

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

GENERAL INSTRUCTIONS

(A) Use of Form ACGR

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

(B) Preparation of Report

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

(C) Signature and Filing of the Report

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

(D) Filing an Amendment

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

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is Filed for the Year **2016**
2. Exact Name of Registrant as Specified in its Charter **SWIFT FOODS, INC.**
3. **4F RFM Corporate Center, Sheridan corner**
Pioneer Streets, Mandaluyong City
Address of Principal Office **1603** 
Postal Code
4. SEC Identification Number **AS094-005066**
5. (SEC Use Only)
Industry Classification Code
6. BIR Tax Identification Number **003-973-161-000**
7. **(+632) 631-8101 Local 7203**
Issuer's Telephone number, including area code
8. Not applicable
Former name or former address, if changed from the last report

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A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	9
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Actual number of Directors for the year	7
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(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) ¹	Elected when (Annual /Special Meeting)	No. of years served as director
Jose S. Concepcion, Jr.	ED		Jose S. Concepcion, Jr.	26 Feb 2003	29 July 2010	ASM	14
Luis Bernardo A. Concepcion	NED		Jose S. Concepcion, Jr.	1995	29 July 2010	ASM	22
Francisco A. Segovia	ED		Jose S. Concepcion, Jr.	1995	29 July 2010	ASM	22
Senen C. Bacani	ID		Jose S. Concepcion, Jr. (no relationship)	2002	29 July 2010 (15)	ASM	15
Alfredo B. Parungao	ID		Jose S. Concepcion, Jr. (no relationship)	03 Aug 2007	29 July 2010 (10)	ASM	10
Alejandro J. Ferreria	ID		Jose S. Concepcion, Jr. (no relationship)	03 Aug 2007	29 July 2010 (10)	ASM	10
Agnes C. Reyes	ED, ID		Francisco A. Segovia (no relationship)	24 Nov 2016	24 Nov 2016	Regular Board Meeting	Less than 1

- (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.

Compliance with the principles of good corporate governance shall start with the Board of Directors. It shall be the Board's responsibility to foster the long-term success of the Corporation and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Corporation, its shareholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.

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

- (d) Directorship in Other Companies

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

The company has no parent, subsidiary, associates, and joint ventures.

(i) Directorship in the Company's Group²

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

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
NONE	NONE	NONE

(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.
Jose S. Concepcion, Jr.	RFM Corporation	Chairman
Francisco A. Segovia	RFM Corporation	Non-Executive

(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
Jose S. Concepcion, Jr.	Horizons Realty, Inc.	Father of the President/CEO
Luis Bernanrdo A. Concepcion	Horizons Realty, Inc.	Son of the Chairman

(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	No limit imposed on no. of board seats	Not applicable
Non-Executive Director	No limit imposed on no. of board seats	
CEO	No limit imposed on no. of board seats	

(e) Shareholding in the Company

² The Group is composed of the parent, subsidiaries, associates and joint ventures of 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
Luis Bernardo A. Concepcion	(Common) 108,140 (Preferred) 19,100	0	0.006 / 0.0002
Jose S. Concepcion, Jr.	(Common) 1,324,330 (Preferred) 682	0	0.073 / 0.0000
Francisco A. Segovia	(Common) 3	0	0.0000
Senen C. Bacani	(Common) 1	0	0.0000
Alfredo B. Parungao	(Common) 500	0	0.0001
Alejandro J. Ferreria	(Common) 500	0	0.0001
TOTAL	(Common) 1,433,474 (Preferred) 19,782	0	(Common) 0.079 (Preferred) 0.0002

2) Chairman and CEO

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

Yes ☒ No ☐

Identify the Chair and CEO:

Chairman of the Board	Jose S. Concepcion, Jr.
CEO/President	Francisco A. Segovia

(b) Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	Presides over all the meetings of the directors and stockholders. He shall inform all stockholders in attendance of the mandatory requirement of electing independent directors and he shall ensure that independent director/s are elected during the Annual Meeting of the Stockholders. He shall ensure that specific slot/s for independent directors shall not be filled up by unqualified nominees and that in case of failure of election of independent director/s, he shall call a separate election during the same meeting to fill up the vacancy.	He shall preside in all meetings of the Board and stockholders in the absence of Chairman. He shall initiate and develop policies and formulate long range projects, plans and programs for the approval of the Board, including those for executive training, development, and compensation. General supervision and management of business affairs and property of the Corporation. Ensures administrative and operational policies of the corporation are carried out under his supervision and control. Power to appoint, remove, suspend, or discipline employees, prescribe their duties and determine their salaries subject to guidelines prescribed by

		law. Oversee preparation of budgets and statements of account. Prepare statements and reports required by law. Represent the corporation at functions and proceedings. Execute, on behalf of the corporation, contracts, agreements, and other instruments, which require the approval of the Board. Make reports to the Board and stockholders. Sign stock certificates. Perform other duties incidental to his position or entrusted to him by the Board.
Accountabilities		
Deliverables		

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

There is no policy on the succession of CEO/Managing Director/President and other key management positions.

- 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 requires diversity of experience and background of directors in the board as per submitted Revised Corporate Governance.

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

The company requires a non-executive director who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies.

