

# COVER SHEET

ASO94-004462

S.E.C. Registration Number

[illegible]

(Company's Full Name)

6	T	H		F	L	O	O	R		R	E	N	A	I	S	S	A	N	C	E		T	O	W	E	R	S		
	M	E	R	A	L	C	O		A	V	E	N	U	E		P	A	S	I	G		C	I	T	Y				

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

Atty. Dominic V. Isberto

Contact Person

576-3376

Company Telephone Number

1	2
---	---

Month

fiscal year

3	1
---	---

Day

**Letter Advisement dated 30 May 2017 re:  
Consolidated Changes in the Annual Corporate  
Governance Report for the Year 2016**

FORM TYPE

Last Thursday of June

Month      Day

annual meeting

Secondary License Type, If Applicable

[illegible]

Dept. Requiring this Doc.

Amended Articles Number/ Section

Total Amount of Borrowings

Domestic

Foreign

	Domestic	Foreign
*****		

To be accomplished by SEC Personnel concerned

[illegible]

File Number

---

LCU

[illegible]

Document I.D.

---

Cashier

## STAMPS



GLOBAL-ESTATE RESORTS, INC.

30 May 2017

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building E. Delos Santos Avenue  
Mandaluyong City, Metro Manila

Attention: **Director Justina F. Callangan**  
*Director, Corporate Governance and Finance Department*

Re: **Consolidated Changes in the ACGR for 2016**



Gentlemen:

Pursuant to SEC Memorandum Circular No. 12, Series of 2014, we submit the Consolidated Changes in the Company's Annual Corporate Governance Report (ACGR) of Global-Estate Resorts, Inc. covering the year 2016.

In compliance with SEC Memorandum Circular No. 11, Series of 2014, we shall include this in the Company's website.

Thank you.

**DOMINIC V. ISBERTO**  
Corporate Secretary

**LAILANI V. VILLANUEVA**  
CFO/Compliance Officer

**GLOBAL- ESTATE RESORTS, INC.**  
**Consolidated Changes to the ACGR for the year 2016**

1. Page 5 of the 2016 ACGR – Composition of the Board of Directors

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID)	Elected when (Annual /Special Meeting)	No. of years served as director <sup>1</sup>
Andrew L. Tan	ED	Megaworld Corporation	-	12 Jan. 2011	30 June 2016	Annual Meeting	Five(5) years and eleven (11) months.
Kevin Andrew L. Tan	NED	Megaworld Corporation	-	26 June 2014	30 June 2016	Annual Meeting	Two years and six (6) months.
Monica T. Salomon	ED	Megaworld Corporation	-	2 March 2015	30 June 2016	Annual Meeting	One (1) year and nine (9) months
Ferdinand T. Santos	NED <sup>2</sup>	Fil-Estate Management, Inc.	-	March 1994	30 June 2016	Annual Meeting	Twenty-two (22) years and nine (9) months
Wilbur L. Chan	ED	Megaworld Corporation	-	12 Jan. 2011	30 June 2016	Annual Meeting	Five (5) years and eleven (11) months
Jesus B. Varela	ID	-	Megaworld Corporation No relationship to nominator.	30 June 2016	30 June 2016 Zero (0) years	Annual Meeting	Six (6) months
Alain A. Sebastian	ED	Megaworld Corporation	-	30 June 2016	30 June 2016	Annual Meeting	Six (6) months
Gerardo C. Garcia	ID	-	Megaworld Corporation No relationship to nominator.	Aug. 2011	30 June 2016 Five (5) years and four (4) months	Annual Meeting	Five (5) years and four (4) months
Lourdes T. Gutierrez-Alfonso	ED <sup>3</sup>	Megaworld Corporation	-	June 2011	30 June 2016	Annual Meeting	Five (5) years and six (6) months

<sup>1</sup> As of 31 December 2016.

<sup>2</sup> Effective 28 February 2015, Ferdinand T. Santos retired as President of GERI. He, however, continues to serve as director of GERI.

<sup>3</sup> Ms. Lourdes T. Gutierrez was appointed as Managing Director on 2 March 2015.



2. Page 7 – Directorship in the Company's Group

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Andrew L. Tan	Megaworld Corporation	Executive; Chairman/President/CEO
	Fairways & Bluewater Resort Golf & Country Club	Non-Executive
	Twin Lakes Corporation	Executive; President/CEO
	Oceanfront Properties, Inc.	Executive; Chairman
	Southwoods Ecocentrum Corp.	Executive; Chairman
Monica T. Salomon	Megaworld Global-Estate, Inc.	Executive; President
	Southwoods Ecocentrum Corp.	Executive; President
	Global Homes and Communities, Inc.	Executive; President
	Southwoods Mall, Inc.	Executive; President
	Fil-Estate Golf and Development, Inc.	Executive; President
	Twin Lakes Corporation	Non-Executive
	Golforce, Inc.	Non-Executive
	La Compañía De Sta. Barbara, Inc.	Executive; President
	Pioneer L-5 Realty Corp.	Executive; President
	Sherwood Hills Development, Inc.	Executive; President
	Sto. Domingo Place Development Corp.	Executive; President
Lourdes T. Gutierrez-Alfonso	Fil-Estate Golf and Development, Inc.	Executive; Chairman
	Megaworld Global-Estate, Inc.	Executive; Chairman
	Southwoods Mall, Inc.	Executive; Chairman
	Global Homes and Communities, Inc.	Executive; Chairman
	Elite Communities Property Services, Inc.	Executive; Chairman
	Golforce, Inc.	Executive; Chairman
	Oceanfront Properties, Inc.	Executive; Treasurer
	Southwoods Ecocentrum Corp.	Non-Executive
	Twin Lakes Corporation	Non-Executive
	Fil-Estate Urban Dev't. Corp.	Non-Executive
	La Compañía De Sta. Barbara, Inc.	Executive; Chairman
	Pioneer L-5 Realty Corp.	Executive; Chairman
	Sherwood Hills Development, Inc.	Executive; Chairman
Wilbur L. Chan	Fairways & Bluewater Resort Golf & Country Club, Inc.	Executive; Chairman
	Fil-Estate Urban Dev't. Corp.	Executive; Chairman
	Southwoods Ecocentrum Corp.	Non-Executive
	Boracay Newcoast Federation, Inc.	Executive; Chairman
	Harbortown Development Corp.	Non-Executive
	La Compañía De Sta. Barbara, Inc.	Non-Executive
	Sto. Domingo Place Development	Non-Executive

	Corp.	
Ferdinand T. Santos	Fairways & Bluewater Resort Golf & Country Club, Inc.	Executive; President
	Newport Hills Golf Club, Inc.	Executive; Chairman/President
	Fil-Estate Urban Development Corp.	Executive ; President
	Nasugbu Properties, Inc.	Executive; President
	Twin Lakes Corp.	Non-Executive
Alain A. Sebastian	Global Homes and Communities, Inc.	Executive; Corporate Secretary
	Southwoods Ecocentrum Corp.	Non-Executive
Kevin Andrew L. Tan	Fil-Estate Golf and Development, Inc.	Non-Executive
	Southwoods Ecocentrum Corp.	Non-Executive
	Twin Lakes Corporation	Non-Executive
	Southwoods Mall, Inc.	Non-Executive
Jesus B. Varela	Megaworld Corporation	Independent
	Newport Hills Golf Club, Inc.	Independent
Gerardo C. Garcia	Megaworld Corporation	Independent

### 3. Page 9 – Directorship in Other Listed Companies

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Andrew L. Tan	Alliance Global Group, Inc.	Executive, Chairman/CEO
	Empire East Land Holdings, Inc.	Executive, Chairman
	Travellers International Hotel Group, Inc.	Non-Executive
	Emperador, Inc.	Executive, Chairman
Ferdinand T. Santos	Metro Global Holdings Corporation (formerly Fil-Estate Corporation)	Executive, President
Kevin Andrew L. Tan	Alliance Global Group, Inc.	Executive, Executive Director
	Empire East Land Holdings, Inc.	Non-executive
Gerardo C. Garcia	Empire East Land Holdings, Inc.	Independent



4. Page 10 – Shareholding in the Company

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Wilbur L. Chan	2,611,826	None	0.02%
Ferdinand T. Santos	30,007	None	0%
Jesus B. Varela	1	None	0%
Monica T. Salomon	1	None	0%
Andrew L. Tan	2	None	0%
Alain A. Sebastian	1	None	0%
Lourdes T. Gutierrez-Alfonso	2	None	0%
Kevin Andrew L. Tan	2	None	0%
Gerardo C. Garcia	1	None	0%
<b>TOTAL *</b>	<b>2,641,843</b>	None	0.02%

5. Page 12 - Changes in the Board of Directors (Resignation/Death/Removal)

Name	Position	Date of Cessation	Reason
Miguel B. Varela	Independent Director	30 June 2016	End of Term
Garry V. De Guzman	Treasurer/Corporate Information Officer	30 June 2016	End of Term/ Declined Nomination

6. Page 15 – Voting Results in the last Annual General Meeting

Name of Director	Votes Received
Andrew L. Tan	More than two-thirds of stockholders present or represented by proxy
Lourdes T. Gutierrez-Alfonso	More than two-thirds of stockholders present or represented by proxy
Monica T. Salomon	More than two-thirds of stockholders present or represented by proxy
Ferdinand T. Santos	More than two-thirds of stockholders present or represented by proxy
Wilbur L. Chan	More than two-thirds of stockholders present or represented by proxy
Kevin Andrew L. Tan	More than two-thirds of stockholders present or represented by proxy
Alain A. Sebastian	More than two-thirds of stockholders present or represented by proxy
Gerardo C. Garcia	More than two-thirds of stockholders present or represented by proxy
Jesus B. Varela	More than two-thirds of stockholders present or represented by proxy

7. Page 15 – In-house training and external courses attended by Directors and Senior Management for the past three (3) years:

Director	Date Attended
Andrew L. Tan	October 2, 2014 December 11, 2015 November 24, 2016
Lourdes T. Gutierrez-Alfonso	November 14, 2014 November 25, 2015 November 15, 2016
Monica T. Salomon	November 25, 2015 November 15, 2016
Ferdinand T. Santos	February 28, 2014 November 25, 2015 November 10, 2016
Wilbur L. Chan	February 28, 2014 March 27, 2015 November 24, 2016
Kevin Andrew L. Tan	November 11, 2014 November 24, 2016
Alain A. Sebastian	November 15, 2016
Gerardo C. Garcia	November 14, 2014 November 25, 2015 November 15, 2016
Jesus B. Varela	November 15, 2016
Dominic V. Isberto	November 14, 2014 November 25, 2015 November 24, 2016
Rolando V. Siatela	November 14, 2014 November 25, 2015 November 15, 2016
Lailani V. Villanueva	February 28, 2014 March 27, 2015 November 25, 2015 December 20, 2016
Marie Emelyn Gertrudes C. Martinez	February 28, 2014 March 27, 2015 August 3, 2016
Karen B. Maderazo	February 28, 2014 November 25, 2015 November 15, 2016
Catherine D. Marcelo	February 28, 2014 November 25, 2015 November 15, 2016
Jennifer L. Romualdez	February 28, 2014 March 27, 2015 November 15, 2016
Alan B. Quintana	November 25, 2015 November 15, 2016

The Company, however, conducted a *Project Management Workshop* for the heads and members of the Contract & Procurement and Project Development & Management Divisions in 2012. It also sent its key officers and managers from Finance Division and from Legal Division to a seminar on *SEC Disclosure Rules* in 2012. Also, the Company required its key



officers, supervisors and managers to attend the Work Instruction Creation Program on February 2013. In addition, it sent its key officers and managers of the Contracts, Procurement and Project Management Division, Project Development and Property Management Division, Legal Division & Building Administration to attend the Basic Occupations Safety & Health for Construction on July 2013 organized in coordination with Synerquest Management Consultancy Services, Inc.

In 2014, the company conducted an Executive Presence Program, a one and a half-day seminar given to all officers of the company from department heads up to the higher management. In addition, it conducted a Civility at Workplace Program organized by Global-Estate Center for Excellence in coordination with O.J. Lim Consultancy. An Orientation Education Program for Senior Management was likewise conducted.

For 2015, Global-Estate Center of Excellence co-facilitated with O.J. Lim Consultancy conducted by Mr. Archie Inlong, an Executive Communication Workshop a one and a half-day workshop to officers of the company from department heads up to higher management.

For 2016, in partnership with CoachMay, Global-Estate Center of Excellence conducted Executive Financial Workshop, a one and a half day workshop to company officers.

8. Page 17 – Continuing education programs for directors: programs and seminars and roundtables attended during the year.

<b>Name of Director/Officer</b>	<b>Date of Training</b>	<b>Program</b>	<b>Name of Training Institution</b>
Andrew L. Tan	November 24, 2016	Corporate Governance	Center for Training and Development, Inc.
Lourdes T. Gutierrez-Alfonso	November 15, 2016	Corporate Governance	Center for Training and Development, Inc.
Monica T. Salomon	November 15, 2016	Corporate Governance	Center for Training and Development, Inc.
Ferdinand T. Santos	November 10, 2016	Corporate Governance	Center for Global Best Practices
Wilbur L. Chan	November 24, 2016	Corporate Governance Seminar	Center for Training and Development, Inc.
Kevin Andrew L. Tan	November 24, 2016	Corporate Governance	Risk, Opportunities, Assessment and Management (ROAM), Inc.
Alain A. Sebastian	November 15, 2016	Corporate Governance	Center for Training and Development, Inc.
Gerardo C. Garcia	November 15, 2016	Corporate Governance	Center for Training and Development, Inc.
Jesus B. Varela	November 15, 2016	Corporate Governance	Center for Training and Development, Inc.

9. Page 22 – Attendance of Directors



Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Andrew L. Tan	30 June 2016	21	21	100
Member	Monica T. Salomon <sup>4</sup>	30 June 2016	21	21	100
Member	Ferdinand T. Santos	30 June 2016	21	21	100
Member	Wilbur L. Chan	30 June 2016	21	21	100
Member	Lourdes T. Gutierrez-Alfonso	30 June 2016	21	21	100
Member	Alain A. Sebastian	30 June 2016	21	21	100
Member	Kevin Andrew L. Tan	30 June 2016	21	21	100
Independent	Jesus B. Varela	30 June 2016	21	21	100
Independent	Gerardo C. Garcia	30 June 2016	21	21	100

10. Page 26 – Aggregate Remuneration accrued during the most recent year

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	4,550,000	-	-
(b) Variable Remuneration	-	-	-
(c) Per diem Allowance	150,000	200,000	100,000
(d) Bonuses	0	-	-
(e) Stock Options and/or other financial instruments	400,000,000 stock options <sup>5</sup>	-	-
(f) Others (Specify)	-	-	-
<b>Total</b>	<b>354,700,000</b>	<b>200,000</b>	<b>100,000</b>

11. Page 26 – Stock Rights, Options and Warrants

Director's Name	Number of Direct Option/Rights/Warrants*	Number of Indirect Option/Rights / Warrants	Number of Equivalent Shares	Total % from Capital Stock
Andrew L. Tan	75,000,000	-	75,000,000	0.682%

<sup>4</sup> Atty. Monica T. Salomon was elected as Director of the Company effective 1 March 2015.

