration	3	0	2	Yes	<p>1. 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</p>

					<p>compensation levels are consistent with the Corporation's culture, strategy and control environment;</p> <p>2. 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;</p> <p>3. 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;</p> <p>4. Disallow any director to decide his or her own remuneration;</p> <p>5. 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</p> <p>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.</p>
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## 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	Valentino C. Sy	1 August 2015	8	8	100	5 months
Member (ED)	Edmundo Marco P. Bunyi	1 August 2015	8	8	100	5 months
Member (ID)	Antonio R. Samson	1 August 2015	8	6	75	5 months
Member (ED)	Roberto Z. Lorayes	1 August 2015	8	8	100	5 months

Member (ED)	Joseph L. Ong	1 August 2015	8	8	100	5 months
Member(ED)	Wilson L. Sy	1 August 2015	8	8	100	5 months
Member(ID)	Gregorio T. Yu	1 August 2015	8	7	87.5	5 months

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Gregorio T. Yu	1 August 2015	1	1	100	5 months
Member (ED)	Edmundo Marco P. Bunyi, Jr.	1 August 2015	1	1	100	5 months
Member (ID)	Antonio R. Samson	1 August 2015	1	1	100	5 months

Disclose the profile or qualifications of the Audit Committee members.

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

See Section E.1.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ED)	Roberto Z. Lorayes	1 August 2015	1	1	100	5 months
Member (ID)	Gregorio T. Yu	1 August 2015	1	1	100	5 months
Member (ED)	Joseph L. Ong	1 August 2015	1	1	100	5 months

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Joseph L. Ong	1 August 2015	1	1	100	5 months
Member (ED)	Antonio R. Samson	1 August 2015	1	1	100	5 months
Member (ID)	Gregorio T. Yu	1 August 2015	1	1	100	5 months
Member (ED)	Roberto Z. Lorayes	1 August 2015	1	1	100	5 months
Member(ED)	Valentino C. Sy	1 August 2015	1	1	100	5 months

(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						

The Corporation has no other committees.



### 3) Changes in Committee Members

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

Name of Committee	Name	Reason
Executive		
Audit		
Nomination		
Remuneration		
Others (specify)		

There were no changes in the composition of the committees.

### 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	Directed the day-to-day operation of the Company. The Executive Committee also created general and specific policies that the Management followed to ensure the smooth operations.	
Audit	Reviewed and approved 2015 audited financial statements	N/A
Nomination	Sifted through the nominees for the election of during the Annual Stockholders' Meeting of the Corporation to ensure that all the requirements and qualifications are met by the nominees.	N/A
Remuneration	Reviewed the current salaries of the management of the Corporation and the current trend in salaries of rank and file employees. The Remuneration Committee also prescribed increases in the salaries of the management and the increases in the range of salaries of rank and file employees.	

### 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	Orient employees on the content of the Corporate Governance manual	Knowledge of Corporate Governance principles
Audit	Improve on the procedures and policies handbook that will be used by the entire organization	Internal controls and procedures
Nomination	Ensure the orderly submission of nomination for directorship in the Corporation and review the qualifications and disqualifications of directors.	Checking if the current qualifications and disqualifications effectively address the requirements and needs from Company directors.
Remuneration	Review of the current HR Handbook and strengthen provisions on salaries, benefits policies, promotions, etc.	HR policies and benefits

## F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

The Company adopts a risk philosophy of maximizing business opportunities while minimizing adverse outcomes to enhance shareholder value. This risk philosophy permeates the entire organization through:

**Culture.** We believe that a strong risk management and control culture starts at the top. To this end, senior management promotes awareness, ownership and proactive management of key risks.

**Structure.** We believe in an organizational structure that provides for proper segregation of duties, for definition of risk-taking responsibility and authority, and for promotion of ownership and accountability for risk taking.

**Processes.** We believe in putting in place robust processes and systems for effective identification, quantification, monitoring, mitigation and management of risk. Furthermore, internal control policies and procedures are reviewed and improved on an ongoing basis to ensure they remain sound and relevant.

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

The directors review the effectiveness of the risk management system of the Company. The nature of the business of the Company requires its constant review of risks, which it does at least quarterly during the board of directors' meetings.

The directors believe that the system in place is adequate.