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

	Executive	Non-Executive	Independent Director
Role	He shall preside in all meetings of the Board and stockholders in the absence of Chairman. He shall initiate and develop corporate objectives and policies and formulate long range projects, plans, and programs for the approval of the Board, including those for executive training, development, and compensation. General	They should be able to effectively participate in the deliberations of the Board.	They should be able to effectively participate in the deliberations of the Board.

	supervision and management of business affairs and property of the corporation. Ensures administrative and operational policies of the corporation are carried out under his supervision and control. Power to appoint, remove, suspend, or discipline employees, prescribe their duties and determine their salaries subject to guidelines prescribed by law. Oversee preparation of budgets and statements of account. Prepare statements and reports required by law. Represent the corporation at functions and proceedings. Execute, on behalf of the corporation, contracts, agreements, and other instruments, which require the approval of the Board. Make reports to the Board and stockholders. Sign stock certificates. Perform other duties incidental to his position or entrusted to him by the Board.		
Accountabilities	The powers, roles, responsibilities and accountabilities are state in both the Revised Manual on Corporate Governance and the Corporation's By-Laws.	The powers, roles, responsibilities and accountabilities are state in both the Revised Manual on Corporate Governance and the Corporation's By-Laws.	The powers, roles, responsibilities and accountabilities are state in both the Revised Manual on Corporate Governance and the Corporation's By-Laws.
Deliverables			

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

A person other than an officer or employee of the corporation, its parent or subsidiaries, or any other individual having any relationship with the corporation, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with the exercise of independent judgment in carrying out his responsibilities as a director of the company.

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

The company has no term limit of five consecutive years for independent directors.

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

(a) Resignation/Death/Removal

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

Name	Position	Date of Cessation	Reason
NONE	NONE	NONE	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
a. Selection/Appointment		
(i) Executive Directors	Screening by the nomination committee and by election of majority of shareholders	They should possess qualification, knowledge in the industry, and stature that would enable them to participate in the Board and improve the company. Should not possess any of the grounds for disqualifications as provided for by law.
(ii) Non-Executive Directors	Screening by the nomination committee and by election of majority of shareholders	They should possess qualification, knowledge in the industry, and stature that would enable them to participate in the Board and improve the company. Should not possess any of the grounds for disqualifications as provided for by law.
(iii) Independent Directors	Screening by the nomination committee and by election of majority of shareholders	They should possess qualification, knowledge in the industry, and stature that would enable them to participate in the Board and improve the company. Should not possess any of the grounds for disqualifications

		as provided for by law. Must be at least a college graduate, or he shall have been engaged or exposed to the business of the corporation for at least 5 years. He shall possess integrity / probity. He shall be assiduous.
b. Re-appointment		
(i) Executive Directors	Screening by the nomination committee and by election of majority of shareholders	They should possess qualification, knowledge in the industry, and stature that would enable them to participate in the Board and improve the company. Should not possess any of the grounds for disqualifications as provided for by law.
(ii) Non-Executive Directors	Screening by the nomination committee and by election of majority of shareholders	They should possess qualification, knowledge in the industry, and stature that would enable them to participate in the Board and improve the company. Should not possess any of the grounds for disqualifications as provided for by law.
(iii) Independent Directors	Screening by the nomination committee and by election of majority of shareholders	They should possess qualification, knowledge in the industry, and stature that would enable them to participate in the Board and improve the company. Should not possess any of the grounds for disqualifications as provided for by law. Must be at least a college graduate, or he shall have been engaged or exposed to the business of the corporation for at least 5 years. He shall possess integrity / probity. He shall be assiduous.
c. Permanent Disqualification		
(i) Executive Directors	Screening by the nomination committee.	Finally convicted by a competent jurisdiction or administrative body of the following: (i) any crime involving the purchase of securities; (ii) any crime arising out of the person's conduct as an underwriter, broker, dealer, investment

		company, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, floor broker; and (iii) any crime arising out of his relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them. Any person who, by reason of any misconduct, after hearing or trial, is permanently or temporarily enjoined by order, judgment or decree of the Commission or any court or other administrative body or competent jurisdiction from body of competent jurisdiction from: (i) acting as an underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or a floor broker; (ii) acting as a director or officer of a bank, quasi-bank, trust company, investment house, investment company or an affiliated person of any of them; (iii) engaging in or continuing any conduct or practice in connection with any such activity or willfully violating laws governing securities, and banking activities. Such disqualification shall also apply when such person is currently subject to an effective order of the Commission or any court or other administrative body refusing, revoking or suspending any registration, license or permit issued under the Corporation Code, Securities Regulation Code, or any other law administered by the
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		Commission or Bangko Sentral ng Pilipinas, or under any rule or regulation promulgated by the Commission or Bangko Sentral ng Pilipinas, or otherwise restrained to engage in any activity involving securities and banking. Such person is also disqualified when he is currently subject to an effective order of a self-regulatory organization suspending or expelling him from membership or participation or from associating with a member or participant of the organization. Any person finally convicted judicially or administratively of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false oath, perjury or other fraudulent act or transgressions. Any person finally found by the Commission or a court or other administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of, any provision of the Securities Regulation Code, the Corporation Code, or any other law administered by the Commission or Bangko Sentral ng Pilipinas, or any rule, regulation or order of the Commission or Bangko Sentral ng Pilipinas, or who has filed a materially false or misleading application, report or registration statement required by the Commission, or any rule, regulation or order of the Commission. Any person judicially declared to
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		be insolvent. Any person finally found guilty by a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in paragraphs (a) to (e) hereof. Any affiliated person who is ineligible, by reason of paragraphs (a) to (e) hereof to serve or act in the capacities listed in those paragraphs. Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment.
(ii) Non-Executive Directors	Screening by the nomination committee.	Convicted by final judgment of an offense punishable by imprisonment for a period of 6 years, or a violation of the Corporation Code committed within 5 years prior to the date of election
(iii) Independent Directors	Screening by the nomination committee.	Convicted by final judgment of an offense punishable by imprisonment for a period of 6 years, or a violation of the Corporation Code committed within 5 years prior to the date of election
d. Temporary Disqualification		
(i) Executive Directors	Screening by the nomination committee.	Refusal to fully disclose the extent of his business. Absence or non-participation for whatever reason/s for more than 50% of all meetings, both regular and special, during his incumbency, or any 12 months period during said incumbency. Dismissal / termination from directorship in another listed company for
(ii) Non-Executive Directors	Screening by the nomination committee.	
(iii) Independent Directors	Screening by the nomination committee.	