<sup>5</sup> Updated to reflect the grant of options to subscribe to additional 50 million common shares of the Company (5<sup>th</sup> tranche) pursuant to the Company's Executive Stock Option Plan with PSE Notice of Approval dated 11 November 2016.

Lourdes T. Gutierrez-Alfonso	18,750,000	-	18,750,000	0.170%
Monica T. Salomon	6,250,000	-	6,250,000	0.056%
Robert John L. Sobrepeña	100,000,000	-	100,000,000	0.910%
Wilbur L. Chan	100,000,000	-	100,000,000	0.910%
Ferdinand T. Santos	100,000,000	-	100,000,000	0.910%

*\*Updated with date of grant 17 June 2016*

## 12. Page 27 – Remuneration of Management

Name of Officer/Position (For 2016)	Total Remuneration (For 2016)
Lailani V. Villanueva – Chief Finance Officer and Compliance Officer	9,659,266.90
Atty. Marie Emelyn Gertrudes C. Martinez – EVP for Legal	
Jennifer Romualdez – FVP for Operations	
Catherine Marcelo – Vice President for Corporate Services	
Karen Maderazo – Vice President for HR	

## 13. Page 29 – Committee Members

### 1) 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	Andrew L. Tan	30 June 2016	0	n/a	n/a	6 mos.
Member (ED)	Monica T. Salomon	30 June 2016	0	n/a	n/a	6 mos.
Member (ED)	Wilbur L. Chan	30 June 2016	0	n/a	n/a	6 mos.
Member (ED)	Lourdes T. Gutierrez-Alfonso	30 June 2016	0	n/a	n/a	6 mos.
Member (ID)	n/a					

#### (b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held*	No. of Meetings Attended	%	Length of Service in the Committee *
--------	------	---------------------	-----------------------	--------------------------	---	--------------------------------------



Chairman	Gerardo C. Garcia (ID)	30 June 2016	0	n/a	n/a	6 mos.
Member (NED)	n/a					
Member (ED)	Lourdes T. Gutierrez-Alfonso	30 June 2016	0	n/a	n/a	6 mos.
Member (ID)	Jesus B. Varela	30 June 2016	0	n/a	n/a	6 mos.
Member	n/a					

*\* Covers the period June to December 2016 only since members of the Committee were appointed during the Organizational Meeting of the Board which was held after the Annual Meeting on 30 June 2016.*

**JESUS B. VARELA**, Filipino, 60 years old, was elected as Independent Director on 30 June 2016 succeeding his brother, Miguel B. Varela. He graduated with an Economics degree in 1979 from Ateneo de Manila University. He attended training courses in Labor Administration and Policy Formulation under the International Labor Organization/ARPLA program, the Corporate Planning Course at the Center for Research Communication, Foreign Exchange Training by Metro Bank and Forex Club of the Philippines, Systems Analysis by the Presidential Management Staff, Asian Productivity Seminar and other in-house seminars conducted by the Department of Labor and the Development Academy of the Philippines. He is presently the Chairman of Committee on Trade, Committee on Intellectual Property and Bureau of Customs Consultative Group of Philippine Chamber of Commerce and Industry. He is also the Director General of International Chamber of Commerce Philippines. Currently, he is the President of Philippine Greek Business Council, Philippine Peru Business Council and Advancement of Workers' Awareness Regarding Employment (AWARE) Foundation, Inc. He is also a Trustee in Home Mutual Development Fund (Pag-IBIG) and a Member of Committee for Accreditation of Cargo Surveying Companies. Apart from his previous government experience, he used to be the Managing Director of SAS Holdings Co., Vice President-International Operations of Catleya Manning Corp. and President of Manila Center. He also previously worked as a Marketing Director for FELA Sales International and a Management Consultant of ABL Consultancy and Management Svcs, Inc.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held *	No. of Meetings Attended	%	Length of Service in the Committee *
Chairman	Gerardo C. Garcia (ID)	30 June 2016	0	n/a	n/a	6 mos.
Member (ED)	Alain A. Sebastian	30 June 2016	0	n/a	n/a	6 mos.
Member (ID)	Jesus B. Varela	30 June 2016				
Member (NED)	n/a		0	n/a	n/a	6 mos.

*\* Covers the period June to December 2016 only since members of the Committee were appointed during the Organizational Meeting of the Board which was held after the Annual Meeting on 30 June 2016.*

(d) Executive Compensation or Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held*	No. of Meetings Attended	%	Length of Service in the Committee*
Chairman	Gerardo C. Garcia (ID)	30 June 2016	0	n/a	n/a	6 mos.
Member (ED)	Andrew L. Tan	30 June 2016	0	n/a	n/a	6 mos.
Member (ED)	Alain A. Sebastian	30 June 2016	0	n/a	n/a	6 mos.
Member (ID)	n/a					
Member (NED)	n/a					

\* Covers the period June to December 2016 only since members of the Committee were elected during the Organizational Meeting of the Board which was held after the Annual Meeting on June 30, 2016.

2) 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
Audit	Miguel B. Varela	End of Term
Nomination	Miguel B. Varela Garry V. De Guzman	End of Term End of Term/Declined Nomination
Remuneration	Miguel B. Varela Garry V. De Guzman	End of Term End of Term/Declined Nomination
Others (specify)	n/a	n/a

14. Page 38 – Resignation, Re-assignment and Reasons

(a) 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
Soriano I. Factor	Personal reason
Kimberly C. Pagaduan	Personal reason

15. Page 42 – Company's training and development programs



The Human Resources Division launched the company's official learning university, Global Estate Center of Excellence (GCE) in which the following seminars/workshop and trainings will be provided:

Rank	Executives	Managers	Supervisors	Rank and File
Nature of Training (identify seminars attended)	1. Building Block Seminars (Corporate Orientation) 2. Core Programs and Workshops 3. Job Specific Programs 4. Management Development Programs 5. Leadership Development Programs			
Head Count (total number of attendees of all seminars for 2016)	26	55	121	360
Average Training Hours	33.35	42.8	96.8	287.4
<b>Total Number of Employees</b>	<b>459 Regular and Probationary employees</b>  <b>83 Fixed Term employees</b>  <b>Total = 542</b>			
<b>Total Training Hours for All Attendees in All Seminars</b>	<b>4,468</b>			
<b>Overall Average Training Hours (hours/employee)</b>	<b>16.80</b>			

#### 16. Page 42 – Ownership Structure

(a) Holding 5% shareholding or more (As of 31 December 2016)

Shareholder	Number of Shares	Percent	Beneficial Owner
Megaworld Corporation	9,042,732,139	82.31%	Megaworld Corporation
PCD Nominee Corporation (Filipino) 37/F Tower I, The Enterprise Center, 6766 Ayala Avenue, Makati City	1,383,304,192 Common	12.59%	Various Shareholders

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Andrew L. Tan	2	0	0%
Monica T. Salomon	1	0	0%
Lourdes T. Gutierrez-Alfonso	2	0	0%
Ferdinand T. Santos	30,007	0	0%
Wilbur L. Chan	2,611,826	0	0.02%
Jesus B. Varela	1		
Alain A. Sebastian	1	0	0%
Kevin Andrew L. Tan	2	0	0%
Gerardo C. Garcia	1	0	0%
<b>Other Executive Officers</b>			
Lailani V. Villanueva	0	0	n/a
Marie Emelyn Gertrudes C. Martinez	0	0	n/a
Jennifer L. Romualdez	0	0	n/a
Catherine D. Marcelo	0	0	n/a
Karen B. Maderazo	0	0	n/a
Atty. Dominic V. Isberto	0	0	n/a
Rolando Siatela	0	0	n/a
<b>TOTAL</b>	<b>2,641,843</b>	<b>0</b>	<b>0.02%</b>

17. Page 45 – External Auditor’s fee

Name of auditor	Audit Fee	Non-audit Fee
Punongbayan and Araullo	1,232,000.00	110,000.00

18. Page 45 – Disclosure of RPT

RPT	Relationship	Nature	Value
Megaworld Corporation	Parent	Advances for operations	102,854,961

19. Page 47 - Questions and answers during the Annual Stockholders’ Meeting

**Question 1:** *You mentioned in your report that you are building more than a thousand hotel rooms in Boracay, what kind of market share are you looking at in Boracay?*

**Answer:** We are looking at around 20 to 30% market share in Boracay. In 2015, there were 1.5M tourists and I think in 2016, they’re targeting 1.7M tourists.



**Question 2:** *Are you going to declare dividends?*

Answer: Not at the moment, we need all the cash for our project development.

*Follow-up*

**Question:** *Your revenue increased by almost more than 100% but according to your statement, the earnings per share is .066 which is lower than last year's .071, how is that possible? Your comprehensive income is 848M vs. 856M last year, how is that possible?*

Answer: That includes the non-recurring gain. Our core net income is 667M. Last year is around 447M.

(Succeeding follow-up questions were referred to GERI's CFO, Ms. Lailani V. Villanueva.)

*Follow-up*

**Question:** *How come your earnings per share went down? Do you have an increase in capital stock?*

Answer: Earnings per share for 2015 decreased because net income attributable to parent company decreased in amount. In 2014, there was a one-time gain of 337M which is 100% attributable to parent company.

*Follow-up*

**Question:** *Are you expecting the same situation this year?*

Answer: No. We expect to improve the regular operating income of the Company so, earnings per share will increase.

We are targeting 30% annual growth in net income from the core business.

*Follow-up*

**Question:** *Since AGI took over the Company, the share price was around Php1.00, now, it is lower than that, any explanation?*

Answer: The share price is really a function of the market. If you noticed, we are focusing on project completion. From 2016 to 2018, we will be able to complete all the projects that we launched so that share price should reflect that good news. (Answer was given by GERI's President.)

**Question 3:** *How do you plan to fund your capex or capital expenditures of 6.5B for this year?*

Answer: The 6.5B capex will be funded mostly by internally generated funds. Should we need more funds, then, we will just tap our credit lines from our banks.

**Question 4:** *What is the direction of our Company under the Duterte administration? Do you foresee any changes in GERI's short to mid-term plans?*

Answer: We are actually very excited about the programs that the incoming administration because it focuses on countryside development, promotion of tourism and infrastructures. If you noticed our land bank is spread out all over the Philippines, and most is in the provincial areas so the policy really of the new administration will be aligned with our growth strategy which is to build integrated tourism estates in the provincial areas and hopefully, create jobs.

**Question 5:** *We have a 3,000has. land bank. Does that mean that this land bank is up for*

*development? Is it reserved for development or is development being done already on this 3,000has.? I am trying to find out what it means when you say we have a land bank of 3,000has.*

Answer: This is raw land.

*Follow-up*

*Question: Is GERI trying to acquire more land bank or are we just using up the land bank that we got from Fil-Estate?*

Answer: GERI acquires land but as much as possible, we want to use up our existing land bank but in case there are opportunities, we always grab these opportunities.

*Follow-up*

*Question: I noticed that most of the income revenues come from the sales of real-estate and the income from hotel operations. If the bulk of our revenues come from real-estate sales and we have already used up our land bank, eventually, our income will start to go down dramatically. Will the income coming from the hotel operations and recurring income start to increase as time goes by?*

Answer: Yes, it already increased actually by last year with the introduction of the Shopping Village. Then, next year, we will be completing the Southwoods Mall that has a lot of retail spaces. We have office towers there, those are retail spaces. And in our hotels in Boracay, we also have retail spaces.

*Follow-up*

*Question: So, these are not yet operational? So by next year, most of our revenues will come from this recurring income?*

Answer: Yes, that is our goal.

**Question 6:** *I was looking at the balance sheet and I was curious about the term revaluation reserves. May I know the nature of this account? Last year, we have a 2,358,634, it suddenly increased to 8,287,704. I was looking at the Notes 21, but I could not see the similarity in the explanation. It seems that there is a different figure.*

(Question was referred to GERI's External Auditor.)

Answer: The revaluation reserves coming from the employee benefits, retirement benefits, obligations, any actual gains and losses under the accounting standard should be reported there. In case you have any questions, I am going to approach you later. I can show you reconciliation in the figure.

## 20. Page 49 - Stockholders' Attendance

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	Dr. Andrew L. Tan Monica T. Salomon Lourdes T. Gutierrez-Alfonso Ferdinand T. Santos Wilbur L. Chan Kevin Andrew L. Tan Gerardo C. Garcia Dominic V. Isberto Marie Emelyn Gertrudes C. Martinez Jennifer L. Romualdez Lailani V. Villanueva	30 June 2016	By poll	0.08%	87.588%	87.66%
Special	N/A	N/A	N/A	N/A	N/A	N/A

21. Page 52 – Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	4,316 common shareholders as of the record date May 13, 2016 were entitled to receive Definitive Information Statement and Management Report and other materials.
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	June 9, 2016
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	-do-
State whether CD format or hard copies were distributed	Copies of the Definitive Information Statement and Management Report in CD format were distributed.
If yes, indicate whether requesting stockholders were provided hard copies	The Company provided hard copies of the Definitive Information Statement and Management Report to requesting stockholders.

22. Page 55 – Corporate Social Responsibility Initiatives

Initiative	Beneficiary
Blood Letting Activity	Red Cross of the Philippines
Donation Giving where donations from employees consisting of clothing, food, etc., were provided to beneficiaries	Operation Blessing 2013 Virlanie Foundation 2014 Philippine General Hospital Cancer Ward 2016
Reindeer Project	Operation Smile Philippines (Children with cleft palate)
Similar activity will be undertaken in the future	-

## SECRETARY'S CERTIFICATE

I, **DOMINIC V. ISBERTO**, of legal age, Filipino, and with office address at 28<sup>th</sup> Floor, The World Centre, 330 Sen. Gil Puyat Avenue, Makati City, after having been duly sworn to in accordance with law, hereby depose and say that:

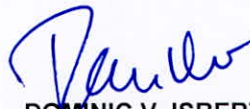
1. I am the Corporate Secretary of **GLOBAL-ESTATE RESORTS, INC.**, a corporation duly organized and existing under and by virtue of the laws of the Philippines, with office address at 7<sup>th</sup> Floor Renaissance Towers, Meralco Ave., Barangay Ugong, Pasig City (the "Corporation");

2. The resolutions approved by the Board of Directors of the Corporation that resulted in the changes and/or updates to the Annual Corporate Governance Report of the Corporation as consolidated in the document entitled, "Consolidated Changes in the ACGR for the year 2016" are set out in the attached **Annex "A"** hereof.

3. This Certification is issued in compliance with the requirements of SEC Memorandum Circular No. 12 dated 26 May 2014.

IN WITNESS WHEREOF, I have hereunto affixed my signature on this \_\_\_\_ day at

**30 MAY 2017**



**DOMINIC V. ISBERTO**  
Corporate Secretary

SUBSCRIBED AND SWORN TO BEFORE ME this **30 MAY 2017** at **PASIG**. Affiant exhibited to me his Social Security System ID No. 33-1952824-1.

Doc. No. 170 ;  
Page No. 35 ;  
Book No. II ;  
Series of 2017.