(c) Period covered by the review;

Last review was done during the last quarter of 2015, covering the risks during the third quarter of the same year.

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

The risk management system is reviewed at least annually.

(e) 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
Credit risk	It is the Company's policy that all counterparties who wish to trade on credit terms are subject to credit verification procedures.	The Company manages and controls credit risk by trading only with recognized, creditworthy third parties.
	In addition, receivable balances are monitored on an ongoing basis.	To ensure that the Company's exposure to bad debts is not significant
	The Company assesses the credit quality of their financial assets	To determine if any allowances have to be provided or if

	based on their historical experience with the corresponding third parties.	impairment is warranted
	It is the Company's policy that cash and cash equivalents are invested only in banks, which are approved by the BOD.	To ensure that cash and cash equivalents are invested only with reputable banks
Liquidity risk	The Company closely monitors its cash flows and ensures that credit facilities with banks are available. Any excess cash is invested in short-term money market placements.	To ensure that there is enough cash available to meet obligations as and when they fall due
Market risk	All trading positions shall be marked-to-market on a daily basis and all other positions, at least on a weekly basis.	<p>Ensure that volatility in earnings resulting from market risk taking activities are kept within an acceptable range as determined by the Board.</p> <p>Ensure that the Corporation's market risk position in its books are constantly monitored and adequately protected against constantly changing, or adverse market conditions.</p>
	All Trading and Risk Management personnel are required to know the contents of the Company's market risk manual.	
	Trading personnel are expected to know the different limits that govern trading, buying and selling of different types of instruments.	
	All instruments engaged in by the Corporation that are subject to market risk shall be duly authorized by the Board.	
	To the extent possible, the Corporation shall adopt a portfolio approach to managing its market risk exposures.	
Operational risk	Segregate functions between the transaction initiators and those who confirm, settle, and those who record and report the transactions	The separation of these functions ensures that no single individual controls the transaction flow thereby minimizing the possibility of fraud.

(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

Company and Group risk management policies are the same.

(c) Minority Shareholders

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

<b>Risk to Minority Shareholders</b>
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The Corporation is under the impression that due to the vast ownership of the company's shares, there is no foreseeable risk to the minority shareholders due to the exercise of the controlling shareholder's voting power.

### 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)
Credit risk	<ul style="list-style-type: none"> <li>Account balances (cash and placements) with a counterparty at any given time</li> <li>Total face value (bonds) issued by a borrower</li> <li>Outstanding receivables from major suppliers/partners</li> </ul>	Monitor default probabilities of each counterparty, borrower, supplier and partner
Liquidity risk	Maximum cumulative outflow	Line up credit facilities from counterparty banks
Market risk	Value-at-Risk (VaR)	Set VaR limits
Operational risk	Actual historical loss data due to operational oversight	Set volume and price limits

#### (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)

Company and Group risk management policies are the same.

#### (c) Committee

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

Committee/Unit	Control Mechanism	Details of its Functions
Risk Committee	Value-at-Risk reports	The Risk Committee is composed of at least three (3) members of the Board, one of whom is an independent director and is the Chairman

		<p>thereof.</p> <p>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.</p> <p>The Risk Committee assists 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.</p> <p>The Risk Committee has the following duties and responsibilities:</p> <ul style="list-style-type: none"> <li>• Oversee the Corporation's risk management function.</li> <li>• Develop a formal risk management policy that guides the Corporation's risk management and compliance processes and procedures.</li> <li>• 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.</li> </ul>
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## 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;

It is the process by which the company safeguards its assets both tangible and intangible by having the right

structure, work and authority flows, people and management information system. It is a way of mitigating risk to minimize losses and early detection of possible fraud.

At the organizational level, its objective is to come up with a reliable and timely financial reporting to achieve its strategic goals and comply with all regulatory requirements. At the transaction level, this refers to the achievement of specific objective for each transaction flow such as timely and accurate settlement to counterparties for a trade or services rendered. Internal control procedures standardize procedures resulting to a more predictable and measureable outcomes.

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

The effectiveness of the internal control system was reviewed by the Company. The Board believes that such is adequate.

- (c) Period covered by the review;

The review covers the internal audit done during the year ending 2015.

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

The criteria for assessing the effectiveness of the internal control system is done yearly, prior to the approval of the financial statements of the Corporation.