		cause. Being under preventive suspension by the corporation. If the Independent Director becomes an officer or employee of the same corporation. If the beneficial security ownership in the company or in its related companies shall exceed the 10% limit. Conviction that has not yet become final referred to in the grounds for the disqualification of directors.
e. Removal		
(i) Executive Directors	Vote from office by a vote of the stockholders holding or representing at least 2/3 of the outstanding capital stock	With or without cause.
(ii) Non-Executive Directors	Vote from office by a vote of the stockholders holding or representing at least 2/3 of the outstanding capital stock	With or without cause.
(iii) Independent Directors	Vote from office by a vote of the stockholders holding or representing at least 2/3 of the outstanding capital stock	He becomes an officer or employee of the corporation where he is such a member of the board, or becomes any of the persons listed below: 1. Director of officer of substantial stockholder of the corporation or any of its related companies or any of its substantial shareholders. 2. Relative of any director, officer, or substantial shareholder, any of its related companies and substantial shareholders. 3. Not acting as nominee or representative of a substantial shareholder of the corporation, any of its related companies, or any of its substantial shareholders. 4. Has been employed in any executive capacity by the corporation, any of its related companies, or by any of its substantial shareholders within the last 5 years. 5. Retained as professional

		adviser by the company, any of its related companies, or any of its substantial shareholders, either personally or through his firm. 6. Engaged in any transaction with the company, any of its related companies, or any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms length and are immaterial or insignificant. His beneficial ownership exceeds 10% of the outstanding capital stock. Fails, without any justifiable cause, to attend at least 50% of the total number of Board meetings during his incumbency unless due to grave illness or death of an immediate family.
f. Re-instatement		
(i) Executive Directors	Screening by the nomination committee. By approval of the Board of Directors	Same criteria and disqualifications for appointment or selection.
(ii) Non-Executive Directors	Screening by the nomination committee. By approval of the Board of Directors	Same criteria and disqualifications for appointment or selection.
(iii) Independent Directors	Screening by the nomination committee. By approval of the Board of Directors	Same criteria and disqualifications for appointment or selection.
g. Suspension		
(i) Executive Directors	By approval of the Board of Directors	Convicted by final judgment of an offense punishable by imprisonment for a period of 6 years, or a violation of the Corporation Code committed within 5 years prior to the date of election
(ii) Non-Executive Directors	By approval of the Board of	

	Directors	
(iii) Independent Directors	By approval of the Board of Directors	

Voting Result of the last Annual General Meeting

Directors and officers are on a hold over capacity for failure to muster a quorum for the scheduled Annual Stockholders' Meetings in 2011, 2012, 2013, and 2014, and Annual Stockholders' Meetings for 2015, 2016, and 2017 were postponed for failure to muster a quorum since 2011.

Name of Director	Votes Received

6) Orientation and Education Program

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

There are no orientation programs for new directors.

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

There are no in-house training and external courses attended by Directors and Senior Management for the past 3 years.

- (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
Francisco A. Segovia	29 November 2016	Corporate Governance and AMLA Seminar	Philippine Corporate Enhancement and Governance, Inc.
Agnes C. Reyes	29 November 2016	Corporate Governance and AMLA Seminar	Philippine Corporate Enhancement and Governance, Inc.
Alejandro B. Lopez	29 November 2016	Corporate Governance and AMLA Seminar	Philippine Corporate Enhancement and Governance, Inc.
Marie Lourdes T. Sia-Bernas	29 November 2016	Corporate Governance and AMLA Seminar	Philippine Corporate Enhancement and Governance, Inc.
Alfredo B. Parungao	20 December 2016	Corporate Governance and AMLA Seminar	Philippine Corporate Enhancement and Governance, Inc.
Senen C. Bacani	20 December 2016	Corporate Governance and AMLA Seminar	Philippine Corporate Enhancement and Governance, Inc.
Alejandro J. Ferreria	20 December 2016	Corporate Governance and AMLA Seminar	Philippine Corporate Enhancement and Governance, Inc.

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

			Governance, Inc.
Jose A. Bernas	20 December 2016	Corporate Governance and AMLA Seminar	Philippine Corporate Enhancement and Governance, Inc.