**DIANNA KATHRINA C. MENOR**  
NOTARY PUBLIC  
Pasig, San Juan, Pateros  
Appointment No. 168 valid until Dec. 31, 2017  
6th Flr. Renaissance Towers, Meralco Ave., Pasig City  
Attorney's Roll No. 56275  
IBP No. 1060978/1-10-17/Makati City  
PTR No. 2571533/1-10-17/Pasig City  
MCLE Compliance No. V - 0024922



## ANNEX "A"

**I. At the Special Meeting of the Board of Directors of the Corporation held on 27 April 2016, the following resolution was approved:**

"RESOLVED, as it is hereby RESOLVED, that the Corporation set 13 May 2016 as the record date for the determination of the shareholders who are entitled to notice of and to vote during the Annual Stockholders' Meeting to be held on 30 June 2016;

RESOLVED FURTHER, that the Corporate Information Officer be authorized, as he is hereby authorized, to inform in writing the Stock Transfer Agent the complete and final list of shareholders who are entitled to notice of and to vote in the 30 June 2016 Annual Stockholders' Meeting."

**II. The following are the excerpts of the Minutes of Meeting of and resolutions approved during the Annual Stockholders' Meeting held on 30 June 2016:**

**a. Election of Directors and Independent Directors**

The Presiding Officer informed the stockholders that the Corporation will be electing nine (9) directors. She added that, pursuant to the Securities Regulation Code, SRC, Rule 38, and the Corporation's Revised Manual of Corporate Governance, the Corporation is mandated to elect at least two (2) Independent Directors out of the nine directors.

Ms. Karen B. Maderazo, Head of Human Resources Division, informed the stockholders that the Nomination Committee has approved an amended list of nominees for election to the Board of Directors and that notice thereof was filed with the Securities and Exchange Commission and the Philippine Stock Exchange and also sent to the stockholders as of the record date for this meeting. She also reported that each of those in the Amended List of Candidates possess all the required qualifications and none of the disqualifications to hold office as directors of the Corporation.

Ms. Maderazo then reported that based on this Amended List of Candidates, the final list of candidates of nominees for directors of the Corporation are as follows: **Dr. Andrew L. Tan, Atty. Monica T. Salomon, Ms. Lourdes T. Gutierrez-Alfonso, Atty. Ferdinand T. Santos, Mr. Wilbur L. Chan, Mr. Kevin Andrew L. Tan, and Mr. Alain A. Sebastian** as regular directors; and **Mr. Gerardo C. Garcia and Mr. Jesus B. Varela**, as independent directors.

Thereafter, it was moved and seconded that, considering that there are only nine (9) nominees and only nine (9) seats in the Board, those nominated as regular directors and as independent directors, respectively, be considered as having been elected by acclamation. In the absence of objection, the Presiding Officer declared the nominees elected to the Board of Directors by unanimous vote of all shareholders now present in person or represented by proxy.

**b. Appointment of External Auditors**

The Presiding Officer informed the stockholders that the Board of Directors, upon consultation with the Audit Committee, has recommended the appointment of Punongbayan and Araullo as external auditor of the Corporation's financial statements for the year ending 31 December 2016.

Upon motion made and duly seconded, the stockholders approved the following resolution: ✓

**"RESOLVED**, that the engagement of Punongbayan & Araullo as external auditor of the Corporation for the audit of the Corporation's financial statements for the year ending 31 December 2016, be approved."

**III. At the Organizational Meeting of the Board of Directors of the Corporation held on 30 June 2016, the following were elected as officers of the Corporation:**

Chairman and Chief Executive Officer	-	Dr. Andrew L. Tan
Managing Director	-	Lourdes T. Gutierrez-Alfonso
President	-	Monica T. Salomon
Director for Clubs and Hotels	-	Wilbur L. Chan
Head, Operations	-	Jennifer L. Romualdez
Chief Finance Officer and Compliance Officer	-	Lailani V. Villanueva
Treasurer and Corporate Information Officer	-	Alain A. Sebastian
Corporate Secretary and		
Asst. Corporate Information Officer	-	Atty. Dominic V. Isberto
Assistant Corporate Secretary	-	Mr. Rolando D. Siatela

Pursuant to the Corporation's Revised Manual on Corporate Governance and SEC Memorandum Circular No. 06, Series of 2004, the Board constituted the following Board Committees for 2016:

**A. Executive Committee**

Dr. Andrew L. Tan (Chairman)  
Monica T. Salomon  
Wilbur L. Chan  
Lourdes T. Gutierrez-Alfonso

**B. Nomination Committee**

Gerardo C. Garcia (Chairman)  
Wilbur L. Chan  
Alain A. Sebastian

**C. Audit Committee**

Gerardo C. Garcia (Chairman)  
Jesus B. Varela  
Lourdes T. Gutierrez-Alfonso

**D. Executive Compensation Committee**

Gerardo C. Garcia (Chairman)  
Dr. Andrew L. Tan  
Alain A. Sebastian

✓



# COVER SHEET

ASO94-004462

S.E.C. Registration Number

G	L	O	B	A	L	-	E	S	T	A	T	E		R	E	S	O	R	T	S	,		I	N	C	.					
---	---	---	---	---	---	---	---	---	---	---	---	---	--	---	---	---	---	---	---	---	---	--	---	---	---	---	--	--	--	--	--

[illegible][illegible][illegible]

(Company's Full Name)

	6	T	H		F	L	O	O	R		R	E	N	A	I	S	S	A	N	C	E		T	O	W	E	R		
--	---	---	---	--	---	---	---	---	---	--	---	---	---	---	---	---	---	---	---	---	---	--	---	---	---	---	---	--	--

	M	E	R	A	L	C	O		A	V	E	N	U	E		P	A	S	I	G		C	I	T	Y				
--	---	---	---	---	---	---	---	--	---	---	---	---	---	---	--	---	---	---	---	---	--	---	---	---	---	--	--	--	--

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

Atty. Dominic V. Isberto

**Contact Person**

576-3376

Company Telephone Number

1	2
---	---

Month  
fiscal year

3	1
---	---

Day

**CONSOLIDATED CHANGES IN THE ANNUAL  
CORPORATE GOVERNANCE REPORT FOR THE YEAR  
2016**

FORM TYPE

Last Thursday of June

Month Day  
annual meeting

Secondary License Type, if Applicable

[illegible]

Dept. Requiring this Doc.

--

Amended Articles Number/ Section

### Total Amount of Borrowings

Domestic

Foreign

\*\*\*\*\*

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

[illegible]

Document I.D.


Cashier

## STAMPS

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 GLOBAL-ESTATE RESORTS, INC.
3. 6<sup>TH</sup> FLR, RENAISSANCE TOWER, MERALCO AVENUE, BARANGAY UGONG, PASIG CITY  
Address of Principal Office 1600  
Postal Code
4. SEC Identification Number AS094-004462
5.  (SEC Use Only)  
Industry Classification Code
6. BIR Tax Identification Number 000-426-523-000
7. +632 576 3376; +632 576 4804  
Issuer's Telephone number, including area code
8. N/A  
Former name or former address, if changed from the last report



## TABLE OF CONTENTS

<b>A. BOARD MATTERS.....</b>	<b>5</b>
1) BOARD OF DIRECTORS.....	
(a) Composition of the Board.....	5
(b) Summary of Corporate Governance Policy.....	6
(c) Review and Approval of Vision and Mission.....	6
(d) Directorship in Other Companies.....	7
(e) Shareholding in the Company.....	9
2) CHAIRMAN AND CEO.....	10
3) PLAN OF SUCCESSION.....	11
4) OTHER EXECUTIVE, NON-EXECUTIVE AND INDEPENDENT DIRECTORS.....	11
5) CHANGES IN THE BOARD OF DIRECTORS.....	12
6) ORIENTATION AND EDUCATION PROGRAM.....	15
<b>B. CODE OF BUSINESS CONDUCT &amp; ETHICS.....</b>	<b>17</b>
1) POLICIES.....	17
2) DISSEMINATION OF CODE.....	20
3) COMPLIANCE WITH CODE.....	20
4) RELATED PARTY TRANSACTIONS.....	20
(a) Policies and Procedures.....	20
(b) Conflict of Interest.....	20
5) FAMILY, COMMERCIAL AND CONTRACTUAL RELATIONS.....	21
6) ALTERNATIVE DISPUTE RESOLUTION.....	21
<b>C. BOARD MEETINGS &amp; ATTENDANCE.....</b>	<b>22</b>
1) SCHEDULE OF MEETINGS.....	22
2) DETAILS OF ATTENDANCE OF DIRECTORS.....	22
3) SEPARATE MEETING OF NON-EXECUTIVE DIRECTORS.....	22
4) QUORUM REQUIREMENT.....	22
5) ACCESS TO INFORMATION.....	23
6) EXTERNAL ADVICE.....	24
7) CHANGES IN EXISTING POLICIES.....	24
<b>D. REMUNERATION MATTERS .....</b>	<b>25</b>
1) REMUNERATION PROCESS.....	25
2) REMUNERATION POLICY AND STRUCTURE FOR DIRECTORS.....	25
3) AGGREGATE REMUNERATION .....	26
4) STOCK RIGHTS, OPTIONS AND WARRANTS.....	26
5) REMUNERATION OF MANAGEMENT.....	27
<b>E. BOARD COMMITTEES .....</b>	<b>28</b>
1) NUMBER OF MEMBERS, FUNCTIONS AND RESPONSIBILITIES.....	28
2) COMMITTEE MEMBERS.....	29
3) CHANGES IN COMMITTEE MEMBERS.....	31
4) WORK DONE AND ISSUES ADDRESSED.....	32
5) COMMITTEE PROGRAM.....	32
<b>F. RISK MANAGEMENT SYSTEM.....</b>	<b>33</b>
1) STATEMENT ON EFFECTIVENESS OF RISK MANAGEMENT SYSTEM.....	33
2) RISK POLICY.....	33
3) CONTROL SYSTEM.....	35
<b>G. INTERNAL AUDIT AND CONTROL.....</b>	<b>37</b>

1) STATEMENT ON EFFECTIVENESS OF INTERNAL CONTROL SYSTEM.....	37
2) INTERNAL AUDIT	
(a) Role, Scope and Internal Audit Function.....	37
(b) Appointment/Removal of Internal Auditor.....	38
(c) Reporting Relationship with the Audit Committee.....	38
(d) Resignation, Re-assignment and Reasons.....	38
(e) Progress against Plans, Issues, Findings and Examination Trends.....	39
(f) Audit Control Policies and Procedures.....	39
(g) Mechanisms and Safeguards.....	40
<b>H. ROLE OF STAKEHOLDERS .....</b>	<b>41</b>
1) POLICIES AND ACTIVITIES.....	41
2) CORPORATE RESPONSIBILITY.....	41
3) EMPLOYEE PARTICIPATION MECHANISM .....	41
4) HANDLING EMPLOYEE COMPLAINTS .....	42
<b>I. DISCLOSURE AND TRANSPARENCY .....</b>	<b>43</b>
1) OWNERSHIP STRUCTURE .....	43
2) ANNUAL REPORT DISCLOSURE .....	43
3) EXTERNAL AUDITOR'S FEE .....	45
4) MEDIUM OF COMMUNICATION .....	45
5) AUDITED FINANCIAL REPORT SUBMISSION .....	45
6) COMPANY WEBSITE .....	45
7) DISCLOSURE OF RPT .....	45
<b>J. RIGHTS OF STOCKHOLDERS.....</b>	<b>46</b>
1) RIGHT TO PARTICIPATE EFFECTIVELY IN STOCKHOLDERS' MEETINGS.....	46
2) TREATMENT OF MINORITY STOCKHOLDERS.....	53
<b>K. INVESTORS RELATIONS PROGRAM.....</b>	<b>53</b>
<b>L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES.....</b>	<b>55</b>
<b>M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL.....</b>	<b>55</b>
<b>N. INTERNAL BREACHES AND SANCTIONS.....</b>	<b>56</b>
<b>O. SIGNATURE PAGE/ SECRETARY'S CERTIFICATE.....</b>	<b>57</b>



**CONSOLIDATED CHANGES IN THE ANNUAL CORPORATE  
GOVERNANCE REPORT FOR THE YEAR 2016  
OF GLOBAL-ESTATE RESORTS, INC.**

**A. BOARD MATTERS**

**1) Board of Directors**

Number of Directors per Articles of Incorporation	Nine (9)
---	----------

Actual number of Directors for the year	Nine (9)
---	----------

**(a) Composition of the Board**

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID)	Elected when (Annual /Special Meeting)	No. of years served as director <sup>1</sup>
Andrew L. Tan	ED	Megaworld Corporation	-	12 Jan. 2011	30 June 2016	Annual Meeting	Five(5) years and eleven (11) months.
Kevin Andrew L. Tan	NED	Megaworld Corporation	-	26 June 2014	30 June 2016	Annual Meeting	Two years and six (6) months.
Monica T. Salomon	ED	Megaworld Corporation	-	2 March 2015	30 June 2016	Annual Meeting	One (1) year and nine (9) months
Ferdinand T. Santos	NED <sup>2</sup>	Fil-Estate Management, Inc.	-	March 1994	30 June 2016	Annual Meeting	Twenty-two (22) years and nine (9) months
Wilbur L. Chan	ED	Megaworld Corporation	-	12 Jan. 2011	30 June 2016	Annual Meeting	Five (5) years and eleven (11) months
Jesus B. Varela	ID	-	Megaworld Corporation No relationship to nominator.	30 June 2016	30 June 2016 Zero (0) years	Annual Meeting	Six (6) months
Alain A.	ED	Megaworld	-	30 June	30 June	Annual	Six (6)

<sup>1</sup> As of 31 December 2016.

<sup>2</sup> Effective 28 February 2015, Ferdinand T. Santos retired as President of GERI. He, however, continues to serve as director of GERI.

Sebastian	ID	Corporation		2016	2016	Meeting	months
Gerardo C. Garcia	ID	-	Megaworld Corporation No relationship to nominator.	Aug. 2011	30 June 2016 Five (5) years and four (4) months	Annual Meeting	Five (5) years and four (4) months
Lourdes T. Gutierrez-Alfonso	ED <sup>3</sup>	Megaworld Corporation	-	June 2011	30 June 2016	Annual Meeting	Five (5) years and six (6) months

- (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.

As explicitly contained in the Corporation's Revised Manual of Corporate Governance, the Board is committed to respect and protect the rights of its investors and minority interests. It recognizes the right of the shareholders to elect, remove, and replace directors and vote on certain corporate acts in accordance with the Corporation Code. The following rights of the shareholders are likewise enshrined in the By-Laws and the Revised Manual of Corporate Governance – right to cumulative voting in the election of directors, pre-emptive right, right to inspect corporate books and records in accordance with law, right to information or to be provided upon request with copies of periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Corporation's shares, dealings with the Corporation, relationships among directors and officers.

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

The vision and mission of the Corporation have remained the same since its incorporation in 1994. However, the entry of a new majority shareholder in 2011 and the expansion of the business of the Company to include integrated residential, golf, and other leisure-related properties, and integrated tourism estates development, have created a need for the Company to revisit its vision and mission, with the end in view of contributing to the further growth and stability of the Company.