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

## 2) Internal Audit

- (a) Role, Scope and Internal Audit Function

In-house training and external courses include both leadership and technical trainings.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
Internal Audit Department's role is to provide an independent, objective assurance and consulting services within the Company designed to add value and improve the company's operations.	Scope of Internal Audit includes the examination and evaluation of the Company's risk management, controls and processes.	In-house	Mr. Marzon L. Paras	Internal Audit Department; headed by the Internal Audit Head, reports functionally to the Audit Committee of the Board of Directors

- (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?

This is not applicable since the internal audit function is being handled internally.

- (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 Audit Committee shall be established by the Board of Directors (BOD) of the company. Internal Audit reports directly to the Audit Committee and have access to the BOD. They have the authority to investigate any matter within its terms of reference, full access to and cooperation by management and full discretion to invite executive officer(s) and staff to attend its meetings. It shall be provided with adequate resources to enable it to effectively discharge its functions.

(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

There is neither resignation nor re-assignment of the internal audit staff in 2015.

(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>	Achieved 100% audit engagement/examination against calendar/plan.
<b>Issues<sup>8</sup></b>	Significant issues were immediately escalated to the Audit Committee for proper actions. To date, there was none to address.
<b>Findings<sup>9</sup></b>	Same with the above, significant findings were immediately escalated to the Audit Committee for prompt action. To date, there was none to specify.
<b>Examination Trends</b>	We are using a Risk-Based Auditing. Units are categorized to High, Medium, and Low Risks. High risk units were scheduled for engagement/examination at least twice in a 12-month period. Medium risk units were engaged/examined at least once in 12-month period and the low risk units at least once in every 18 months.

[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."

Policies & Procedures	Implementation
Independence and methodology In order to guaranty its independence vis-a-vis the	Implemented

<sup>8</sup>"Issues" are compliance matters that arise from adopting different interpretations.

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

departments and administrative units, the Internal Audit unit shall report directly to the Audit Committee and shall not bear any direct operational responsibility. The auditors cannot be engaged in the actual organization or management of the activities over which they exercise control.	
<b>Authority</b> The auditors have access to any documents and records considered necessary for the performance of its functions. Management and staff should supply such information and explanations as may be needed within a reasonable period of time. Likewise, Senior management should ensure audit is informed of new developments, initiatives, products and operational changes to ensure that all associated risks are identified at an early stage.	Implemented
<b>Review of internal control systems</b> Internal Audit should regularly review the effectiveness of internal control processes and risk management procedures.	Implemented
<b>Annual Audit Plan</b> Internal Audit shall prepare an annual plan that identifies business risks, order of audit priority and how they are to be carried out. The plan shall be presented for approval of the Audit Committee. Internal Audit is responsible for planning, conducting, reporting and following up on audit projects included in the audit plan, and decides on the scope and timing of audits. Audit fieldwork shall be conducted in a professional and timely manner. Reporting of results will include an open process to agree on the facts and validity of audit recommendations. A detailed audit report shall be issued to Management and the Audit Committee which will summarize the objectives and scope of the audit as well as observations and recommendations.	Implemented
<b>Audit Standards</b> Internal Audit adheres to the standards of best professional practice, such as those published by the Institute of Internal Auditors and the Information Systems Audit and Control Association.	Implemented

(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>
Strict implementation of the policies enumerated in item F above.	Not Applicable	Not Applicable	Not Applicable

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



The Chairman and President shall attest to the SEC Code of Corporate Governance.

## H. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' welfare	The Company has no external customers since it is an investment holding company.	
Supplier/contractor selection practice	The Company has a list of accredited suppliers to deal with. Said suppliers have been pre screened by the Company. A supplier is selected from a host of 3 or more suppliers, with cost and specs comparisons.	Accreditation process/Cost and Specs Comparison
Environmentally friendly value-chain	The Corporation is not required to comply with specific environmental laws.	
Community interaction	The Company is committed to support active involvement in community partnerships and initiatives and to this end it will: (1) work in partnership with communities, leveraging our expertise, for mutual benefit, (2) plan and manage community investment using the most appropriate resources to deliver against targets, and (3) inspire and engage employees, clients and suppliers to support community programs.	
Anti-corruption programmes and procedures?	The Company does not allow corrupt practices in any form, bribery included.	Sanctions and penalties in accordance with the Company's Code of Ethics are enforced.
Safeguarding creditors' rights	Creditors' rights are protected by contractual agreements between the Company and its creditors.	

