

SECURITIES AND EXCHANGE COMMISSION
SEC FORM – ACGR
ANNUAL CORPORATE GOVERNANCE REPORT

GENERAL INSTRUCTIONS

(A) Use of Form ACGR

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

(B) Preparation of Report

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

(C) Signature and Filing of the Report

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

(D) Filing an Amendment

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

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is filed for the Year: **2015**
2. Exact Name of Registrant as Specified in its Charter: **Easycall Communications Philippines, Inc.**
3. **2/F Mary Bachrach Bldg., 25th corner A.C. Delgado Sts., Port Area, Manila, Philippines***
Address of Principal Office Postal Code **1018**
4. SEC Identification Number: **SEC Registration No. 168736**
5. (SEC Use Only)
Industry Classification Code
6. BIR Tax Identification Number : **000-586-363-000**
7. **(632) 754-8688**
Issuer's Telephone number, including area code
8.
Former name or former address, if changed from the last report

* Edited Articles of Incorporation approved by Securities and Exchange Commission (SEC), with endorsement of National Telecommunications Commission (NTC), and received by the corporation on April 28, 2016, changing office address to The Penthouse, Net Quad Bldg., Net Quad Bldg. 4th Ave. cor 30th St. E-Square Crescent Park, West Bonifacio Global City, Taguig.

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A. BOARD MATTERS

1) Board of Directors

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

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID)	Elected when (Annual /Special Meeting)	No. of years served as director
J. Roberto C. Delgado	ED	TDG Ventures, Inc	TDG Ventures, Inc	October 2001	July 30, 2015	Annual Meeting	13 years
Modesto C. Cervantes	ED	Palos Verde Land Corp.	Palos Verde Land Corp.	1989	July 30, 2015	Annual Meeting	25 years
Socorro Z. Niro	ED	TDG Ventures, Inc	TDG Ventures, Inc	October 2001	July 30, 2015	Annual Meeting	13 years
Jonathan M. Cervantes	NED		Palos Verde Land Corp.	October 2000	July 30, 2015	Annual Meeting	14 years
Zaki Antoni H. Delgado	ED	TDG Ventures, Inc	TDG Ventures, Inc	July 2015	July 30 2015	Annual Meeting	1 year
Felipe C. Araullo	ID		Nomination Committee	2007	July 30, 2015	Annual Meeting	3 year ¹
Rafael M. Garcia III	ID		Nomination Committee	2007	July 30, 2015	Annual Meeting	3 year ¹

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

- (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.

Treatment of all shareholders

The Board shall respect the rights of the stockholders namely voting right, right of inspection, right to information, right to dividends, appraisal right. *(Revised Amended Manual on Corporate Governance p.18-20)*

Respect for the rights of minority shareholders and of other stakeholders

In addition to the aforementioned, stockholders should be treated equally or without discrimination, but the Board should give minority stockholders the right to propose the holding of meetings and items for discussion in the agenda that relate directly to the business of the corporation. *(Revised Amended Manual on Corporate*

Disclosure duties

The reports or disclosures required shall be prepared and submitted to the Commission by the responsible Committee or officer through the Corporation’s Compliance Officer. All material information shall be disclosed. Other information that shall always be disclosed includes remuneration of all directors and senior management corporate strategy, and off balance sheet transactions. All disclosed transactions shall be released via the approved stock exchange procedure for company announcements as well as through the annual report. And 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 the stakeholders. *(Revised Amended Manual on Corporate Governance p.17-20)*

Board responsibilities

It shall be the Board’s responsibility to foster the long-term success of the Corporation and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interest of its stockholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities. A director’s office is one of trust and confidence. He shall act in a manner characterized by transparency, accountability and fairness. *(Revised Amended Manual on Corporate Governance p.16)*

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

The Company’s vision and mission statement is reviewed and approved as often as required.

(d) Directorship in Other Companies

(i) Directorship in the Company’s Group

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.
J. Roberto C. Delgado	TDG Group	Executive - Chairman
Socorro Z. Niro	TDG Group	Executive
Zaki Antoni H. Delgado	TDG Group TDG Ventures Inc.	Non-Executive President
Felipe C. Araullo	Transnational Plans Inc., Transnational Financial Services, Inc, Transnational Diversified Corporation	Independent Director

(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.
None of the members of the Board of Directors are also directors of other publicly-listed companies.		