B. CODE OF BUSINESS CONDUCT & ETHICS

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

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	Any direct or indirect interest in, connection with, or benefits from business or commercial activities which will in any way adversely affect the company	Any direct or indirect interest in, connection with, or benefits from business or commercial activities which will in any way adversely affect the company	Any direct or indirect interest in, connection with, or benefits from business or commercial activities which will in any way adversely affect the company
(b) Conduct of Business and Fair Dealings	Ownership of material interest or acting in any capacity with which the company does business which will directly or indirectly influence the terms and conditions of any business deal or transaction with the company such as sale, purchase, or award	Ownership of material interest or acting in any capacity with which the company does business which will directly or indirectly influence the terms and conditions of any business deal or transaction with the company such as sale, purchase, or award	Ownership of material interest or acting in any capacity with which the company does business which will directly or indirectly influence the terms and conditions of any business deal or transaction with the company such as sale, purchase, or award
(c) Receipt of gifts from third parties	Acceptance directly or indirectly of payments, services, or loans from a supplier, contractor, sub-contractor, customer, or other entity with which the company does business and the receiver is directly responsible for the functional area.	Acceptance directly or indirectly of payments, services, or loans from a supplier, contractor, sub-contractor, customer, or other entity with which the company does business and the receiver is directly responsible for the functional area.	Acceptance directly or indirectly of payments, services, or loans from a supplier, contractor, sub-contractor, customer, or other entity with which the company does business and the receiver is directly responsible for the functional area.
(d) Compliance with Laws & Regulations	Company complies with all laws and regulations affecting its business operation	Company complies with all laws and regulations affecting its business operation	Company complies with all laws and regulations affecting its business operation
(e) Respect for Trade Secrets/Use of Non-public Information	The company respects trade secrets and use of non-public information with utmost confidentiality	The company respects trade secrets and use of non-public information with utmost confidentiality	The company respects trade secrets and use of non-public information with utmost confidentiality
(f) Use of Company Funds, Assets and	Provides for a deed of trust for funds and	Provides for a deed of trust for funds and audit	Provides for a deed of trust for funds and audit

Information	audit committee reports for use of company assets and information	committee reports for use of company assets and information	committee reports for use of company assets and information
(g) Employment & Labor Laws & Policies	Company abides by all labor laws and policies	Company abides by all labor laws and policies	Company abides by all labor laws and policies
(h) Disciplinary action	The Board of Directors approves any disciplinary actions against erring directors	The President approves any disciplinary actions against erring executive	The company creates a panel or committee to hear, recommend, and decide all cases
(i) Whistle Blower	No existing policy on whistle blowing	No existing policy on whistle blowing	No existing policy on whistle blowing
(j) Conflict Resolution	Observes due process through committee hearing to settle disputes	Observes due process through committee hearing to settle disputes	Observes due process through committee hearing to settle disputes

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

The code of ethics or conduct has been disseminated to all directors, senior management, and employees.

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

- 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.

The corporation has no related party transactions.

Related Party Transactions	Policies and Procedures
(1) Parent Company	
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	
(7) Directors including spouse/children/siblings/parents	
(8) Interlocking director relationship of Board of Directors	

- (b) Conflict of Interest

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

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

be involved.

There are no conflict of interest between the corporation's directors, officers, and shareholders owning at least 5% of the corporation's outstanding capital stock.

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

(ii) Mechanism

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

The company has a small number of employees, hence, the transactions entered into by the company are known by the employees, officers, and directors.

	Directors/Officers/Significant Shareholders
Company	
Group	

5) Family, Commercial and Contractual Relations

- (a) Indicate, if applicable, any relation of a family,⁴ commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

There are no relations of a family, commercial, contractual, or business nature that exist between and among the holders of significant equity, to the extent that they are known to the company.

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

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

There are no relations of a commercial, contractual, or business nature that exist between the holders of significant equity and the company, to the extent that they are known to the company.

Names of Related Significant Shareholders	Type of Relationship	Brief Description

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

There are no shareholders' agreements that may impact on the control, ownership, and strategic direction of the company.

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

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

6) Alternative Dispute Resolution

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

The company has no alternative dispute resolution system in amicably settling conflicts or differences between the company and its stockholders, and the company and third parties, including regulatory authorities.

Alternative Dispute Resolution System	
Corporation & Stockholders	
Corporation & Third Parties	
Corporation & Regulatory Authorities	

C. BOARD MEETINGS & ATTENDANCE

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

The Board of Directors' meetings are scheduled either before or at the beginning of the year.

2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Jose S. Concepcion, Jr.	7-29-10	4	1	25
Member	Luis Bernardo A. Concepcion	7-29-10	4	1	25
Member	Francisco A. Segovia	7-29-10	4	4	100
Independent	Senen C. Bacani	7-29-10	4	4	100
Independent	Alejandrino J. Ferreria	7-29-10	4	4	100
Independent	Alfredo B. Parungao	7-29-10	4	4	100
Independent	Agnes C. Reyes	11-24-16	1	1	100

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

Non-executive directors do not hold separate meetings during the year without the presence of any executive.

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

Section 6 of the Corporation's By-Laws states that "a majority of the numbers of directors as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of corporate business, and every decision of a least a majority of the directors present at a meeting at which there is a quorum shall be valid as a corporate act, except for the election of officers which require the vote of a majority of all members of the Board."

5) Access to Information

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

⁵ Board papers consist of complete and adequate information about the matters to be taken in the board meeting.