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

The Company has neither CR report/section nor a sustainability report/section.

3) Performance-enhancing mechanisms for employee participation.

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

The Company believes that the employees are the most important resource in the organization. The Company believes that to keep the employees happy and motivated, the following need to be provided: healthy working environment, sufficient work facilities, health benefits, and health related seminars, among others.

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

The Company believes in work life balance. The Company encourages and supports the following:

1. Flexible work hours;
2. Fitness programs after office;
3. Subsidized vaccinations, etc.

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

Employees have undergone various trainings during the course of the year, specifically focusing on leadership and enhancing their technical competencies.

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

The Company provides bonuses for achievement of targets and for living out the corporate values that the Company espouses.

- 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.

The Audit Committee and non-management directors have established the following procedures to enable anyone who has a concern about the Company's conduct, or any employee who has a concern about the Company's accounting, internal accounting controls or auditing matters, to communicate that concern directly to the presiding director or to the audit committee. Such communications may be confidential or anonymous, and may be e-mailed, submitted in writing or reported by phone. Comments, complaints and concerns are initially processed by the Audit Committee or by other directors, depending on the nature of the concern or complaint.

## I. DISCLOSURE AND TRANSPARENCY

### 1) Ownership Structure

- (a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent (of outstanding stock)	Beneficial Owner
PCD NOMINEE CORP.	2,030,088,200	96.68	*

*\* The beneficial owners of the shares under the name of PCDNC are PCD's participants who hold the shares in their own behalf or in behalf of their respective clients.*

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Ignacio B. Jimenez	12,500	-	0.0006
Roberto Z. Lorayes	25,000	-	0.0012
Gregorio T. Yu	2,100,500	-	0.1000
Willy N. Ocier	6,018,000	-	0.2866
Joseph Ong	12,500	-	0.0006
Antonio R. Samson	62,500	-	0.0030
Valentino C. Sy	62,957,812		2.9983
Wilson L. Sy	184,150,000		8.7699
Edmundo P. Bunyi, Jr.	6,262,500		0.2982
<b>TOTAL</b>	<b>261,601,312</b>		<b>12.4584</b>

- 2) Does the Annual Report disclose the following:

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

Attendance details of each director/commissioner in respect of meetings held	No*
Details of remuneration of the CEO and each member of the board of directors/commissioners	Yes

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

Only items required to be disclosed in the 17A report are included.

3) External Auditor's fee for calendar year 2015

Name of auditor	Audit Fee	Non-audit Fee
SGV	828,538.48	

4) Medium of Communication

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

Information is disseminated through the Company's website, the PSE website and SEC's i-View portal.

5) Date of release of audited financial report: 9 March 2016

6) Company Website

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

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

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

Shareholding structure is being reported quarterly to the PSE as part of the Top 100 Stockholders report, which in turn, is uploaded to the PSE and Company website. On the other hand, the SEC's i-View discloses the Articles of Incorporation and By-Laws of the Corporation.

7) Disclosure of RPT

RPT	Relationship	Nature	Value

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

The Company has not been a party to any other transaction or proposed transaction, in which any director or executive officer of the Company, or any security holder owning 10% or more of the securities of the Company or any member of the immediate family of such persons, had a direct or indirect material interest.

## 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>	A majority of the outstanding capital stock of the Corporation having voting powers, who is or are present in person or represented by proxy, shall constitute a quorum for the transaction of business, save in those cases where the Corporation Code requires the presence at the meeting, in person or by proxy, of a greater proportion of the outstanding capital stock.
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#### (b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

<b>System Used</b>	Voting
<b>Description</b>	According to the By-Laws of the Corporation, each stockholder shall be entitled to vote in person or by proxy and, unless otherwise provided by law, he shall have one vote for each share of stock entitled to vote and recorded in his name in the books of the Corporation

#### (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

There are no rights of stockholders in annual/special meetings that differ from those laid down in the Corporation Code.