<sup>3</sup> Ms. Lourdes T. Gutierrez was appointed as Managing Director on 2 March 2015.



(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.
Andrew L. Tan	Megaworld Corporation	Executive; Chairman/President/CEO
	Fairways & Bluewater Resort Golf & Country Club	Non-Executive
	Twin Lakes Corporation	Executive; President/CEO
	Oceanfront Properties, Inc.	Executive; Chairman
	Southwoods Ecocentrum Corp.	Executive; Chairman
Monica T. Salomon	Megaworld Global-Estate, Inc.	Executive; President
	Southwoods Ecocentrum Corp.	Executive; President
	Global Homes and Communities, Inc.	Executive; President
	Southwoods Mall, Inc.	Executive; President
	Fil-Estate Golf and Development, Inc.	Executive; President
	Twin Lakes Corporation	Non-Executive
	Golforce, Inc.	Non-Executive
	La Compañía De Sta. Barbara, Inc.	Executive; President
	Pioneer L-5 Realty Corp.	Executive; President
	Sherwood Hills Development, Inc.	Executive; President
	Sto. Domingo Place Development Corp.	Executive; President
Lourdes T. Gutierrez-Alfonso	Fil-Estate Golf and Development, Inc.	Executive; Chairman
	Megaworld Global-Estate, Inc.	Executive; Chairman
	Southwoods Mall, Inc.	Executive; Chairman
	Global Homes and Communities, Inc.	Executive; Chairman
	Elite Communities Property Services, Inc.	Executive; Chairman
	Golforce, Inc.	Executive; Chairman
	Oceanfront Properties, Inc.	Executive; Treasurer
	Southwoods Ecocentrum Corp.	Non-Executive
	Twin Lakes Corporation	Non-Executive
	Fil-Estate Urban Dev't. Corp.	Non-Executive
	La Compañía De Sta. Barbara, Inc.	Executive; Chairman
	Pioneer L-5 Realty Corp.	Executive; Chairman
	Sherwood Hills Development, Inc.	Executive; Chairman
	Fairways & Bluewater Resort Golf & Country Club, Inc.	Executive; Chairman
Wilbur L. Chan	Fil-Estate Urban Dev't. Corp.	Executive; Chairman
	Southwoods Ecocentrum Corp.	Non-Executive

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





	Boracay Newcoast Federation, Inc.	Executive; Chairman
	Harbortown Development Corp.	Non-Executive
	La Compana De Sta. Barbara, Inc.	Non-Executive
	Sto. Domingo Place Development Corp.	Non-Executive
Ferdinand T. Santos	Fairways & Bluewater Resort Golf & Country Club, Inc.	Executive; President
	Newport Hills Golf Club, Inc.	Executive; Chairman/President
	Fil-Estate Urban Development Corp.	Executive ; President
	Nasugbu Properties, Inc.	Executive; President
	Twin Lakes Corp.	Non-Executive
Alain A. Sebastian	Global Homes and Communities, Inc.	Executive; Corporate Secretary
	Southwoods Ecocentrum Corp.	Non-Executive
Kevin Andrew L. Tan	Fil-Estate Golf and Development, Inc.	Non-Executive
	Southwoods Ecocentrum Corp.	Non-Executive
	Twin Lakes Corporation	Non-Executive
	Southwoods Mall, Inc.	Non-Executive
Jesus B. Varela	Megaworld Corporation	Independent
	Newport Hills Golf Club, Inc.	Independent
Gerardo C. Garcia	Megaworld Corporation	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.
Andrew L. Tan	Alliance Global Group, Inc. Empire East Land Holdings, Inc. Travellers International Hotel Group, Inc. Emperador, Inc.	Executive, Chairman/CEO Executive, Chairman Non-Executive  Executive, Chairman
Ferdinand T. Santos	Metro Global Holdings Corporation (formerly Fil-Estate Corporation)	Executive, President
Kevin Andrew L. Tan	Alliance Global Group, Inc. Empire East Land Holdings, Inc.	Executive, Executive Director Non-executive
Gerardo C. Garcia	Empire East Land Holdings, Inc.	Independent

(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

Director's Name	Name of the	Description of the relationship
-----------------	-------------	---------------------------------

	Significant Shareholder	
n/a	n/a	There is no relation among the members of the Board of Directors which links them to significant shareholders in the Company and/or in its group.*

\* There are four directors of the Company, namely, Messrs. Andrew L. Tan, Jesus B. Varela, Gerardo Garcia and Ferdinand T. Santos, who are individual shareholders and/or directors/officers of significant shareholders of the Company, as shown in the table under item A(1)(d)(i) above. The significant shareholders being referred to are Megaworld Corporation (where Mr. Tan is Chairman, Mr. Jesus B. Varela & Mr. Gerardo Garcia are Independent Directors) and Fil-Estate Management, Inc. (where Mr. Santos is the President).

- (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	n/a	The Company has not set a limit on the number of seats in other companies which an individual director or the CEO may hold simultaneously. The Revised Manual of Corporate Governance of the Company, however, allows the Board to adopt guidelines on the number of directorship that its members can hold in other companies.
Non-Executive Director	n/a	-do-
CEO	n/a	-do-

(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
Wilbur L. Chan	2,611,826	None	0.02%
Ferdinand T. Santos	30,007	None	0%
Jesus B. Varela	1	None	0%
Monica T. Salomon	1	None	0%
Andrew L. Tan	2	None	0%
Alain A. Sebastian	1	None	0%
Lourdes T. Gutierrez-Alfonso	2	None	0%
Kevin Andrew L. Tan	2	None	0%
Gerardo C. Garcia	1	None	0%
<b>TOTAL *</b>	<b>2,641,843</b>	None	0.02%

\* The above information on shareholding is updated as of 31 December 2016.



## 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:

<b>Chairman of the Board</b>	Andrew L. Tan - Chairman
<b>CEO/President</b>	Andrew L. Tan - CEO Monica T. Salomon - President

Article IV, Section 2, of Amended By-Laws of the Company provides that the Chairman shall also be the CEO and his main responsibility is to define the strategic vision of the Company and align its operations to said vision. He guides the Board in formulating the objectives of the Company, and assists in establishing the operating policies and developing the means to achieve the objectives.

Significantly, the administration and direction of the day-to-day affairs of the Corporation are reposed in the President, per Article IV, Section 4, of the Amended By-Laws of the Company. The President has the general supervision and management of the business affairs and property of the Company, and ensures that the administrative and operational policies are carried out under his supervision and control. The President is also a director of the Company and, as such, is able to provide the Board with timely and first-hand feedback on the effectiveness of the policies that the Board adopts.

Thus, notwithstanding, that the roles of Chairman and CEO are assumed by the same person, the concentration of the administrative functions in the person of the President ensures that the Board gets the benefit of independent views in formulating, evaluating, and assessing the effectiveness of the policies of the Company.

## (b) Roles, Accountabilities and Deliverables

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

	<b>Chairman and Chief Executive Officer</b>	<b>President</b>
<b>Role</b>	Defines the strategic vision of the Corporation. Assists the Board in formulating company objectives and developing means for their attainment.	Administers and directs the day-to-day business affairs of the Corporation.
<b>Accountabilities</b>	Accountable for aligning the policies, objectives, and goals of the Company to its vision.	Accountable for the overall operations, and current profitability.
<b>Deliverables</b>	Company vision; sound and aligned policies, objectives, and goals.	Projects, plans, programs, and operating budgets for approval by the Board.

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

The Board engages the expertise of the Organization Development Department under the Human Resource Division of the Company to craft the requisite programs that are essential to the creation of

a viable and effective succession planning for management. These programs encompass a spectrum of human resource tools and processes that will be integrated in the Company's policies, procedures, and practices for selection, hiring, and training.

Under these programs, employees with relevant skill sets and utmost potential for advancement and growth are identified and given development experiences and training that will prepare them for greater opportunities and responsibilities in the Company.

The Board also looks beyond the internal organization of the Company and is open to sourcing from outside to ensure that the best candidates for any top key management position are properly considered, for the mutual benefit of the Company, its clients, and its stakeholders.

#### 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 no written policy on this matter but the diversity of experience and background is considered in the nomination process. The present composition of the Board will show that most if not all of the members have extensive experience and proficiency in the core business of the Company which they obtained from their respective stints as executives of companies in the real estate industry where the Company belongs. Their diversity in experience and background reveals itself in the market segment that such other companies cater to, and the varied landscapes of such companies' known projects with challenges and settings that are unique for every project. The members of the Board also come from diverse backgrounds as professionals in their respective fields.

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

Yes. Please refer to the answer to the immediately preceding question.

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

	<b>Executive</b>	<b>Non-Executive</b>	<b>Independent Director</b>
<b>Role</b>	Administers and directs the operation of the Company	Develops, reviews, and reforms strategies	Develops, reviews, and reforms strategies
<b>Accountabilities</b>	Accountable for the overall operations of the business	Accountable for the effectiveness of the strategies of the Company	Monitors the effectiveness of the strategies of the Company
<b>Deliverables</b>	Projects, plans, programs	Sound policies	Independent analysis

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

"Independence" means freedom from the control of management and absence of business or other relationship which could, or could reasonably be perceived to, materially interfere with the exercise of objective judgment in carrying out one's responsibilities as a director.

The Company scrutinizes the professional, business, and personal affiliations, as well as the professional experience and background, of candidates for independent director. The Company reviews their qualifications as against the Guidelines for Nomination and Election of Independent Directors as contained in SEC Memorandum Circular 16-02, and the provisions of Rule 38 of the Securities Regulations Code.

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 written policy fixing a 5 consecutive year-term limit for independent directors and governing the second term of independent directors. The Company, however, adheres to and is compliant with SEC Memorandum Circular No. 9, Series of 2011, which governs the term limits for independent directors. The Company abides by the rules imposing the 5 consecutive year-term limit, 2-year cooling-off period, second 5-year term, and the perpetual ban against independent directors who served for 10 years in the same company.

**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
Miguel B. Varela	Independent Director	30 June 2016	End of Term
Garry V. De Guzman	Treasurer/Corporate Information Officer	30 June 2016	End of Term/ Declined Nomination

**(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	The Company conducts the nomination process in accordance with the provision of Rule 38 of the Securities Regulation Code (SRC). The Nomination Committee reviews, evaluates, pre-screens, and shortlists all candidates. The Nomination Committee then prepares a Final List of Candidates which is distributed to the shareholders through the filing with the SEC and distribution of an Information Statement prior to the meeting where the election of directors will be had. Only nominees contained in the Final List are eligible for election.	The nominees are pre-screened in accordance with screening policies and parameters promulgated by the Nomination Committee pursuant to Rule 38 of the SRC.  In formulating such pre-screening policies and parameters, the Nomination Committee uses as guide and framework the different provisions pertaining to the qualifications and disqualifications of directors including independent directors, as found in SEC Memorandum Circular No. 16 (Series of 2002), SEC Memorandum Circular No. 9 (Series of 2011), Article III of the By-



	A vacancy occurring in the Board other than by removal by stockholders or by expiration of term, is filled by the vote of at least a majority of the remaining directors, if still constituting a quorum, as provided for under Article III of the By-Laws of the Company. If the remaining directors have no more quorum, the vacancy is filled at a regular or special meeting of the stockholders.	Laws of the Company, SRC Rule 38, and Article IV (E) and Article IV (F) of the Company's Revised Manual of Corporate Governance.
(ii) Non-Executive Directors	-do-	-do-
(iii) Independent Directors	-do-	-do-
<b>b. Re-appointment</b>		
(i) Executive Directors	-do-	-do-
(ii) Non-Executive Directors	-do-	-do-
(iii) Independent Directors	-do-	-do-
<b>c. Permanent Disqualification</b>		
(i) Executive Directors	<p>A director or a candidate may be disqualified permanently from election/re-election due to any valid ground for permanent disqualification. The grounds and the process for permanent disqualification are considered/integrated in the nomination process that is adopted by the Nomination Committee, as explained under item (a) of this table.</p> <p>An incumbent director may likewise be removed from office and his term cut-short upon the existence of any of the grounds for permanent disqualification. The procedure for removal of a director with or without cause is as explained under item (e) of this table.</p>	A director or candidate for director may be disqualified from election/re-election permanently when he is engaged in a business that is antagonistic to that of the Company, as defined under Article III of the By-Laws of the Company, or when any of the grounds for permanent disqualification under Section Article IV (F)(1) of the Revised Manual of Corporate Governance of the Company exists.
(ii) Non-Executive Directors	-do-	-do-

(iii) Independent Directors	-do-	-do-
<b>d. Temporary Disqualification</b>		
(i) Executive Directors	A director or a candidate may be disqualified temporarily from election/re-election due to any valid ground for temporary disqualification. The grounds/process are considered/integrated in the nomination process that is adopted by the Nomination Committee, as explained under item (a) of this table.	A director or candidate for director may be disqualified from election/re-election temporarily when he is engaged in a business that is antagonistic to that of the Company, as defined under Article III of the By-Laws of the Company, or when any of the grounds for temporary disqualification under Article IV (F)(2) of the Revised Manual of Corporate Governance of the Company exists.
(ii) Non-Executive Directors	-do-	-do-
(iii) Independent Directors	-do-	-do-
<b>e. Removal</b>		
(i) Executive Directors	The Company applies the provisions of Section 28 of the Corporation Code pertaining to the requirements and procedure for removal of directors. A director may be removed upon the vote of at least 2/3 of the stockholders in a meeting duly called for such purpose.	No specific criteria are set. Removal of any director may be with or without cause, pursuant to Section 28 of the Corporation Code.
(ii) Non-Executive Directors	-do-	-do-
(iii) Independent Directors	-do-	-do-
<b>f. Re-instatement</b>		
(i) Executive Directors	The Company has no specific rules governing re-instatement of directors.	The Company has no specific rules governing the re-instatement of directors.
(ii) Non-Executive Directors	-do-	-do-
(iii) Independent Directors	-do-	-do-
<b>g. Suspension</b>		
(i) Executive Directors	The Company observes due process and affords the concerned director an opportunity to be heard on any fact or claim that may warrant his suspension from office.	The Company did not lay down specific criteria or grounds for suspension of directors. A director holds a position of trust and confidence. Thus, any act, omission, or event attributed to him which may cause such trust and confidence to wane may be a ground for suspension, if

		not removal.
(ii) Non-Executive Directors	-do-	-do-
(iii) Independent Directors	-do-	-do-

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

Name of Director	Votes Received
Andrew L. Tan	More than two-thirds of stockholders present or represented by proxy
Lourdes T. Gutierrez-Alfonso	More than two-thirds of stockholders present or represented by proxy
Monica T. Salomon	More than two-thirds of stockholders present or represented by proxy
Ferdinand T. Santos	More than two-thirds of stockholders present or represented by proxy
Wilbur L. Chan	More than two-thirds of stockholders present or represented by proxy
Kevin Andrew L. Tan	More than two-thirds of stockholders present or represented by proxy
Alain A. Sebastian	More than two-thirds of stockholders present or represented by proxy
Gerardo C. Garcia	More than two-thirds of stockholders present or represented by proxy
Jesus B. Varela	More than two-thirds of stockholders present or represented by proxy

#### 6) Orientation and Education Program

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

The Company devised a formal orientation program for new directors. It was implemented starting January 2014.