The board papers are provided on the day of the scheduled meeting.

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

The board members have independent access to Management and the Corporate Secretary.

- (c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc?

The duties and responsibilities of the Corporate Secretary include the following:

- **Gather and analyze all documents, records and other information essential to the conduct of his duties and responsibilities to the Corporation.**
 - **Provide the Board members with the schedule of the meetings for the current year during the first month of the year and put the Board on notice before every meeting together with a copy of the agenda of the meeting.**
 - **Assist the Board in making business judgment in good faith and in the performance of their responsibilities and obligations.**
- (d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.

The company secretary is trained in legal, accountancy, and company secretarial practices.

- (e) Committee Procedures

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

Yes ☒

No ☐

Committee	Details of the procedures
Executive	
Audit	Prior to the commencement of audit, discuss with external auditor the nature, scope and expenses of audit, and ensure proper coordination
Nomination	Prior to nomination, the committee pre-screen and shortlist all candidates nominated to become member of the Board in accordance with qualifications and disqualifications
Remuneration	Provides in the Corporation's Annual Report, information and proxy statements, a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and the ensuing year.
Others (specify)	

- 6) External Advice

Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

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

There is no procedure provided by the corporation whereby directors can receive external advise.

Procedures	Details

7) Change/s in existing policies

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

There are no changes introduced by the Board of Directors on existing policies that may have an effect on the business of the company.

Existing Policies	Changes	Reason

D. REMUNERATION MATTERS

1) Remuneration Process

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

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	Board of Directors determines the fixed remuneration	Board of Directors determines the fixed remuneration upon recommendation of the President
(2) Variable remuneration	Board of Directors determines the fixed remuneration	Board of Directors determines the fixed remuneration upon recommendation of the President
(3) Per diem allowance	Based on the existing company policy on per diem allowance	Based on the existing company policy on per diem allowance
(4) Bonus	Board of Directors determines the fixed remuneration	Board of Directors determines the fixed remuneration upon recommendation of the President
(5) Stock Options and other financial instruments	None	None
(6) Others (specify)		

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

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

Remuneration	Structure of	How
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	Policy	Compensation Packages	Compensation is Calculated
Executive Directors	Remuneration Committee decides		Based on qualifications, tenure, and performance
Non-Executive Directors	Remuneration Committee decides		Based on qualifications, tenure, and performance

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.

Stockholders approve all board resolutions passed by the directors during the annual stockholders meeting. However, the last stockholders' meeting was held in 2010 and no quorum was gathered in the scheduled Annual Stockholders' Meetings in 2011, 2012, 2013, and 2014. Annual Stockholders' Meetings for 2015, 2016, and 2017 were postponed for failure to muster a quorum since 2011.

Remuneration Scheme	Date of Stockholders' Approval

3) Aggregate Remuneration

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

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	none	none	none
(b) Variable Remuneration	none	none	none
(c) Per diem Allowance	Php5,000 / meeting	Php5,000 / meeting	Php5,000 / meeting
(d) Bonuses	none	none	none
(e) Stock Options and/or other financial instruments	none	none	None
(f) Others (Specify)			
Total			

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	none	none	none
2) Credit granted	none	none	none
3) Pension Plan/s Contributions	none	none	none

(d) Pension Plans, Obligations incurred	none	none	none
(e) Life Insurance Premium	none	none	none
(f) Hospitalization Plan	none	none	none
(g) Car Plan	none	none	none
(h) Others (Specify)	none	none	none
Total			

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

(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:

The company has no incentive programs.

Incentive Program	Amendments	Date of Stockholders' Approval

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:

There are no members of management who are not at the same time executive directors.

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
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	2	1	4		Assist Board in performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules, and regulations;		
Audit		1			Oversight over management's activities; check financial reports, perform oversight functions over its internal and external auditors; review annual internal audit; discussions with external auditor prior to audit; organize internal audit department; monitor and evaluate internal control system; review reports of internal and external auditors		

					before submission to the board; coordinate, monitor, and facilitate compliance with laws, rules, and regulations, among others.		
Nomination	1	1	1		Reviews and evaluates the qualifications of all persons nominated to the Board and other appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors		
Remuneration		1	3		Establishes procedure on executive remuneration, remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and personnel enduring that compensation is consistently and equitably implemented in accordance with the Corporation's culture, strategy and		

					control environment.		
Strategic Planning							

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						
Member (ED)						
Member (NED)						
Member (ID)						
Member						

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Senen C. Bacani	29 July 2010				
Member (ED)	Luis Bernardo A. Concepcion	29 July 2010				
Member (NED)						
Member (ID)	Alfredo B. Parungao	29 July 2010				
Member						

Disclose the profile or qualifications of the Audit Committee members.

Senen C. Bacani, 72, born on July 30, 1945 in Guagua, Pampanga, he obtained a Bachelor of Science Degree in Commerce from De La Salle University in 1965, Summa cum Laude & class valedictorian. A Certified Public Accountant, he was granted an East-West Center Scholarship in 1966 and graduated from the University of Hawaii with a Master of Business Administration in 1968. He started his career with Dole Company in Honolulu and for the next 22 years, he progressively occupied management positions of increasing responsibility in the Philippines, Thailand, Ecuador, and Costa Rica. Former President Corazon C. Aquino appointed him Secretary of Agriculture in 1989. He holds several key positions in various companies and institutions as follows: Chairman of La Frutera, Inc., Trully Natural Food Corporation, UMIC International, Inc., President of Ultrex Management and Investments Corporation, member of the Board of Advisers of Roxas Holdings Inc., and East West Seed (Philippines), Inc., member of Board of Directors of Franklin Baker Company of the Philippines, Icebox Logistics Services, Inc. and Cooperative Insurance System of the Philippines. He is an independent director.