#### Dividends

Declaration Date	Record Date	Payment Date
9 May 2015	8 January 2016	3 February 2016

#### (d) Stockholders' Participation

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

Measures Adopted	Communication Procedure
Direct communication with the Chairman	The stockholders are allowed to address the directors directly during the Annual Stockholders' Meeting. A microphone is provide near the seats for the stockholders so they can speak out and raise their concerns, if any, at anytime during meetings.

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
- Amendments to the company's constitution
  - Authorization of additional shares
  - Transfer of all or substantially all assets, which in effect results in the sale of the company

For these three instances, the Corporation will have to comply with the requirements of the Corporation Code for the notice and holding of a special meeting. This being the case, the policy is to have the opinion of the stockholders through a voting done during the relevant meeting.

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:

10 July 2015.

- b. Date of the Annual/Special Stockholders' Meeting:

1 August 2015.

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

The only question raised during the said meeting is with regard to the market outlook vis-à-vis Company's share price.

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

Resolution	Approving	Dissenting	Abstaining
Approval of the Minutes of the Previous Stockholders' Meeting	1,894,585,195	None	None
Approval of Financial Statements	1,894,585,195	None	None
Ratification of All Corporate Acts	1,894,585,195	None	None
Appointment of External Auditor	1,894,585,195	None	None
Issuance of Stock Dividends	1,894,585,195	None	None
Increase of Authorized Capital Stock	1,894,585,195	None	None

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

3 August 2015, since the Annual Stockholders' Meeting last year was done on a Saturday.

(e) Modifications

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

Modifications	Reason for Modification

There are no modifications made in the Annual Stockholders' Meeting regulation during 2015.

(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	All directors were present except for Mr. Samson	1 Aug. 2015	Poll	90.22%*	90.22 %*	90.22%
Special	NA	NA	NA	NA	NA	NA

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

The Company appoints an independent party to count and/or validate the votes at the Annual Stockholders' Meeting. For last year, the Company's stock transfer agent validated the votes.

(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.

The Company's common shares carry one vote for one share.

(g) Proxy Voting Policies

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

	Company's Policies
Execution and acceptance of proxies	Proxies must be executed by the shareholders and transmitted by the shareholders.
Notary	The Company does not require notarized proxies.
Submission of Proxy	Proxies should be received at least five (5) days prior to the meeting so as to afford the Corporation sufficient time for validation.
Several Proxies	The Company allows the execution of several proxies, if the intention is to make several people represent different shares. However, if there is more than one proxy for a share, the latter proxy will be the one the Corporation considers.
Validity of Proxy	The proxies shall remain valid in accordance with its wording, e.g. for a specific meeting only or for a definite duration of time. Proxies shall remain valid for a maximum of five (5) years.
Proxies executed abroad	These are accepted by the Corporation, as long as made and submitted prior to the meeting.

Invalidated Proxy	Invalidated proxies are recorded, as well as the reason for their invalidation.
Validation of Proxy	Proxies are validated by a committee of inspectors upon receipt of the proxies at least five (5) days prior to the meeting.
Violation of Proxy	The votes/ acts of proxies outside their authorization are not counted/recognized.

(h) Sending of Notices

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

Policies	Procedure
The notices for annual/special stockholders' meeting are sent out with the Definitive Information Statement of the Corporation, as well as the Annual Reports and Audited Financial Statements.	The notices are printed on a CD sleeve. The CD contains the Definitive Information Statement, Annual Reports and Audited Financial Statements. The sleeve and the CD are mailed to the stockholders at least three weeks prior to the intended day of meeting.

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	2,099,791,133 shares
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	10 July 2015
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	10 July 2015
State whether CD format or hard copies were distributed	The documents were mailed in CD format and hard copies were made available during the meeting.
If yes, indicate whether requesting stockholders were provided hard copies	The requesting stockholders were provided hard copies.

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

Each resolution to be taken up deals with only one item.	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	Yes
The auditors to be appointed or re-appointed.	Yes
An explanation of the dividend policy, if any dividend is to be declared.	If applicable, yes.
The amount payable for final dividends.	If applicable, yes.
Documents required for proxy vote.	Yes.