(iii) Relationship within the Company and its Group

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

Director's Name	Name of the Significant Shareholder	Description of the relationship
J. Roberto C. Delgado	TDG Ventures, Inc.	Director
Socorro Z. Niro	TDG Ventures, Inc	Director
Zaki H. Delgado	TDG Ventures, Inc	Director/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	The Nomination Committee can determine the maximum number of outside directorships that a director can hold, using the following as guide: a. Nature of the business of the Corporations in which he is a director b. Age of Director c. Number of directorships /active memberships and officer ships in other corporation in other corporations or organizations d. Possible conflicts of interest	To be determined by the Nomination Committee
Non-Executive Director		
CEO		

(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
J. Roberto C. Delgado	1	0	0.0000%
Modesto C. Cervantes	3,017,087	0	2.0114%
Socorro Z. Niro	1	0	0.0000%
Jonathan M. Cervantes	3,094	0	0.0021%
Zaki Antoni H. Delgado	1	0	0.0000%
Felipe C. Araullo	1	0	0.0000%
Rafael M. Garcia III	1	0	0.0000%
TOTAL	3,020,186	0	2.0135%

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 President:

Chairman of the Board	J. Roberto C. Delgado
President	Socorro Z. Niro

(b) Roles, Accountabilities and Deliverables

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

	Chairman	President
Role	<p>He effectively manages the affairs of the Board.</p> <p>He exercises such powers other duties customarily incident to the said office and those which may be prescribed by the Board of Directors from time to time.</p> <p>Generally, he ensures that the Board is effective in its tasks of setting and implementing the company's direction and strategy.</p>	<p>To manage and supervise the business and affairs of the Corporation.</p> <p>To exercise such other powers and performs such other duties as are from time to time fixed or delegated by the Board of Directors.</p>
Accountabilities	<p>Ensure that the meetings of the Board are held in accordance with the by-laws or as the Chair may deem necessary.</p> <p>Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO/President, Management and the directors.</p> <p>Maintain qualitative and timely lines of communication and information between the Board and Management.</p>	<p>To preside at all meetings of the stockholders and of the Board of Directors.</p> <p>To sign the certificates of stock.</p> <p>To be an ex-officio member of the Executive Committee, if constituted.</p>
Deliverables	<p>Assisting in ensuring compliance with ECPI's guidelines on corporate governance.</p>	

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

The Board of Directors through its Nomination Committee reviews and evaluates the qualifications of all persons nominated to the Board, as well as the key officers who include President, and top key officers that require the Board approval. The Nomination Committee also assesses the effectiveness of the Board’s processes and procedures in the election or replacement of the directors.

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?

YES

Please explain.

In addition to the qualifications for membership in the Board provided for in the Corporation Code, SEC and other relevant laws, the additional qualifications are required such as college education of equivalent academic degree and should have practical understanding of the business of the Corporation. Furthermore, it also stated that the director should be the holder of at least one (1) share of stock of the Corporation, be a membership in good standing in relevant industry, business or professional organizations and previous business experience. *(Revised Amended Manual on Corporate Governance p.5)*

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

Please explain.

As already mentioned in the above policy, the director should have a practical understanding of the business of the Corporation.

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

	Executive	Non-Executive	Independent Director
Role	<p>To manage and supervise the business and affairs of the Corporation.</p> <p>To exercise such other powers and performs such other duties as are from time to time fixed or delegated by the Board of Directors.</p> <p>Ensure that the meetings of the Board are held in accordance with the by-laws or as the Chair may deem necessary.</p>	<p>To conduct fair business transactions with the Corporation and to ensure that the personal interest does not conflict with the interest of the Corporation.</p> <p>To devote time and attention necessary to properly discharge his duties and responsibilities.</p>	
Accountabilities	<p>To preside at all meetings of the stockholders and of the Board of Directors.</p> <p>To sign the certificates of stock.</p> <p>To be an ex-officio member of the</p>	<p>To act judiciously. Carefully evaluate issues, if necessary make inquiries and request clarification before deciding on any matter brought before the Board.</p> <p>To exercise independent judgment. He should not be afraid to take an unpopular position. He should support plans and ideas that he thinks are beneficial to the Corporation.</p> <p>To ensure the continuing soundness, effectiveness and</p>	