Luis Bernardo Ma. A. Concepcion, 56, born on August 20, 1960, has a degree in Business Administration from St. Ambrose College and completed the International Course on Swine and Poultry Husbandry from the Barneveld College, The Netherlands. Mr. Concepcion was the President of Philippine Association of Broiler Integrators (PABI) in 1988-1989.

Alfredo B. Parungao, 79, born on January 24, 1938, obtained his Bachelor of Science Degree in Commerce at the Far Eastern University, graduated summa cum laude. A certified public accountant, he also got a Program for Management Development at Harvard Business School. He is at present the President of Ligaya Management Corporation, CIBI Foundation, Member of the Board of Trustees and Chairman of Insular Life Assurance Co., Ltd,

Member of the Board of Directors of Insular Investment and Trust Corporation and UBIX Corporation and Chief of Staff, Social Security Commission. He is an independent director.

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

Performs oversight functions over external auditors to ensure that external auditors act independently, and is given unrestricted access to all records, properties, and personnel to enable them to perform their respective audit functions.

Prior to the commencement of the audit, discusses with the external auditor the nature, scope, and expenses of audit, and ensures proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts.

Reviews the reports submitted by the external auditors.

Pre-approves all audit plans, scope and frequency one (1) month before the conduct of the external audit.

Performs direct interface functions with the external auditors.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Jose S. Concepcion, Jr.	29 July 2010				
Member (ED)	Luis Bernardo A. Concepcion	29 July 2010				
Member (NED)						
Member (ID)	Senen C. Bacani	29 July 2010				
Member						

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman						
Member (ED)						
Member (NED)	Jose S. Concepcion, Jr.	29 July 2010				
Member (ID)	Aleandrino J. Ferreria	29 July 2010				
Member						

(e) Strategic Planning Committee

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	Aleandrino J. Ferreria	29 July 2010				
Member (ED)	Luis Bernardo A. Concepcion	29 July 2010				
Member (NED)						
Member (ID)	Senen C. Bacani	29 July 2010				

Member	Alfredo B. Parungao	29 July 2010				
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Alejandro J. Ferreria, 66, born on February 18, 1951, obtained a Bachelor of Science Degree in Management from the Ateneo de Manila University, a Master's Degree in Business Administration from the University of the Philippines, and a Doctorate in Education Management from National University. He was also the Bank of America Foundation Professor of Business Management in Asian Institute of Management ("AIM") and was school dean of 3 of the 4 schools of AIM. He currently sits on several boards, some of which are: Goodyear Philippines, Pascual Laboratories, Producers Savings Bank, G&S Transport (Avis Rent a Car), and Radio Wealth Finance. He is an independent director.

Luis Bernardo Ma. A. Concepcion, 56, born on August 20, 1960, has a degree in Business Administration from St. Ambrose College and completed the International Course on Swine and Poultry Husbandry from the Barneveld College, The Netherlands. Mr. Concepcion was the President of Philippine Association of Broiler Integrators (PABI) in 1988-1989.

Senen C. Bacani, 72, born on July 30, 1945 in Guagua, Pampanga, he obtained a Bachelor of Science Degree in Commerce from De La Salle University in 1965, Summa cum Laude & class valedictorian. A Certified Public Accountant, he was granted an East-West Center Scholarship in 1966 and graduated from the University of Hawaii with a Master of Business Administration in 1968. He started his career with Dole Company in Honolulu and for the next 22 years, he progressively occupied management positions of increasing responsibility in the Philippines, Thailand, Ecuador, and Costa Rica. Former President Corazon C. Aquino appointed him Secretary of Agriculture in 1989. He holds several key positions in various companies and institutions as follows: Chairman of La Frutera, Inc., Trully Natural Food Corporation, UMIC International, Inc., President of Ultrex Management and Investments Corporation, member of the Board of Advisers of Roxas Holdings Inc., and East West Seed (Philippines), Inc., member of Board of Directors of Franklin Baker Company of the Philippines, Icebox Logistics Services, Inc. and Cooperative Insurance System of the Philippines. He is an independent director.

Alfredo B. Parungao, 79, born on January 24, 1938, obtained his Bachelor of Science Degree in Commerce at the Far Eastern University, graduated summa cum laude. A certified public accountant, he also got a Program for Management Development at Harvard Business School. He is at present the President of Ligaya Management Corporation, CIBI Foundation, Member of the Board of Trustees and Chairman of Insular Life Assurance Co., Ltd, Member of the Board of Directors of Insular Investment and Trust Corporation and UBIX Corporation and Chief of Staff, Social Security Commission. He is an independent director.

3) Changes in Committee Members

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

There are no changes in committee membership that occurred during the year.