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

## 2) Treatment of Minority Stockholders

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

Policies	Implementation
<p>The Corporation's Manual on Corporate Governance states the following rights of stockholders:</p> <p>Voting Right</p> <p>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.</p> <p>Cumulative voting shall be used in the election of directors.</p> <p>A director shall not be removed without cause if it will deny minority stockholders representation in the Board.</p> <p>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.</p> <p>Pre-Emptive Right</p> <p>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.</p> <p>This right shall not extend to the following:  Shares to be issued in compliance with laws requiring stock offerings or minimum stock ownership by the public; and</p> <p>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.</p> <p>Right to Inspect Corporate Books and Records</p> <p>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</p>	<p>These policies are implemented through the By-Laws, Manual on Corporate Governance as well as the Corporation's compliance with the relevant laws, rules and regulations.</p>



demand, in writing, for a copy of excerpts from said corporate books and records, at his expense.

#### Right to Information

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

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.

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:

When justified by definite corporate expansion projects or programs approved by the Board;

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

When it can be clearly shown that such retention is necessary under special circumstances obtaining in the Corporation.

#### 6. Appraisal Right

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:

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

In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the Corporation's property and assets; and

<p>In case of sale merger or consolidation.</p> <p>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.</p> <p>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.</p> <p>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.</p>	
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(b) Do minority stockholders have a right to nominate candidates for board of directors?

Minority stockholders have the right to nominate directors for the board of directors, as is clear from the Corporation's Manual on Corporate Governance and By-Laws.

#### K. INVESTORS RELATIONS PROGRAM

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

The Corporation's internal communication policies are aimed at informing employees of their company's operations and development to enhance their knowledge of values, business objectives and strategies that will strengthen their commitment, motivation, loyalty and sense of responsibility. To this end, the Corporation encourages two-way dialogue at all levels of the organization and develops venues for employees to give feedback and to be part of an open, inclusive communications climate.

On the other hand, the Corporation's external communication policies are focused on investor and media relations.

To ensure accuracy and consistency of information released to the public, the Corporation's legal counsel drafts disclosures and announcements and the President approves the same prior to release.

- 2) Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.

	Details
(1) Objectives	<ul style="list-style-type: none"> <li>To keep capital markets continuously informed about the Corporation's position, operations and development.</li> <li>To broaden the knowledge of and interest in the Corporation and thereby improve liquidity in trading of the Corporation's share, reduce risk from information deficits, and facilitate the raising of capital in the equity and debt markets if necessary.</li> </ul>
(2) Principles	<ul style="list-style-type: none"> <li>Reliability. All information to the capital markets shall be factual and correct and must not be misleading in any way.</li> <li>Proactivity and Speed. All information that can materially impact trading of the Corporation's shares shall be issued as quickly as possible.</li> <li>Simultaneity. All information shall be conveyed simultaneously to all market participants.</li> </ul>
(3) Modes of Communications	Announcements and disclosures are reported to the SEC and published in the ff. sites: PSE website – <a href="http://www.pse.com.ph">www.pse.com.ph</a> Company website – <a href="http://www.vantage.com.ph">www.vantage.com.ph</a>
(4) Investors Relations Officer	Maribel E. Bere Email: <a href="mailto:maribel.bere@vantage.ph">maribel.bere@vantage.ph</a> Tel. No.: +63 2 6898050

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

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

Vantage has not been a party to mergers, acquisitions and/or takeovers for the past years. However, it will use an independent party to evaluate the fairness of the transaction price in case it becomes party to the mergers, acquisitions and/or takeovers in the future.

#### L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiative	Beneficiary

The Corporation did not undertake any corporate social responsibility initiative in 2015.

#### 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

<b>Board of Directors</b>	Performance of directors, board committees and the CEO/President is evaluated at least annually based on how their actions and decisions moved the Company closer to the realization of its Vision and Mission.
<b>Board Committees</b>	
<b>Individual Directors</b>	
<b>CEO/President</b>	

#### 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
<p>The Manual on Corporate Governance of the Corporation states that:</p> <p>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:</p> <ol style="list-style-type: none"> <li>1. In case of <b>first violation</b>, the subject person shall be reprimanded.</li> <li>2. In case of <b>second violation</b>, suspension from office shall be imposed. The duration of the suspension shall depend on the gravity of the violation.</li> <li>3. <b>For third violation</b>, the maximum penalty of removal from office shall be imposed.</li> </ol> <p>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.</p> <p>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.</p>	

- Nothing Follows –