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

The following Directors and Senior Management attended Corporate Governance Seminar for the years 2014, 2015 and 2016:

Director	Date Attended
Andrew L. Tan	October 2, 2014 December 11, 2015 November 24, 2016
Lourdes T. Gutierrez-Alfonso	November 14, 2014 November 25, 2015 November 15, 2016
Monica T. Salomon	November 25, 2015 November 15, 2016
Ferdinand T. Santos	February 28, 2014 November 25, 2015 November 10, 2016
Wilbur L. Chan	February 28, 2014

<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.



	March 27, 2015 November 24, 2016
Kevin Andrew L. Tan	November 11, 2014 November 24, 2016
Alain A. Sebastian	November 15, 2016
Gerardo C. Garcia	November 14, 2014 November 25, 2015 November 15, 2016
Jesus B. Varela	November 15, 2016
Dominic V. Isberto	November 14, 2014 November 25, 2015 November 24, 2016
Rolando V. Siatela	November 14, 2014 November 25, 2015 November 15, 2016
Lailani V. Villanueva	February 28, 2014 March 27, 2015 November 25, 2015 December 20, 2016
Marie Emelyn Gertrudes C. Martinez	February 28, 2014 March 27, 2015 August 3, 2016
Karen B. Maderazo	February 28, 2014 November 25, 2015 November 15, 2016
Catherine D. Marcelo	February 28, 2014 November 25, 2015 November 15, 2016
Jennifer L. Romualdez	February 28, 2014 March 27, 2015 November 15, 2016
Alan B. Quintana	November 25, 2015 November 15, 2016

The Company, however, conducted a *Project Management Workshop* for the heads and members of the Contract & Procurement and Project Development & Management Divisions in 2012. It also sent its key officers and managers from Finance Division and from Legal Division to a seminar on *SEC Disclosure Rules* in 2012. Also, the Company required its key officers, supervisors and managers to attend the Work Instruction Creation Program on February 2013. In addition, it sent its key officers and managers of the Contracts, Procurement and Project Management Division, Project Development and Property Management Division, Legal Division & Building Administration to attend the Basic Occupations Safety & Health for Construction on July 2013 organized in coordination with Synerquest Management Consultancy Services, Inc.

In 2014, the company conducted an Executive Presence Program, a one and a half-day seminar given to all officers of the company from department heads up to the higher management. In addition, it conducted a Civility at Workplace Program organized by Global-Estate Center for Excellence in coordination with O.J. Lim Consultancy. An Orientation Education Program for Senior Management was likewise conducted.

For 2015, Global-Estate Center of Excellence co-facilitated with O.J. Lim Consultancy conducted by Mr. Archie Inlong, an Executive Communication Workshop a one and a half-day workshop to officers of the company from department heads up to higher management.

For 2016, in partnership with CoachMay, Global-Estate Center of Excellence conducted Executive Financial Workshop, a one and a half day workshop to company officers.

- (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
Andrew L. Tan	November 24, 2016	Corporate Governance	Center for Training and Development, Inc.
Lourdes T. Gutierrez-Alfonso	November 15, 2016	Corporate Governance	Center for Training and Development, Inc.
Monica T. Salomon	November 15, 2016	Corporate Governance	Center for Training and Development, Inc.
Ferdinand T. Santos	November 10, 2016	Corporate Governance	Center for Global Best Practices
Wilbur L. Chan	November 24, 2016	Corporate Governance Seminar	Center for Training and Development, Inc.
Kevin Andrew L. Tan	November 24, 2016	Corporate Governance	Risk, Opportunities, Assessment and Management (ROAM), Inc.
Alain A. Sebastian	November 15, 2016	Corporate Governance	Center for Training and Development, Inc.
Gerardo C. Garcia	November 15, 2016	Corporate Governance	Center for Training and Development, Inc.
Jesus B. Varela	November 15, 2016	Corporate Governance	Center for Training and Development, 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	A director should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on his part, a director should fully and immediately disclose it and should not participate in the decision-making process, or should seriously consider resigning if there exists a continuing material conflict of interest.	Officers and other employees of the Company are liable for violation of the Employee Handbook if they are found guilty of engaging in competitive operations or business similar to those of the Company.	
(b) Conduct of Business and Fair Dealings	A director should conduct fair business transactions with the Company and ensure that his personal interest does not	Officers and other employees of the Company are liable for violation of the Employee Handbook if they are found guilty of committing acts of inefficiency, incompetence, and negligence relative to their accountabilities; committing petty or other acts of dishonesty; offering or accepting anything	

	bias, conflict, or prejudice Board decisions.	of value in exchange for a job, work assignment, favorable work location or condition of employment; or obtaining or attempting to obtain materials based on fraudulent or falsified order and conspiracies with persons doing so, in which the Company has suffered or stands to suffer monetary loss or improper withdrawing of company records, equipment, tools, or other assets from company premises without authority; or engaging or conniving anomalous transactions.
(c) Receipt of gifts from third parties	A director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests.	Officers and other employees of the Company are liable for violation of the Employee Handbook if they are found guilty of accepting directly or indirectly of sum of money, commission, offer, promises in consideration of any act, decision on service, connected with the performance of an employee's duties, and also if found guilty of entering into arrangements with suppliers, customers or guests to obtain "kickbacks" or other preferential treatment.
(d) Compliance with Laws & Regulations	A director should acquire a working knowledge of the statutory and regulatory requirements affecting the Company.	All officers and other employees are given the benefits mandated by law including but not limited to those affecting wages, hours, and conditions of work.
(e) Respect for Trade Secrets/Use of Non-public Information	A director should secure and keep confidential all non-public information he may acquire or learn by reason of his position as director. He should not reveal confidential information to unauthorized persons without authority of the Board.	Officers and other employees of the Company are liable for violation of the Employee Handbook if they are found guilty of unauthorized disclosure of confidential information which includes but not limited to, company records, trade secrets, financial operations statements and other company documents to other companies or persons, whether competitor or not.
(f) Use of Company Funds, Assets and Information	A director should act judiciously. Before deciding on any matter brought before the Board, a director should carefully evaluate the issues and, if necessary, make inquiries and request clarification.	Officers and other employees of the Company are liable for violation of the Employee Handbook if they are found guilty of using company time, premises, vehicles, tools, equipment, or materials for personal benefit, and for unauthorized use of company facilities.
(g) Employment & Labor Laws & Policies	A director should acquire a working knowledge of the	All officers and other employees are given the benefits mandated by law including but not limited to those affecting wages, hours, and



	statutory and regulatory requirements affecting the Company.	conditions of work.
(h) Disciplinary action	In case of violation of the Company's Revised Manual of Corporate Governance, a director of the Company shall be meted with the following penalties: reprimand, for first violation; suspension for second violation, the duration of which shall depend on the gravity of the violation; and removal from office, as maximum penalty, in case of third violation.	<p>The sanctions against directors for violation of the Revised Manual of Corporate Governance likewise apply to officers and other employees of the Company.</p> <p>In addition, officers and other employees of the Company are liable for violation of applicable provisions under the Employee Handbook, and may face penalties ranging from reprimand to termination, depending on the seriousness of the acts committed.</p> <p>All employees who are charged with any violation of the Employee Handbook are entitled to due process of law.</p>
(i) Whistle Blower	All information received from whistle-blowers and/or anonymous sources or any report of wrongdoing may be made directly to the Chairman for proper disposition to ensure confidentiality of information and protection of the identity of the whistle blower.	Reports of wrongdoing may be made directly to the Chairman or President for proper disposition to ensure confidentiality of information and protection of the identity of the whistle blower.
(j) Conflict Resolution	One of the functions of the Board is to establish and maintain an alternative dispute resolution system in the company that can amicably settle conflicts or differences between the Company and its stockholders and third parties.	Misunderstandings, differences in opinion and disputes among members of the Company are referred to the Grievance Committee.

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

Copies of the Employee Handbook which contains the Employee's Code of Discipline are disseminated to all senior management and employees. The contents of the Employee Handbook are explained to new employees as part of their orientation.

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

The Company implements and monitors compliance through its Human Resource Division, with the support of the Division Heads who are tasked with cascading Company policies to the employees and monitoring their adherence to the policies.

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	Related party transactions shall be conducted in terms that are at least comparable to normal commercial practices to safeguard the best interest of the Company, its shareholders and creditor. Transactions with related parties are monitored and disclosed in the notes to the financial statements of the Company.
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	Related party transactions shall be conducted in terms that are at least comparable to normal commercial practices to safeguard the best interest of the Company, its shareholders and creditors. Transactions with related parties are monitored and disclosed in the notes to the financial statements of the Company.
(7) Directors including spouse/children/siblings/parents	
(8) Interlocking director relationship of Board of Directors	Disclosure of relationship or association is required to be made before entering into a transaction. Officers shall have no participation in the approval of the transaction.

(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	None.
Name of Officer/s	
Name of Significant Shareholders	

(ii) Mechanism

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

	Directors/Officers/Significant Shareholders
Company	In compliance with disclosure requirements of related accounting standards and the Securities Regulation Code reporting requirements, we promptly and properly disclose to the public all material information, including all related party transactions through detailed disclosures provided in the related Notes to financial statements (Note 19. Related Party Transactions) SEC Form 17-A, Annual Report and SEC's Form 20-IS, Definitive Information Statement,
Group	

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
n/a	n/a	n/a

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

Names of Related Significant Shareholders	Type of Relationship	Brief Description
Megaworld Corporation (MEG)	Parent Company	Provide advances

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

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
The Company is not aware of any shareholder agreement or similar arrangement which may impact on the control, ownership and strategic direction 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	No conflicts or differences arose during the last three (3) years between the Company and its stockholders. The Company will study a system to adopt for

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



	alternative resolution of disputes.
<b>Corporation &amp; Third Parties</b>	The Company explores and negotiates amicable settlement through its Customer Relations Department. The conflicts or differences with third parties usually involve buyers of different projects of the Company.
<b>Corporation &amp; Regulatory Authorities</b>	Conflicts or differences that arose between the Company and regulatory authorities during the last three (3) years were resolved through dialogues and technical conferences, and the agencies' own alternative dispute resolution mechanisms, where applicable.

### C. BOARD MEETINGS & ATTENDANCE

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

Notices of meetings of Board of Directors specifying the date, time, and place, are communicated to the members in accordance with the provision of Article III, Section 5, of the By-Laws. Regular meetings of the Board of Directors are held once every quarter, in accordance with the provisions of Section 4 of the same Article.

#### 2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Andrew L. Tan	30 June 2016	21	21	100
Member	Monica T. Salomon <sup>7</sup>	30 June 2016	21	21	100
Member	Ferdinand T. Santos	30 June 2016	21	21	100
Member	Wilbur L. Chan	30 June 2016	21	21	100
Member	Lourdes T. Gutierrez-Alfonso	30 June 2016	21	21	100
Member	Alain A. Sebastian	30 June 2016	21	21	100
Member	Kevin Andrew L. Tan	30 June 2016	21	21	100
Independent	Jesus B. Varela	30 June 2016	21	21	100
Independent	Gerardo C. Garcia	30 June 2016	21	21	100

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

The non-executive directors do not have a separate meeting during the year without the presence of any executive director.

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

Article III, Section 6, of the Amended By-Laws of the Corporation provides that a majority of the number of directors as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of corporate business, while every decision of at least a *majority* of the directors present at a meeting at which a quorum is present shall be valid as a corporate act, except for the election of officers which requires the vote of a majority of all the members of the Board.

<sup>7</sup> Atty. Monica T. Salomon was elected as Director of the Company effective 1 March 2015.

5) Access to Information

- (a) How many days in advance are board papers<sup>8</sup> for board of directors meetings provided to the board?

Board papers for Board of Directors' meetings are provided to the Board one day in advance.

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

Board members have independent access to Management and the Corporate Secretary insofar as access to information is concerned. They can request for information that they need in order to arrive at intelligent decision on matters requiring their approval.

- (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 Corporate Secretary shall maintain and shall have custody of the Company books and records, and shall be the recorder of the Company's formal actions and transactions, according to Article IV, Section 7, of the Amended By-Laws. The specific duties of the Corporate Secretary are to record or to see the proper recording of the minutes and transactions of all meetings of the directors and stockholders, maintain minute books in the form and manner required by law, attest to all corporate documents requiring such attestation, attend to the giving and serving of all notices of the Company required by law or by the By-Laws to be given, certify to such corporate acts/documents/certificates and make reports or statements as may be required of him by law or by government rules and regulations, act as inspector at the election of directors, sign certificates of stock, and perform other duties as are incident to his office or as may be assigned to him by the Board of Directors or President.

The Corporate Secretary also has the responsibility to secure the complete agenda before each Board meeting and to notify the members of the Board prior to each meeting and ensure that they have before them accurate information that will enable them to arrive at intelligent decision on matters requiring their approval.

The role of the Corporate Secretary, however, does not expressly include facilitating the training of directors, keeping directors updated regarding any relevant statutory and regulatory changes. These tasks, however, may be assigned to him anytime by either the Board of Directors or President as part of the other duties that are incidental to his office.

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

The Corporate Secretary need not be formally trained in legal, accountancy, or company secretarial practices, but, if not discharging the functions of general counsel, must possess a working knowledge of legal principles and be aware of the operations of the laws, rules and regulations necessary in the performance of his duties and responsibilities. He must also have a working knowledge of financial and accounting principles and of the operations of the Company.

- (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 ☐

<sup>8</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.

(in the case of Audit Committee members)

Committee	Details of the procedures
Executive	There are no detailed procedures. The Committee members have full access to management, personnel, and records, and can request for information that they need in order to arrive at intelligent decision on matters requiring their action
Audit	The Audit Committee shall have the authority to conduct or order the investigation into any manner within the scope of its responsibilities. The Committee may invite members of management, organization staff, the Internal Audit Group or external auditor to attend and provide pertinent information or data.  The Audit Committee shall have full access to management, personnel and records in the performance of its duties and responsibilities.
Nomination	There are no detailed procedures. The Committee members have full access to management, personnel, and records, and can request for information that they need in order to arrive at intelligent decision on matters requiring their action.
Executive Compensation or Remuneration	-do-
Others (specify)	n/a

#### 6) External Advice

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

Procedures	Details
There are no detailed procedures. The Board may seek external professional or technical opinion or advice as it deems necessary in connection with any matter which is pending before the Board, and which opinion or advice the members may consider in their individual assessment and evaluation of the issues.	n/a

#### 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
-	There were no changes in existing policies which had an effect on the business of the Company.	-

#### 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	None	Company salary structure, market rates used as a guide, salary adjustment based on performance and changes in responsibilities and authorities.
(2) Variable remuneration	None	
(3) Per diem allowance	None	
(4) Bonus	None	Based on approval of the Board
(5) Stock Options and other financial instruments	The Executive Stock Option Plan shall be administered by the Executive Compensation or Remuneration Committee, who shall determine the eligible participants of the Plan for a particular calendar year, the number of shares to be covered by each option so granted, the formula to be used in determining the number of shares, the vesting percentage and vesting schedule of the options and other relevant matters, taking into consideration the grantees responsibilities, nature and value of their services and accomplishments, and their present and potential contribution to the success of the Company.	
(6) Others (specify)	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	Follow company's salary structure, benefit package and Board approved rate/package	Compensation package is composed of basic monthly salary and 13 <sup>th</sup> month pay.	Basic monthly salary multiplied by twelve months divided by 313 days for daily rate factor which is used in computing other benefits.
Non-Executive Directors	Each director received a reasonable per diem for attendance in meetings of the Board of 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? Yes.