	<p>Executive Committee, if constituted.</p> <p>Ensure that the meetings of the Board are held in accordance with the by-laws or as the Chair may deem necessary.</p> <p>Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO/President, Management and the directors.</p>	<p>adequacy of the Corporation's control environment.</p> <p>To inhibit himself as much as possible from conducting personal business transactions with the Corporation, but if necessary, such business transactions should be conducted fairly and on arms length basis, ensuring that personal interest does not influence Board decisions.</p> <p>To have a working knowledge of the statutory and regulatory requirements affecting the Corporation, including the contents of its Articles of Incorporation and By-Laws, the requirements of other regulatory agencies.</p>
Deliverables	<p>Maintain qualitative and timely lines of communication and information between the Board and Management.</p> <p>Assisting in ensuring compliance with ECPI's guidelines on corporate governance.</p>	<p>To observe confidentiality of all confidential information received and gathered during his tenure as Director. He shall inhibit himself from getting elected as Director of a competing company within one (1) year from his resignation as Director of the Corporation.</p>

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

The Company follows the SEC's guidelines on the definition of independent director which states : "Independent director means a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in any corporation that meets the requirements of Section 17.2 of the Securities Regulation Code." This is one of the considerations being considered by the Nomination Committee in choosing nominees as independent directors of the Corporation.

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 follows the SEC's guidelines on setting the term limit of the Independent Director. This term limit was refreshed by SEC Memo No. 9 Series of 2011.

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
Clifford Beek	Director	July 30, 2015	Expiration of Term

(b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors	The Board of Directors through its Nomination Committee reviews and evaluates the qualifications of all persons nominated to the Board, as well as the key officers who include CEO/President, and top key officers that required the Board approval. The Nomination Committee also assesses the effectiveness of the Board's processes and procedures in the election or replacement of the directors.	Qualifications of Directors: <ul style="list-style-type: none"> • Holder of at least one (1) share of stock of the Corporation; • College education or equivalent academic degree • Practical understanding of the business of the Corporation; • Membership in good standing in relevant industry, business or professional organizations; • Previous business experience.
(ii) Non-Executive Directors		
(iii) Independent Directors		
b. Re-appointment		
(i) Executive Directors	The Board of Directors through its Nomination Committee reviews and evaluates the qualifications of all persons nominated to the Board, as well as the key officers who include CEO/President, and top key officers that required the Board approval. The Nomination Committee also assesses the effectiveness of the Board's processes and procedures in the election or replacement of the directors.	Qualifications of Directors: <ul style="list-style-type: none"> • Holder of at least one (1) share of stock of the Corporation; • College education or equivalent academic degree • Practical understanding of the business of the Corporation; • Membership in good standing in relevant industry, business or professional organizations; • Previous business experience.
(ii) Non-Executive Directors		
(iii) Independent Directors		
c. Permanent Disqualification		
(i) Executive Directors	The Board of Directors through its Nomination Committee reviews and evaluates the qualifications of all persons nominated to the Board, as well as the key officers who include CEO/President, and top key officers that required the Board approval. The Nomination Committee also assesses the effectiveness of the Board's processes and procedures in the election or replacement of the directors.	Grounds for Permanent Disqualification: <ul style="list-style-type: none"> • Conviction by final judgment or order by a competent judicial or administrative body of any crime that involves purchase or sale of securities, as defined by SRC; person's conduct as an underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, future commission merchant, commodity trading advisor, or
(ii) Non-Executive Directors		
(iii) Independent Directors		

		<p>floor broker; arises out of his fiduciary relationship with a bank, quasi bank, trust company, investment house or as an affiliated person of any of them.</p> <ul style="list-style-type: none"> • Any act of misconduct which after hearing is permanently enjoined by final judgment or order of the commission or any court or administrative body of competent jurisdiction from the aforementioned. • Conviction by final judgment or order by a competent judicial or administrative body of any crime that involves moral turpitude, fraud embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts. • Final judgment or order of the Commission, court or competent administrative to have willfully violated or aided, abetted, induced or procured the violation of any provision of the Corporation Code, SRC or any of its rule, regulation or order. • Elected as independent director who later becomes officer, employee of consultant of the Corporation. • Judicial declaration of insolvency of a person. • Final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any acts, violations or misconduct enumerated in first item. • Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years or a violation of the Corporation Code committed within five (5) years prior to the date of his election of appointment.
d. Temporary Disqualification		
(i) Executive Directors	The Board of Directors through	Grounds for Temporary