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

4) Work Done and Issues Addressed

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

Name of Committee	Work Done	Issues Addressed
Executive		
Audit	Supervision of external auditor;	

	Review of Audited Financial Statements before presenting to the Board for approval.	
Nomination	Submits list of qualified nominees to be elected as directors of the Corporation at its annual stockholders meeting.	
Remuneration	Review of remuneration based from the previous year.	
Others (specify)		

5) Committee Program

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

Name of Committee	Planned Programs	Issues to be Addressed
Executive		
Audit		
Nomination		
Remuneration		
Others (specify)		

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

- (a) Overall risk management philosophy of the company;

The Board of Directors reviews and approves policies for managing risks.

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

The Board of Directors has reviewed the effectiveness of the risk management system and commented on the adequacy thereof.

- (c) Period covered by the review;

The period covered by the review is July 2011 to June 2012.

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

The risk management system is reviewed annually.

And

- (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
	Board of Directors review and approve policies for managing risks.	

(b) Group

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

Risk Exposure	Risk Management Policy	Objective

(c) Minority Shareholders

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

Risk to Minority Shareholders

3) Control System Set Up

(a) Company

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

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

(b) Group

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

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

(c) Committee

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

Committee/Unit	Control Mechanism	Details of its Functions

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

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

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

Internal control refers to the process effected by a company's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, the reliability of financial reporting, and compliance with applicable laws, regulations, and internal policies.

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

The directors have reviewed the effectiveness of the internal control system and have considered them effective and adequate.

- (c) Period covered by the review;

Period of the review is July 2011 to June 2012.

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

The internal controls are reviewed annually.

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

2) Internal Audit

- (a) Role, Scope and Internal Audit Function

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

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process

- (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?

- (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?

- (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

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

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

Progress Against Plans	
------------------------	--

Issues⁶	
Findings⁷	
Examination Trends	

[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

(g) **Mechanisms and Safeguards**

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

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies

(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.

H. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' welfare		
Supplier/contractor selection practice		

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

⁷ "Findings" are those with concrete basis under the company's policies and rules.

Environmentally friendly value-chain		
Community interaction		
Anti-corruption programmes and procedures?		
Safeguarding creditors' rights		

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

The company has no separate corporate responsibility report / section or 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 has an unfunded defined benefit retirement plan covering all permanent, regular, full-time employees.

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

No data available.

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

The company has no training and development programmes for its employees.

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

The company has no reward / compensation policy that accounts for the performance of the company beyond short – term financial measure.

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.

There is no procedure for handling complaints by employees concerning illegal and unethical behaviour.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
PCD Nominee G/F Makati Stock Exchange 6767 Ayala Ave., Makati City	1,312,245,293	72.16%	PCD Nominee
PCD Nominee G/F Makati Stock	14,847,539	30.53%	PCD Nominee

Exchange 6767 Ayala Ave., Makati City			
Horizons Realty, Inc.	13,925,994	28.63%	Horizons Realty, Inc.
Renaissance Property Management Corporation	117,292,756	6.45%	Renaissance Property Management Corporation
Concepcion Industries, Inc.	3,138,155	6.45%	Concepcion Industries, Inc.
Ronald S. Po	2,809,514	5.78%	Ronald S. Po
Li Chih Hui	100,000,000	5.50%	Li Chih Hui
Sahara Management & Development Corporation	2,515,033	5.17%	Sahara Management & Development Corporation

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Jose S. Concepcion, Jr.	1,324,330 ("r")	0	0.073%
Luis Bernardo Ma. A. Concepcion	108,140 ("r")	0	0.006%
Francisco A. Segovia	3 ("b")	0	0.000%
Senen C. Bacani	1 ("b")	0	0.000%
Alfredo B. Parungao	500 ("b")	0	0.000%
Alejandro J. Ferreria	500 ("b")	0	0.000%

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	Yes
Details of whistle-blowing policy	No
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Yes
Training and/or continuing education programme attended by each director/commissioner	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
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Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure.

Number of board of directors meeting and attendance of the directors are reported to the Securities and Exchange Commission in the Updates to the ACGR which is attached to the Issuer's Annual Report.

3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
Sycip, Gorres, Velayo & Co.	₱450,000.00	

4) Medium of Communication

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

Disclosures files to the Securities and Exchange Commission and the Philippine Stock Exchange.

5) Date of release of audited financial report: **31 March 2017**

6) Company Website

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

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

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

7) **Disclosure of RPT – Not Applicable**

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?

J. RIGHTS OF STOCKHOLDERS

1) Right to participate effectively in and vote in Annual/Special Stockholders' Meetings

(a) Quorum

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

Quorum Required	Majority of outstanding capital stock
------------------------	---------------------------------------

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	Ratification by stockholders of corporate acts during the annual stockholders meeting.
Description	All approved corporate acts are subject to stockholders ratification during the annual stockholders meetings.

(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 not in The Corporation Code
Voting Right	None
Pre-emptive Right	
Power of Inspection	
Right to Dividends	
Appraisal Right	
Right to Information	

Dividends

There were no dividends declared in 2016.

Declaration Date	Record Date	Payment Date

(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
The Chairman opens the floor for questions of the stockholders during annual stockholders meetings.	The Chairman announces during the annual stockholders meeting.

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
 - a. Amendments to the company's constitution - **Ratified through a special or during the annual**

stockholders meeting.