Provide details for the last three (3) years.



Remuneration Scheme	Date of Stockholders' Approval
Executive Stock Option Plan(ESOP) for Executive Directors	November 08, 2011

### 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	4,550,000	-	-
(b) Variable Remuneration	-	-	-
(c) Per diem Allowance	150,000	200,000	100,000
(d) Bonuses	0	-	-
(e) Stock Options and/or other financial instruments	400,000,000 stock options <sup>9</sup>	-	-
(f) Others (Specify)	-	-	-
<b>Total</b>	<b>354,700,000</b>	<b>200,000</b>	<b>100,000</b>

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	1,960	-	-
(f) Hospitalization Plan	31,248	-	-
(g) Car Plan	-	-	-
(h) Others (Specify)	-	-	-
<b>Total</b>	<b>33,208</b>	<b>-</b>	<b>-</b>

### 4) Stock Rights, Options and Warrants

#### (a) Board of Directors

<sup>9</sup> Updated to reflect the grant of options to subscribe to additional 50 million common shares of the Company (5<sup>th</sup> tranche) pursuant to the Company's Executive Stock Option Plan with PSE Notice of Approval dated 11 November 2016.

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
Andrew L. Tan	75,000,000	-	75,000,000	0.682%
Lourdes T. Gutierrez-Alfonso	18,750,000	-	18,750,000	0.170%
Monica T. Salomon	6,250,000	-	6,250,000	0.056%
Robert John L. Sobrepeña	100,000,000	-	100,000,000	0.910%
Wilbur L. Chan	100,000,000	-	100,000,000	0.910%
Ferdinand T. Santos	100,000,000	-	100,000,000	0.910%

\*Updated with date of grant 17 June 2016

(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
No amendments or discontinuance of any incentive program was introduced.		

5) Remuneration of Management

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

Name of Officer/Position (For 2016)	Total Remuneration (For 2016)
Lailani V. Villanueva – Chief Finance Officer and Compliance Officer	9,659,266.90
Atty. Marie Emelyn Gertrudes C. Martinez – EVP for Legal	
Jennifer Romualdez – FVP for Operations	
Catherine Marcelo – Vice President for Corporate Services	
Karen Maderazo – Vice President for HR	

## 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)				
Audit	0 to 2	0 to 2	1	With an existing Committee Charter	Oversight responsibilities for the financial reporting process, internal control, risk management, internal audit, external audit, management and legal, tax and regulatory compliance	Financial reporting, risk management, internal control, internal audit, external audit	Authority to conduct or order the investigation into any matter within the scope of its responsibilities.
	Total no. of members is 3 one of whom should be an independent director.						
Nomination	0 to 2	0 to 2	1	No existing Committee charter	Review, evaluation, pre-screening and shortlisting of all candidates nominated to become a member of the Board of Directors	Nomination and preparation of Final List of Candidates for election to the Board of Directors	Authority to inquire into the qualifications and disqualifications of the nominees
	Total no. of members is 3 one of whom should be an independent director.						
Executive Compensation or Remuneration	0 to 2	0 to 2	1	No existing Committee charter	Establishment of a formal and transparent procedure for developing a policy on executive remuneration and for fixing remuneration packages of corporate officers and directors; oversight over remuneration	Development of policies on remuneration of officers and directors	Authority to review existing Human Resources Development or Employee Handbook to strengthen provision on conflict of interest, salaries and benefits
	Total no. of directors is 3 one of whom should be an independent director.						

			of senior management and other key personnel		policies, etc.
Others (specify)	n/a				

## 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	Andrew L. Tan	30 June 2016	0	n/a	n/a	6 mos.
Member (ED)	Monica T. Salomon	30 June 2016	0	n/a	n/a	6 mos.
Member (ED)	Wilbur L. Chan	30 June 2016	0	n/a	n/a	6 mos.
Member (ED)	Lourdes T. Gutierrez-Alfonso	30 June 2016	0	n/a	n/a	6 mos.
Member (ID)	n/a					

### (b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held*	No. of Meetings Attended	%	Length of Service in the Committee *
Chairman	Gerardo C. Garcia (ID)	30 June 2016	0	n/a	n/a	6 mos.
Member (NED)	n/a					
Member (ED)	Lourdes T. Gutierrez-Alfonso	30 June 2016	0	n/a	n/a	6 mos.
Member (ID)	Jesus B. Varela	30 June 2016	0	n/a	n/a	6 mos.
Member	n/a					

\* Covers the period June to December 2016 only since members of the Committee were appointed during the Organizational Meeting of the Board which was held after the Annual Meeting on 30 June 2016.

Disclose the profile or qualifications of the Audit Committee members.

Below are the profile or qualifications of the Audit Committee members:

**JESUS B. VARELA**, Filipino, 60 years old, was elected as Independent Director on 30 June 2016 succeeding his brother, Miguel B. Varela. He graduated with an Economics degree in 1979 from Ateneo de Manila University. He attended training courses in Labor Administration and Policy Formulation under the International Labor Organization/ARPLA program, the Corporate Planning Course at the Center for Research Communication, Foreign Exchange Training by Metro Bank and Forex Club of the Philippines, Systems Analysis by the Presidential Management Staff, Asian Productivity Seminar and other in-house seminars conducted by the Department of Labor and the Development Academy of the Philippines. He is presently the Chairman of Committee on Trade, Committee on Intellectual Property and Bureau of Customs Consultative Group of Philippine Chamber of Commerce and Industry. He is also the Director General of International



Chamber of Commerce Philippines. Currently, he is the President of Philippine Greek Business Council, Philippine Peru Business Council and Advancement of Workers' Awareness Regarding Employment (AWARE) Foundation, Inc. He is also a Trustee in Home Mutual Development Fund (Pag-IBIG) and a Member of Committee for Accreditation of Cargo Surveying Companies. Apart from his previous government experience, he used to be the Managing Director of SAS Holdings Co., Vice President- International Operations of Catleya Manning Corp. and President of Manila Center. He also previously worked as a Marketing Director for FELA Sales International and a Management Consultant of ABL Consultancy and Management Svcs, Inc.

**LOURDES T. GUTIERREZ-ALFONSO**, 53 years old, was elected as Director of the Company on 30 June 2011. Effective 01 March 2015, she was appointed as the Company's Managing Director in a concurrent capacity to oversee the Company's business performance and lead in the formulation of overall strategic direction, plans, and policies for the Company. She is currently the Chief Operating Officer of Megaworld Corporation. Ms. Gutierrez joined Megaworld in 1990. She is a Certified Public Accountant and is a member of Megaworld's Management Executive Committee. Ms. Gutierrez graduated Cum Laude from the Far Eastern University with the degree of Bachelor of Science major in Accounting. She is the Chairman of Megaworld's property management arm, First Oceanic Property Management, Inc. and Eastwood Cinema 2000, Inc. She is currently the Director and Vice Chairman of Suntrust Properties, Inc., and director of Forbes Town Properties & Holdings, Inc., Megaworld Resort Estates, Inc., Megaworld Homes, Inc., Oceantown Properties, Inc., Palm Tree Holdings & Development Corporation, Eastwood Cyber One Corporation, Prestige Hotels & Resorts, Inc. and Lucky Chinatown Cinemas, Inc., Oceanfront Properties, Inc., Megaworld Global-Estate, Inc., Twin Lakes Corporation, Global Homes and Communities, Inc. She is a trustee and Corporate Secretary of Megaworld Foundation, Inc. Prior to joining Megaworld, she was Audit Manager of Philippine Aluminum Wheels, Inc. and Senior Auditor in Cabanero Katigbak Clemente & Associates and RubberWorld Philippines.

**GERARDO GARCIA**, Filipino, 75 years old, was elected as Independent Director of the Company on 25 June 2015 and again on 30 June 2016. He concurrently serves as Independent Director in the boards of Megaworld Corporation since June 1994, and Empire East Land Holdings, Inc. since 2003. He is also an Independent Director of Megaworld Land, Inc., and Suntrust Properties, Inc. From October 1994 to December 1997, Mr. Garcia served as President of Empire East Land Holdings, Inc. Prior to joining Empire East Land Holdings, Inc., Mr. Garcia served as Executive Vice President of UBP Capital Corporation. He holds a bachelor's degree in Chemical Engineering and a Masters Degree in Business Administration from the University of the Philippines.

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

The Audit Committee reviews and evaluates the professional qualifications, performance and independence of the external auditor and the lead partner; reviews and approves with the external auditor, before the audit commences, the nature and scope of the audit plans, including scope, audit resources and expenses, and reporting obligations; reviews and approves the fees, remuneration and terms of engagement of the external auditor for audit and non-audit services; evaluates and approves non-audit work by external auditor, including the fees payable therefor, and evaluates any non-audit work undertaken to ensure that the same does not conflict with audit functions; reviews the reports or communications of the external auditors as to critical policies, alternative treatments, observations on internal controls, audit adjustments, independence, limitations on the audit work set by the management and other material issues that affect the audit and financial reporting; ensures that the external auditor complies with auditing standards; and, ensures that the external auditor or the lead, engagement, or handling partner having primary responsibility for the audit or review of the Corporation is changed every five (5) years or earlier.

**(c) Nomination Committee**

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service
--------	------	---------------------	----------------------	--------------------------	---	-------------------

			*			in the Committee *
Chairman	Gerardo C. Garcia (ID)	30 June 2016	0	n/a	n/a	6 mos.
Member (ED)	Alain A. Sebastian	30 June 2016	0	n/a	n/a	6 mos.
Member (ID)	Jesus B. Varela	30 June 2016	0	n/a	n/a	6 mos.
Member (NED)	n/a					

\* Covers the period June to December 2016 only since members of the Committee were appointed during the Organizational Meeting of the Board which was held after the Annual Meeting on 30 June 2016.

(d) Executive Compensation or Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held*	No. of Meetings Attended	%	Length of Service in the Committee*
Chairman	Gerardo C. Garcia (ID)	30 June 2016	0	n/a	n/a	6 mos.
Member (ED)	Andrew L. Tan	30 June 2016	0	n/a	n/a	6 mos.
Member (ED)	Alain A. Sebastian	30 June 2016	0	n/a	n/a	6 mos.
Member (ID)	n/a					
Member (NED)	n/a					

\* Covers the period June to December 2016 only since members of the Committee were elected during the Organizational Meeting of the Board which was held after the Annual Meeting on June 30, 2016.

(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	There are no other committees constituted by the Board.	-	-	-	-	-
Member (ED)	-	-	-	-	-	-
Member (NED)	-	-	-	-	-	-
Member (ID)	-	-	-	-	-	-
Member	-					

3) Changes in Committee Members

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

Name of Committee	Name	Reason
Audit	Miguel B. Varela	End of Term

Nomination	Miguel B. Varela Garry V. De Guzman	End of Term End of Term/Declined Nomination
Remuneration	Miguel B. Varela Garry V. De Guzman	End of Term End of Term/Declined Nomination
Others (specify)	n/a	n/a

#### 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	The members of the Executive Committee were elected on 30 June 2016 during the Organizational Meeting of the Board of Directors.	n/a
Audit	Recommendation of external auditor; review of scope of work of the external auditor, fees, and terms of engagement; recommendation on the approval of the financial statement; approval of an Audit Committee Charter	Appointment of External Auditor; Financial Statements; Audit Committee Charter
Nomination	Preparation of Final List of Candidates	Election of directors
Remuneration	Recommendation on the grant of stock options pursuant to the Executive Stock Option Plan (ESOP) adopted in November 2011	ESOP
Others (specify)	n/a	n/a

#### 5) Committee Program

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

Name of Committee	Planned Programs	Issues to be Addressed
Executive	The planned programs will be identified once the Committee is organized.	The issues to be addressed will be identified once the Committee is organized.
Audit	Preparation of an Internal Audit Plan  Implementation of learning programs on improving audit consciousness and compliance;	To review financial reporting and internal control system  To understand responsibilities, processes, and procedures
Nomination	Pre-screening of qualifications of all nominees to the Board	To ensure all nominees are qualified
Remuneration	Evaluation of existing remuneration policy on executive	To rationalize compensation

	compensation	
Others (specify)	n/a	n/a

## F. RISK MANAGEMENT SYSTEM

### 1) Disclose the following:

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

The Board and Management team remain firmly committed to the effective management and mitigation of strategic operational, financial and compliance related risks throughout the organization.

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

The directors have reviewed the effectiveness of the risk management system and ensure the adequacy.

#### (c) Period covered by the review;

Year 2016

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

The risk management system is reviewed annually.

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

Not applicable.

### 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
Liquidity Risk	The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payment for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week, as well as on the basis of a rolling 30-day projection. Long-term needs for a six month and one-year period are identified monthly.	The Company maintains cash to meet its liquidity requirements for up to 60-day period. Excess cash is invested in time deposits or short-term marketable securities. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and ability to sell long-term financial assets.
Credit Risk	The Company deals only with	To collect accounts receivable



	creditworthy counterparties. In addition, for a significant proportion of sales, advance payment are received to mitigate credit risk and continuously monitors defaults of customers and counterparties.	on time and generate cash.
Delay in government approvals, licenses and permits may affect the target completion of each project.	The Company is taking every effort to ensure that it will comply with all the requirements in a timely and orderly manner in securing the approval, permits and licenses.	No delays in obtaining government permits, approvals and clearances.
Interest Risk	To mitigate exposure to interest rate risk the Company actively monitors and manages within pre-determined limit prescribed by management the mixed of fixed and floating-rate borrowings, its debt maturity profile, as well as the amount of debt the Company has or can prospectively have outstanding with any one of its relationship banks.	To reduce the overall interest expense and exposure to changes in interest rates.
Foreign Currency Risk	Foreign currency risk is avoided by limiting its obligations to Peso denominated obligations.	Avoid foreign currency risk on foreign currency obligation.