(ii) Non-Executive Directors	its Nomination Committee reviews and evaluates the qualifications of all persons nominated to the Board, as well as the key officers who include CEO/President, and top key officers that required the Board approval. The Nomination Committee also assesses the effectiveness of the Board's processes and procedures in the election or replacement of the directors.	Disqualification:
(iii) Independent Directors	<p>A temporary disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.</p>	<ul style="list-style-type: none"> • Refusal to comply with the disclosure requirements of the SRC and its implementing rules and regulations. The disqualification shall be in effect as long as refusal persists. • Absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, unless the absence is due to illness, death in the immediate family or serious accident. Disqualification shall apply for purposes of the succeeding election. • Dismissal or termination for cause as director of any corporation covered by the Code. Disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination. • In case the beneficial equity of an independent director in the corporation or its subsidiaries and affiliates exceeds two (2%) percent of its subscribed capital stock. Disqualification shall be lifted if the limit is later complied with. • Any of the judgments or orders cited in the grounds for permanent disqualification that has not yet become final. • Being under preventive suspension by the corporation.
e. Removal		
(i) Executive Directors	Any officer may be removed, either with or without cause, by the Board of Directors.	He possesses any of the criteria enumerated for permanent disqualifications, as stated above.
(ii) Non-Executive Directors		
(iii) Independent Directors	A vacancy in any office because of death, resignation, removal, disqualification or any other cause may be filled for the unexpired portion of the term by the Board of Directors.	
f. Re-instatement		

(i) Executive Directors	The Board of Directors through its Nomination Committee reviews and evaluates the qualifications of all persons nominated to the Board, as well as the key officers who include CEO/President, and top key officers that required the Board approval. The Nomination Committee also assesses the effectiveness of the Board's processes and procedures in the election or replacement of the directors.	Same criteria are used as stated above in the selection / appointment and re-election of both regular and independent directors is adopted.
(ii) Non-Executive Directors		
(iii) Independent Directors		
g. Suspension		
(i) Executive Directors	In case of the temporary absence of any officer of the corporation, or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may delegate the powers and duties of such officer to another qualified person.	Same criteria are used as stated above in the removal of both regular and independent directors is adopted.
(ii) Non-Executive Directors		
(iii) Independent Directors		

Voting Result of the last Annual General Meeting

Name of Director	Votes Received
J. Roberto C. Delgado	140,609,643
Modesto C. Cervantes	140,609,643
Socorro Z. Niro	140,609,643
Jonathan M. Cervantes	140,609,643
Zaki Antoni H. Delgado	140,609,643
Felipe C. Araullo	140,609,643
Rafael M. Garcia III	140,609,643

6) Orientation and Education Program

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

Before an elected Director assumes his position, he shall be required to attend a seminar on corporate governance which shall be conducted by a duly recognized private or government institute.

(b) State any in-house training and external courses attended by Directors and Senior Management¹ for the past three (3) years:

There is nothing to report.