- b. Authorization of additional shares - **Ratified through a special or during the annual stockholders meeting.**
 - c. Transfer of all or substantially all assets, which in effect results in the sale of the company - **Ratified through a special or during the annual stockholders 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? - **The By-Laws of the Corporation provides that "Notices for the regular or special meeting of stockholders may be sent by the Secretary by personal delivery or by mail at least two (2) weeks prior to the date of the meeting to each stockholder of record at his last known post office address or by publication in a newspaper of general circulation."**
- a. Date of sending out notices: **Annual Stockholders' Meeting was not called this year for failure to muster a quorum since 2011.**
 - b. Date of the Annual/Special Stockholders' Meeting: **Annual Stockholders' Meeting was not called this year for failure to muster a quorum since 2011.**
4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting. – **Not applicable**
5. Result of Annual/Special Stockholders' Meeting's Resolutions

Not applicable

Resolution	Approving	Dissenting	Abstaining

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

Not applicable

(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:

There are no modifications made in the Annual / Stockholder's Meeting regulations.

Modifications	Reason for Modification

(f) Stockholders' Attendance

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

Annual Stockholders' Meeting was not called this year for failure to muster a quorum since 2011.

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						
Special						

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

The company does not appoint an independent party to count and/or validate the votes at the ASM / SSMs.

- (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	A sample proxy form is enclosed in the Notices distributed to the stockholders.
Notary	Aside from personal identification, representatives of corporate stockholders should present a notarized Secretary's Certificate indicating the representative's authority to represent the corporation. Beneficial owners whose shares are lodged with the Philippine Central Depository ("PCD"), or registered under the name of a broker, bank, or other fiduciary, must, in addition to the required proof of identification, present a notarized certification from the owner of record that he is the beneficial owner, indicating thereon the number of shares.
Submission of Proxy	Proxies must be presented to the Corporate Secretary for inspection, validation, and record, at least seven (7) days prior to the Stockholders' Meeting.
Several Proxies	Only one (1) proxy for one stockholders is allowed by the Corporation.
Validity of Proxy	Valid only for the date of the special or annual stockholders meeting, and any adjournment thereof.
Proxies executed abroad	In lieu of notarization, must be consularized.
Invalidated Proxy	
Validation of Proxy	Proxy forms are review by assigned employees of the Corporation.
Violation of Proxy	

(h) Sending of Notices

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

Policies	Procedure
Prior Notice	Notices are sent by registered mail at least two (2) weeks prior to the date of the meeting to each stockholder of record at his last known post

	office address and by publication in a news paper of general circulation.
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(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	All registered stockholders.
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	Not Applicable
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	Not Applicable
State whether CD format or hard copies were distributed	Not Applicable
If yes, indicate whether requesting stockholders were provided hard copies	Not Applicable

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

Each resolution to be taken up deals with only one item.	Not Applicable
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	Not Applicable
The auditors to be appointed or re-appointed.	Not Applicable
An explanation of the dividend policy, if any dividend is to be declared.	Not Applicable
The amount payable for final dividends.	Not Applicable
Documents required for proxy vote.	Not Applicable

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
Respect the right of stockholders as provided in the Corporation Code and By-Laws	
Stockholders are encouraged to personally attend stockholders meetings	
Accurate and timely information are made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.	

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

The candidates for board of directors are screened and nominated by the nomination committee.

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

- 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.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiative	Beneficiary

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

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

	Process	Criteria
Board of Directors		
Board Committees		
Individual Directors		
CEO/President		

N. INTERNAL BREACHES AND SANCTIONS

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

Violations	Sanctions

Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on 07 August 2017.

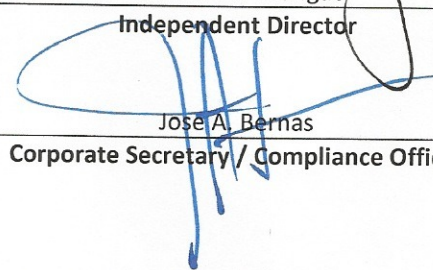
SIGNATURES

(out of the country)
Jose S. Concepcion, Jr.
Chairman of the Board


Francisco A. Segovia
President and Chief Executive Officer


Alfredo B. Parungao
Independent Director


Senen C. Bacani
Independent Director


Jose A. Bernas
Corporate Secretary / Compliance Officer

SUBSCRIBED AND SWORN to before me this 07 AUG 2017, affiants exhibiting to me their government-issued identification cards, as follows:

NAME/NO.	DATE OF ISSUE	PLACE OF ISSUE
Jose S. Concepcion, Jr.		
Francisco A. Segovia / DRIVER'S LICENSE NO. N03-72-019088	APRIL 2, 2014	EAST AVE. QUEZON CITY
Alfredo B. Parungao / PASSPORT 1040-EB83-72623	JUNE 11, 2013	DFA MANILA
Senen C. Bacani / SENIOR CITIZEN ID NO. 2470	NOVEMBER 18, 2005	SAN JUAN METRO MANILA
Jose A. Bernas / IBP Life and Membership ID NO. 01738	JANUARY 25, 2000	MAKATI CITY

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ANGELICA ROSE C. DIMALANTA

Commission No. M-198
Notary Public - City of Makati
Until 31 December 2018
Bernas Law Offices
8th Floor Raha Sulayman Bldg., 108 Benavidez St.,
Legaspi Village, Makati City
IBP Membership No. 1060668 / 09 January 2017 / Quezon City
PTR No. 5912449 / 09 January 2017 / Makati City
Roll of Attorneys No. 66411