**(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
Liquidity Risk	The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payment for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week, as well as on the basis of a rolling 30-day projection. Long-term needs for a six month and one-year period are identified monthly.	The Group maintains cash to meet its liquidity requirements for up to 60-day period. Excess cash is invested in time deposits or short-term marketable securities. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and ability to sell long term financial assets.
Credit Risk	The Group deals only with creditworthy counterparties. In addition, for a significant proportion of sales, advance payment are received to mitigate credit risk and	To collect accounts receivable on time and generate cash.

	continuously monitors defaults of customers and counterparties.	
Delay in government approvals, licenses and permits may affect the target completion of each project.	The Group is taking every effort to ensure that it will comply with all the requirements in a timely and orderly manner in securing the approval, permits and licenses.	To secure government permits, approvals and clearances on time.
Interest Risk	To mitigate exposure to interest rate risk the Group actively monitors and manages within pre-determined limit prescribed by management the mixed of fixed and floating-rate borrowings, its debt maturity profile, as well as the amount of debt the Group has or can prospectively have outstanding with any one of its relationship banks.	To reduce the overall interest expense and exposure to changes in interest rates.
Foreign Currency Risk	Foreign currency risk is avoided by limiting its obligations to Peso denominated obligations.	Avoid foreign currency risk on foreign currency obligations.

(c) Minority Shareholders

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

Risk to Minority Shareholders
While there is a risk that the controlling shareholders' voting power may be restrictive or authorize preferences, the Board is committed to respect the rights of the shareholders as provided for in the Corporation Code. These include the <i>right to vote on all matters that require their consent or approval</i> , such that a director shall not be removed without cause if it will deny minority shareholders representation in the Board.

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)
Liquidity Risk/ Interest Risk/ Foreign Currency Risk	The Board oversees fund management. Monitor and control risk exposure. Assesses the stability of financing/investing institution that we will place our excess cash	Assess day-to-day, week-to-week and 30 days fund requirements. Monitor the availability of funds based on the requirements of the Company. Invest the excess funds in a reputable institution at low risk. Closely monitor the debt portfolio and foreign currency denominated asset and liability.

Credit Risk	The Board through the credit committee assesses the capability of buyer to pay.	The credit committee will evaluate buyer if it is capable to pay in accordance with the Company's terms of payment. Established accreditation with different banks that will provide bank loan to our buyers.
Delay in government approvals, licenses and permits may affect the target completion of each project.	The Board monitors that the company secures all government approvals for permits and licenses. Oversees that the company follows all government regulations.	The Company closely monitors the approval of government permits and licenses and continuously complies to all government regulations in order for us to have no delays in securing government permits.

**(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)
Liquidity Risk/ Interest Risk/ Foreign Currency Risk	The Board oversees fund management. Monitors and controls risk exposure. Assesses the stability of financing/investing institution that we will place our excess cash	Assess day-to-day, week-to-week and 30 days fund requirements. Monitor the availability of funds based on the requirements of the Company. Invest the excess funds in a reputable institution at low risk. Closely monitor the debt portfolio and foreign currency denominated asset and liability.
Credit Risk	The Board through the credit committee assesses the capability of buyer to pay.	The credit committee will evaluate buyer if it is capable to pay in accordance with the Company's terms of payment. Established accreditation with different banks that will provide bank loan to our buyers.
Delay in government approvals, licenses and permits may affect the target completion of each project.	The Board monitors that the company secures all government approvals for permits and licenses. Oversees that the company follow all government regulations.	The Group closely monitors the approval of government permits and licenses and continuously comply to all government regulations in order for us to have no delays in securing government permits.

**(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
Audit Committee	Assists the Board in fulfilling its oversight responsibilities	Mainly responsible for recommending the

	for financial reporting process, system of internal control, audit process and the Company's process for monitoring compliance with laws and regulations and the code of conduct.	appointment of external auditors whose report they review; monitor the system of internal controls and corporate compliance with laws, regulations and code of ethics; serve as a direct channel to the Board for the internal auditor, compliance officer and the general counsel.
--	---	---

## 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;**

The Audit Committee assists the Board in fulfilling its oversight responsibilities for the financial reporting process, internal control, risk management, internal audit, external audit, management and legal, tax and regulatory compliance while the Management is responsible for the implementation of the internal control system of the Company.

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

There is an ongoing review on the effectiveness of the internal control system.

**(c) Period covered by the review;**

Year ended 2016.

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

The Audit Committee reviews periodically the adequacy and effectiveness of the internal control system of the Company and the criteria used for assessment.

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

n/a

### 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



1. Evaluating the reliability and integrity of financial information.	All financial information	In-house	Maria Teresa S. Pasoot	Periodically
2. Evaluating the effectiveness and efficiency of operations and compliance with established policies and procedures.	Policies and procedures	In-house	Maria Teresa S. Pasoot	Periodically
3. Evaluating the means of safeguarding assets and verifying the existence of such assets.	Company assets	In-house	Maria Teresa S. Pasoot	Periodically
4. Evaluating specific operations at the request of the Board or management, as appropriate.	Policies and Procedures	In-house	Maria Teresa S. Pasoot	Periodically
5. Reporting the internal audit performance.	Audit Plan	In-house	Maria Teresa S. Pasoot	Annual

- (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?

Audit Committee together with management and the head of the Internal Audit Group review the qualifications of an Internal Auditor and the organizational structure of the internal audit function, to ensure adequacy of resources and independence of the Internal Audit Group.

- (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?

Internal Audit reports functionally to Audit Committee and administratively to the President.

The head of the Internal Audit Group communicates and interacts directly with the Board, including in executive sessions and between Board meetings, as appropriate.

- (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
---------------------	--------

Soriano I. Factor	Personal reason
Kimberly C. Pagaduan	Personal 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.

<b>Progress Against Plans</b>	100% as of 31 December 2016
<b>Issues<sup>10</sup></b>	No significant issues noted
<b>Findings<sup>11</sup></b>	No significant findings noted
<b>Examination Trends</b>	Lack of updated policy, work flow and documentation procedures

[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:

- a. Preparation of an audit plan inclusive of a timeline and milestones;
- b. Conduct of examination based on the plan;
- c. Evaluation of the progress in the implementation of the plan;
- d. Documentation of issues and findings as a result of the examination;
- e. Determination of the pervasive issues and findings ("examination trends") based on single year result and/or year-to-year results;
- f. Conduct of the foregoing procedures on a regular basis.]

**(f) Audit Control Policies and Procedures**

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

<b>Policies &amp; Procedures</b>	<b>Implementation</b>
Human Resources and Corporate Services Department issued written guidelines on Work Schedule; Sick Leave Procedure; Conversion of Sick/Vacation Leave and Extension of Usage of Birthday Leave; Policies during Typhoons and Floods; Meal and Travel Allowances; Life Insurance Coverage; Amendment to the Policies during Typhoons and Floods; Proper Dress Code; and Amendment on Sick Leave and Vacation Leave Policies	Implemented
The Finance Division implements strictly the following: 1. 15 days duration of cash advances subject for liquidation. 2. Limit the approving authority of officer for Purchase Order (PO) based on the amount authorized by the Board. 3. Need to present three price comparison for	Implemented

<sup>10</sup> "Issues" are compliance matters that arise from adopting different interpretations.

<sup>11</sup> "Findings" are those with concrete basis under the company's policies and rules.

every PO. 4. Limit the approving authority of officer for the buyers refund based on the amount set by Board. 5. Limit the approving authority to accept request of buyer to change terms of payment beyond the standard terms of payment currently implement by the management. 6. Budget for new projects that needs to be funded within the year needs Board approval.	
Internal Audit implements risk-based plan to determine priority of the internal audit activity.	Implemented

**(g) Mechanism 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
<u>Internal Auditor</u>  The internal audit activity will remain free from interference by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and mental attitude.	There are no independence concerns involving financial analyst, investment banks and rating agencies as there are no material public information being disclosed ahead to any group other than what is disclosed publicly to the regulators within the prescribed time period for reporting.		
<u>External Auditor</u>  The External Auditor may not provide the following services to the Company: 1. Management responsibilities; 2. Preparing accounting records and financial statements; 3. Financial information systems design and implementation; and 4. Litigation support and legal services			

**(h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company's**

full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

The Company is committed to ensure that the Company work towards compliance with the Corporate Governance Code. Per SEC Memorandum Circular No. 5 Series of 2013 (20 March 2013), the submission of the Certification of Compliance with the Manual of Corporate Governance shall be discontinued. Nonetheless, note that throughout the year reported on, the Company has been compliant with the main principles of the Code of Corporate Governance.

#### H. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' welfare	To ensure that all customer concerns are resolved promptly and satisfactorily.	Customer Service Department attends to all complaints and concerns, evaluates the claim to ensure its validity, requests documentary support to facilitate resolution of the claim.
Supplier/contractor selection practice	Procurement process is in place for supplies and services.	Bidding process or quote system is observed.
Environmentally friendly value-chain	To launch a movement that will encourage and educate Boracay visitors during LaBoracay 2015 and 2016 to properly dispose their trash and to be responsible in maintaining the cleanliness of the island even after parties and events.	<input checked="" type="checkbox"/> Donation of Trash Bins <input checked="" type="checkbox"/> Distribution of campaign stickers for awareness <input checked="" type="checkbox"/> Distribution of T-shirts for the clean-up drive participants <input checked="" type="checkbox"/> Zumba activity prior to the clean-up drive
Community interaction	None yet in place.	-
Anti-corruption programmes and procedures?	The Company does not condone dishonest behavior.	Concerns may be raised to HR or Senior Executive Officers who are bound to maintain the confidentiality of the same.
Safeguarding creditors' rights	None yet in place.	-

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

None in place.

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

###### (a) What are the company's policy for its employees' safety, health, and welfare? (b) Show data relating to health, safety and welfare of its employees.

All employees have been enrolled with an HMO to cover in-patient and out-patient care beginning February 2012. An annual medical check-up of all employees was conducted in June 2012, August 2013, August 2014, and in August 2015 and an annual executive check-up for executives and key officers from August to November 2012, September to December 2013, 2014,

2015 and 2016. The same programs will be implemented in the current year.

Human Resources Division also partnered with various institutions to carry out health awareness programs involving lectures, sampling of medicines, vision tests and affordable eye wears, anti-flu vaccination and blood extraction. The Company has a MEDICARD (HMO provider) physician to provide medical consultations at the workplace.

G-Fit Health and wellness program was introduced in 2016 to promote healthy lifestyle and work-life-balance among GERI employees. Employees were encouraged to join various programs such as seminars and lectures in partnership with Medicard.

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

The Company created in September 2012 an Organization Development and Training Unit ("OD") to spearhead its training and development programs. In the same month, the OD Unit conducted a Project Management Workshop which was participated in the by members of the Contracts, Procurement & Project Management Division and of the Project Development & Property Management Division. The OD Unit, now under the Human Resources Division, likewise launched in February 2013 an organization-wide Work Instruction Creation Program, which lays the ground work for the development of a Training Needs Analysis (TNA) and, ultimately, the creation of a skills-based/competency-based training and behavioral training programs.

The Human Resources Division launched the company's official learning university, Global Estate Center of Excellence (GCE) in which the following seminars/workshop and trainings will be provided:

Rank	Executives	Managers	Supervisors	Rank and File
Nature of Training (identify seminars attended)	1. Building Block Seminars (Corporate Orientation) 2. Core Programs and Workshops 3. Job Specific Programs 4. Management Development Programs 5. Leadership Development Programs			
Head Count (total number of attendees of all seminars for 2016)	26	55	121	360
Average Training Hours	33.35	42.8	96.8	287.4
Total Number of Employees	459 Regular and Probationary employees 83 Fixed Term employees Total = 542			
Total Training Hours for All Attendees in All Seminars	4,468			
Overall Average Training Hours (hours/employee)	16.80			

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

Management is currently reviewing the proposed program and mechanics which were prepared by the Human Resources Division. There is yet no decision on the matter.

**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.**

According to the Employees' Handbook, where an employee is charged with an infraction that is punishable by suspension or higher, the department head or the immediate superior submits to the Committee of Employee Discipline a Disciplinary Action Memo. The Committee conducts an investigation in accordance with the requirements of due process, and submits its findings and



recommendation to Management for approval. The same procedure is followed in offenses involving corruption and unethical behavior.

Management created an email address where concerned employees may send anonymous reports on alleged corruption & unethical behaviors. Reports received through this email address may only be opened by top management, and may be used by Management as basis to initiate an investigation to the extent that one may be warranted by the contents of the report.

# I. DISCLOSURE AND TRANSPARENCY

## 1) Ownership Structure

### (a) Holding 5% shareholding or more (As of 31 December 2016)

Shareholder	Number of Shares	Percent	Beneficial Owner
Megaworld Corporation	9,042,732,139	82.31%	Megaworld Corporation
PCD Nominee Corporation (Filipino) 37/F Tower I, The Enterprise Center, 6766 Ayala Avenue, Makati City	1,383,304,192 Common	12.59%	Various Shareholders

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Andrew L. Tan	2	0	0%
Monica T. Salomon	1	0	0%
Lourdes T. Gutierrez-Alfonso	2	0	0%
Ferdinand T. Santos	30,007	0	0%
Wilbur L. Chan	2,611,826	0	0.02%
Jesus B. Varela	1		
Alain A. Sebastian	1	0	0%
Kevin Andrew L. Tan	2	0	0%
Gerardo C. Garcia	1	0	0%
<b>Other Executive Officers</b>			
Lailani V. Villanueva	0	0	n/a
Marie Emelyn Gertrudes C. Martinez	0	0	n/a
Jennifer L. Romualdez	0	0	n/a
Catherine D. Marcelo	0	0	n/a
Karen B. Maderazo	0	0	n/a
Atty. Dominic V. Isberto	0	0	n/a
Rolando Siatela	0	0	n/a
<b>TOTAL</b>	<b>2,641,843</b>	<b>0</b>	<b>0.02%</b>

## 2) Does the Annual Report disclose the following:

Key risks	Yes.
Corporate objectives	Yes.
Financial performance indicators	Yes.

<b>Non-financial performance indicators</b>	Yes.
<b>Dividend policy</b>	Yes.
<b>Details of whistle-blowing policy</b>	No. The Company has not adopted yet any formal policy on whistle blower.
<b>Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners</b>	Yes.
<b>Training and/or continuing education programme attended by each director/commissioner</b>	<p>No. The Compliance Officer of the Company meets with the directors and top-level management from time to time to evaluate compliance with the Corporation's Manual on Corporate Governance.</p> <p>The Compliance Officer also coordinates with the Chairman and President to ensure full compliance with the adopted leading practices on corporate governance. The Compliance Officer furnishes the Board of Directors and top-level management with copies of new rules, regulations, circulars and orders of the Securities and Exchange Commission and the Philippine Stock Exchange to continuously update its Directors and top-level management with new requirements for compliance with leading practices on corporate governance. In addition, the Compliance Officer requires and encourages its Directors and top-level management to attend seminars on good corporate governance.</p>
<b>Number of board of directors/commissioners meetings held during the year</b>	No. The Company, however, submits a Secretary's sworn certification on the number of board of directors meeting held during the year. The certification (SEC Form 17-C) is submitted on or before January 30 of the following year pursuant to the Revised Code of Corporate Governance, as prescribed by SEC Memorandum Circular No. 6, Series of 2009.
<b>Attendance details of each director/commissioner in respect of meetings held</b>	No. The Company, however, submits a Secretary's sworn certification on the attendance in Board meetings of each director held during the year. The certification (SEC Form 17-C) is submitted on or before January 30 of the following year pursuant to the Revised Code of Corporate Governance, as prescribed by SEC Memorandum Circular No. 6, Series of 2009.
<b>Details of remuneration of the CEO and each member of the board of directors/commissioners</b>	Yes.

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

3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
Punongbayan and Araullo	1,232,000.00	110,000.00

4) Medium of Communication

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

Listed below are the various modes of communication used by the Company to disseminate information between employees and management or the Company and its stockholders:

- Bulletin boards,
- Newsletters
- Magazines
- Electronic mail newsletters or messages
- Memos
- Reports
- Corporate filings filed with the Securities and Exchange Commission and the Philippine Stock Exchange

5) Date of release of audited financial report: April 13, 2016

6) Company Website

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

The address of the Company's webpage is [www.global-estate.ph](http://www.global-estate.ph). Information on investor-related concerns can be access through the link Investor Relations on the main page, or directly at <http://www.global-estate.ph/investor/investor.html>

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

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

7) Disclosure of RPT

RPT	Relationship	Nature	Value
Megaworld Corporation	Parent	Advances for operations	102,854,961

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?

Related party transactions shall be conducted in terms that are at least comparable to normal commercial practices to safeguard the best interest of the Corporation, shareholders and creditor. No special arrangement is granted to any related party.

#### 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>	Article V, Section 4, of the Amended By-Laws provides that a majority of the subscribed capital present in person or represented by proxy shall be required at every meeting to constitute a quorum for the election of directors and the transaction of any business.
------------------------	--

###### (b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

<b>System Used</b>	Approval of corporate acts is given through votation of stockholders.
<b>Description</b>	Owners of shares of common stock as of Record Date who are either present in person or represented by proxy at the Annual/Special Stockholders' Meeting vote on the election of members of the Board of Directors and on the other matters in the agenda which are submitted for stockholders' approval, including the ratification of the acts of the Board of Directors. A plurality of votes of those present or represented by proxy is required for the election of regular and independent directors, and a majority vote with respect to all other matters proposed (except on matters where the By-Laws or the Corporation Code require a greater number for approval).

###### (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
Stockholders' rights concerning Annual/Special Stockholders Meeting are in accordance with the provisions of the Corporation Code.	There are no stockholders' rights concerning the Annual Stockholders' Meeting that differ from those laid down in the Corporation Code.

###### Dividends

Declaration Date	Record Date	Payment Date
------------------	-------------	--------------

The Company did not declare dividends during the period covered by this report.		
---	--	--

**(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 Board dedicates a special time during the Annual/Special Meeting to an Open Forum.	<p>During the Open Forum at the Annual or Special Stockholders' Meeting, the Board opens the floor to the stockholders in order to solicit their views and queries. Any stockholder is free to come forward and express his opinions and concerns, and to pose to any director, including the Chairman of the Board, or any officer or Committee, questions on any matter about the Company.</p> <p>The Board has not laid down any specific procedure for putting forward proposals at stockholders' meetings but any stockholder may freely offer proposals and suggestions during the Open Forum. The stockholders may likewise do so even outside the Annual/Special Meeting through any means they find convenient.</p>

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

Shareholders have a right to participate in the above corporate decisions by voting their shares during the Stockholders' Meeting where these matters are taken up. Voting procedures are set out in the Definitive Information Statement sent to the shareholders prior to the 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?

Yes.

- a. Date of sending out notices : 13 May 2016
- b. Date of the Annual/Special Stockholders' Meeting : 30 June 2016

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

Below are excerpts of the questions raised by some stockholders and answers given by the Board during the Annual Stockholders' Meeting on 30 June 2016:

**Question 1:** *You mentioned in your report that you are building more than a thousand hotel rooms in Boracay, what kind of market share are you looking at in Boracay?*



**Answer:** We are looking at around 20 to 30% market share in Boracay. In 2015, there were 1.5M tourists and I think in 2016, they're targeting 1.7M tourists.

**Question 2:** *Are you going to declare dividends?*

**Answer:** Not at the moment, we need all the cash for our project development.

**Follow-up**

**Question:** *Your revenue increased by almost more than 100% but according to your statement, the earnings per share is .066 which is lower than last year's .071, how is that possible? Your comprehensive income is 848M vs. 856M last year, how is that possible?*

**Answer:** That includes the non-recurring gain. Our core net income is 667M. Last year is around 447M.

(Succeeding follow-up questions were referred to GERI's CFO, Ms. Lailani V. Villanueva.)

**Follow-up**

**Question:** *How come your earnings per share went down? Do you have an increase in capital stock?*

**Answer:** Earnings per share for 2015 decreased because net income attributable to parent company decreased in amount. In 2014, there was a one-time gain of 337M which is 100% attributable to parent company.

**Follow-up**

**Question:** *Are you expecting the same situation this year?*

**Answer:** No. We expect to improve the regular operating income of the Company so, earnings per share will increase.

We are targeting 30% annual growth in net income from the core business.

**Follow-up**

**Question:** *Since AGI took over the Company, the share price was around Php1.00, now, it is lower than that, any explanation?*

**Answer:** The share price is really a function of the market. If you noticed, we are focusing on project completion. From 2016 to 2018, we will be able to complete all the projects that we launched so that share price should reflect that good news. (Answer was given by GERI's President.)

**Question 3:** *How do you plan to fund your capex or capital expenditures of 6.5B for this year?*

**Answer:** The 6.5B capex will be funded mostly by internally generated funds. Should we need more funds, then, we will just tap our credit lines from our banks.

**Question 4:** *What is the direction of our Company under the Duterte administration? Do you foresee any changes in GERI's short to mid-term plans?*

**Answer:** We are actually very excited about the programs that the incoming administration because it focuses on countryside development, promotion of tourism and infrastructures. If you noticed our land bank is spread out all over the Philippines, and most is in the provincial areas so the policy really of the new administration will be aligned with our growth strategy which is to build integrated tourism estates in the provincial areas and hopefully, create jobs.

**Question 5:** *We have a 3,000has. land bank. Does that mean that this land bank is up for development?*

*Is it reserved for development or is development being done already on this 3,000has.? I am trying to find out what it means when you say we have a land bank of 3,000has.*

Answer: This is raw land.

Follow-up

Question: *Is GERI trying to acquire more land bank or are we just using up the land bank that we got from Fil-Estate?*

Answer: GERI acquires land but as much as possible, we want to use up our existing land bank but in case there are opportunities, we always grab these opportunities.

Follow-up

Question: *I noticed that most of the income revenues come from the sales of real-estate and the income from hotel operations. If the bulk of our revenues come from real-estate sales and we have already used up our land bank, eventually, our income will start to go down dramatically. Will the income coming from the hotel operations and recurring income start to increase as time goes by?*

Answer: Yes, it already increased actually by last year with the introduction of the Shopping Village. Then, next year, we will be completing the Southwoods Mall that has a lot of retail spaces. We have office towers there, those are retail spaces. And in our hotels in Boracay, we also have retail spaces.

Follow-up

Question: *So, these are not yet operational? So by next year, most of our revenues will come from this recurring income?*

Answer: Yes, that is our goal.

**Question 6:** *I was looking at the balance sheet and I was curious about the term revaluation reserves. May I know the nature of this account? Last year, we have a 2,358,634, it suddenly increased to 8,287,704. I was looking at the Notes 21, but I could not see the similarity in the explanation. It seems that there is a different figure.*

(Question was referred to GERI's External Auditor.)

Answer: The revaluation reserves coming from the employee benefits, retirement benefits, obligations, any actual gains and losses under the accounting standard should be reported there. In case you have any questions, I am going to approach you later. I can show you reconciliation in the figure.

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

Resolution	Approving	Dissenting	Abstaining
Approval of the Minutes of the Annual Meeting of Stockholders held on 25 June 2015	More than 2/3 of stockholders present in person or by proxy	Less than 0%	Less than 0%
Approval of the 2015 Audited Financial Statements	More than 2/3 of stockholders present in person or by proxy	No dissenting vote	Less than 0%
Ratification of all acts and	More than 2/3 of	No dissenting vote	Less than 0%

resolutions of the Board of Directors and Corporate Officers adopted during the preceding year	stockholders present in person or by proxy		
Election of Directors including Independent Directors*	More than 2/3 of stockholders present in person or by proxy	Less than 0%	Less than 0%
Appointment of Punongbayan & Araullo as External Auditors	More than 2/3 of stockholders present in person or by proxy	No dissenting vote	Less than 0%

\* For the list of directors, please refer to the table under Item A(5)(b) [Voting Result of the Last Annual General Meeting of this Report]

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

The Company released the outcome of the Annual Stockholders' Meeting held on 30 June 2016 to the media through a press briefing held immediately after the close of the meeting and, as required by Section 17 of the Securities Regulations Code, to the Philippine Stock Exchange within ten (10) minutes from the holding of the meeting on 30 June 2016 and to the Honorable Commission through a SEC Form 17-C filed on 30 June 2016.

**(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
No modifications were made in 2016 in the Annual/Special Stockholders' Meeting regulations.	-

**(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	Dr. Andrew L. Tan Monica T. Salomon Lourdes T. Gutierrez-Alfonso Ferdinand T. Santos Wilbur L. Chan Kevin Andrew L. Tan Gerardo C. Garcia Dominic V. Isberto Marie Emelyn Gertrudes C. Martinez Jennifer L. Romualdez Lailani V. Villanueva	30 June 2016	By poll	0.08%	87.588%	87.66%

	Corporation Code and Section 54 of the Securities Regulations Code, and renders the proceedings null and void. (SRC Rule 20 [11][b])
--	--

(h) Sending of Notices

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

Policies	Procedure
Copies of the Definitive Information Statement which also contains the Notice of the meeting are distributed to the shareholders at least fifteen (15) business days from the date of the meeting by messenger services or by mail at the address appearing in the books of the corporation.	The Company seeks the prior approval of the Securities and Exchange Commission on the Information Statement in accordance with the procedures and requirements of the Securities Regulations Code. A Preliminary Information Statement is submitted together with the Management Report when the meeting involves the election of directors. Distribution of the Definitive Information Statement is made in compact-disc (CD) format with the prior written authorization of the Optical Media Board.

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	4,316 common shareholders as of the record date May 13, 2016 were entitled to receive Definitive Information Statement and Management Report and other materials.
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	June 9, 2016
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	-do-
State whether CD format or hard copies were distributed	Copies of the Definitive Information Statement and Management Report in CD format were distributed.
If yes, indicate whether requesting stockholders were provided hard copies	The Company provided hard copies of the Definitive Information Statement and Management Report to requesting stockholders.

(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. These were disclosed in the Definitive Information Statement.
The auditors to be appointed or re-appointed.	Yes.

An explanation of the dividend policy, if any dividend is to be declared.	No. The Company did not declare dividends in 2016.
The amount payable for final dividends.	No. The Company did not declare dividends in 2016.
Documents required for proxy vote.	Yes.

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

## 2) Treatment of Minority Stockholders

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

Policies	Implementation
The Board is committed to respect all the rights of all stockholders including but not limited to their voting rights, power of inspection, right to information, right to dividends, and appraisal rights.	<p>The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.</p> <p>The minority shareholders shall have access to any and all information relating to matters for which management is accountable for and to those relating to matters for which the management shall include such information, and if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes," and in accordance with law, jurisprudence, and best practice.</p>

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

Yes. Minority stockholders have a right to nominate candidates for the Board of Directors

## 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.

All material information, i.e., anything that could potentially affect share price, shall be publicly disclosed. Such information shall include earnings results, acquisition or disposal of assets, board changes, related party transactions, shareholdings of directors and changes to ownership.

Other information that shall always be disclosed includes remuneration (including stock options) of all directors and senior management corporate strategy, and off balance sheet transactions.

All disclosed information shall be released via the approved stock exchange procedure for company announcements as well as through the annual report.

The Board shall commit at all times to fully disclose material information dealings. It shall cause the filing of all required information for the interest of its stakeholders.

The Chief Financial Officer is primarily responsible for providing accurate and timely disclosure to the investing public regarding the Company. He shall submit accurate and timely reportorial requirements to the Securities and Exchange Commission and Philippine Stock Exchange and other government bodies as may be required.

- 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	The Company's investor relations program aims at developing and maintaining effective communication between the Company and its various stakeholders.
(2) Principles	<p>The Board shall commit at all times to fully disclose material information dealings. It shall cause the filing of all required information for the interest of its stakeholders.</p> <p>All shareholders shall be allowed to inspect corporate books and records including Minutes of Board meetings and stock registries in accordance with the Corporation Code and shall be furnished with a copy of the annual reports, including financial statements, without cost or restrictions.</p> <p>The shareholders shall be provided, upon request, with a copy of periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the corporation's shares, dealings with the corporation, relationships among directors and key officers, and the aggregate compensation of directors and officers.</p> <p>The minority shareholders shall be granted the right to propose the holding of meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.</p> <p>The Minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes", and in accordance with law, jurisprudence and best practice.</p>
(3) Modes of Communications	The Company's website <a href="http://www.global-estate.ph">www.global-estate.ph</a> , which is regularly updated, contains all relevant information any investor may need about the Company. This includes projects of the Company, Annual Reports and financial statements.



(4) Investors Relations Officer	<b>Mr. Johann R. Quiazon</b> <b>Tel. No. (02) 867-8048</b> <b>Fax (02) 867-8803</b> <b>Email: jquiazon@megaworldcorp.com</b>
---------------------------------	---

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

The shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code of the Philippines, under any of the following circumstances:

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

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

Not applicable.

#### L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiative	Beneficiary
Blood Letting Activity	Red Cross of the Philippines
Donation Giving where donations from employees consisting of clothing, food, etc., were provided to beneficiaries	Operation Blessing 2013 Virilan Foundation 2014 Philippine General Hospital Cancer Ward 2016
Reindeer Project	Operation Smile Philippines (Children with cleft palate)
Similar activity will be undertaken in the future	-

#### 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	There is no formal performance evaluation system but the Board performs a self-evaluation measured against the financial performance of the Company and the Revised Manual of Corporate Governance.	
Board Committees	Audit Committee conducts self-annual evaluation in compliance with SEC Circ. No. 4 S. 2012	Guidelines for the Assessment of the Performance of Audit Committee of Companies listed on the Exchange.
Individual Directors	No formal evaluation process in place.	
CEO/President	The compensation committee conducts a performance evaluation of the CEO and of the 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
The Company penalizes all violations of any provision of the Revised Manual of Corporate Governance committed by directors, officers, or other employees.	<p>In case of first violation, the penalty is reprimand.</p> <p>In case of second violation, the penalty is suspension, the duration of which will depend on the gravity of the violation.</p> <p>In case of third violation, the Company applies the maximum penalty of removal from office.</p>

This Consolidated Changes in ACGR for 2016 is hereby compiled and published in the Company website, in compliance with the Securities and Exchange Commission (SEC) Memorandum No. 12, Series of 2014, requiring all publicly listed companies to consolidate all the ACGR updates and changes for the year and label the consolidated changes as "Consolidated Changes in ACGR for (year)".

In lieu of the notarized signature page, the Consolidated Changes in the ACGR shall be accompanied by a Secretary's Certificate with excerpts of Board Resolution or Minutes of meetings regarding said updates and changes in the ACGR.