(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
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Renato Vicente Martinez	March 27, 2015	Corporate Governance Seminar	Philippine Securities Consultancy Corp.
Melitha F. Gasapos	March 27, 2015	Corporate Governance Seminar	Philippine Securities Consultancy Corp.
J. Roberto C. Delgado	06 May 2015	SEC Corporate Workshop on ASEAN Corporate Governance Scorecard for Publicly-Listed Companies	SEC's Economic and Research Training Department
Socorro Z. Niro	06 May 2015	SEC Corporate Workshop on ASEAN Corporate Governance Scorecard for Publicly-Listed Companies	SEC's Economic and Research Training Department
Felipe P. Araullo	06 May 2015	SEC Corporate Workshop on ASEAN Corporate Governance Scorecard for Publicly-Listed Companies	SEC's Economic and Research Training Department
Modesto Cervantes	06 May 2015	SEC Corporate Workshop on ASEAN Corporate Governance Scorecard for Publicly-Listed Companies	SEC's Economic and Research Training Department
Rafael Garcia III	06 May 2015	SEC Corporate Workshop on ASEAN Corporate Governance Scorecard for Publicly-Listed Companies	SEC's Economic and Research Training Department
Zaki Antoni H. Delgado	06 May 2015	SEC Corporate Workshop on ASEAN Corporate Governance Scorecard for Publicly-Listed Companies	SEC's Economic and Research Training Department
Melitha F. Gasapos	October 15, 2015	SEC-PSE Corporate Governance	Institute of Corporate Directors
Jonathan Cervantes	October 29, 2015	What the Management Should Know	PLDT
Ruelito Q. Soriano	November 14, 2015	ASEAN Corporate Governance Conference	PSE

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	Once hired, no employee may engage in any business or undertaking that is directly or indirectly in competition with that of the company and its affiliates or engage directly or indirectly in any undertaking or activity prejudicial to the interests of the company or to the performance of his/her job or work assignment.		
(b) Conduct of Business and Fair Dealings	Seeking mutual benefit, using a "win-win" approach in everything we do. In TDG, each one is valued, respected, nurtured and held accountable. We provide an environment where employees have the opportunity to grow and achieve their full potential. In addition, the director should conduct fair business transactions with the Corporation and to ensure that personal interest does not conflict with the interest of the Corporation.		
(c) Receipt of gifts from third parties	Asking/soliciting for anything of value for personal use/gain in exchange for any favorable decision is a misconduct against person, which is part of the offenses of the group that result in grave inconvenience to another person or to the company, and are subject to dismissal or dishonorable separation from service.		

(d) Compliance with Laws & Regulations	All employees should comply with lawful order or specific instructions related to one's duty.
(e) Respect for Trade Secrets/Use of Non-public Information	Employees shall hold all confidential information about the company, its affiliates, their respective directors, shareholders, officers, employees, consultants and contractors which are made available to them during their employment in strict confidence. In addition, the director and the senior management should observe confidentiality of all confidential information received and gathered during his tenure.
(f) Use of Company Funds, Assets and Information	Employees, as a rule, should not utilize TDG assets for personal use. The senior management should ensure the Corporation's human, financial and physical resources are efficiently and effectively used in the attainment of company's objectives and ensure that the organizational and procedural controls and systems are in place to safeguard Company asset.
(g) Employment & Labor Laws & Policies	TDG's businesses rely heavily on people or human capital. To ensure overall success, it is in the policy of TDG to hire only the best qualified person for any vacant position.
(h) Disciplinary action	All acts constituting violations of company policies and procedures in the transaction of its business or other acts prejudicial to its interest are sanctionable.
(i) Whistle Blower	The Company is committed to the highest possible standard of openness, probity and accountability. In line with this commitment, all staff is encouraged to come forward and raise concerns affecting the Company's operations. The Company recognizes that certain concerns will have to proceed in confidential basis so that the position of the staff raising the concern will be protected.
(j) Conflict Resolution	If an employee has violated the Company Code of Discipline, the Direct Superior should inform the employee of the violation through an Incident Report (IR). The employee will be given time to answer and submit the IR equivalent to the period prescribed by law. Should major disciplinary measures be imposed, the appropriate government agencies and the TDG Corporate Center Legal and HR Departments should be properly informed and consulted.

*At present, the Company has no separate code of conduct & ethics, the TDG Group wide code of conduct and ethics is hereby adopted.

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

Yes, through the new employee orientation.

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

The Code of Discipline is implemented through due process at all times and every employee shall be given the opportunity to be heard. Responsibility to impose sanctions is a line function and as such should be initiated by the immediate supervisor.

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	One of the duties of the Board is to formulate and implement new policies and procedures that would ensure the integrity and transparency of related party transactions between and among the corporations and its parent company, joint ventures, subsidiaries,
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	

(5) Substantial Stockholders	associates, affiliates, major stockholders, officers and directors, including their spouses, children, and dependent siblings and parents, and of interlocking director relationships by member of the Board.
(6) Officers including spouse/children/siblings/parents	
(7) Directors including spouse/children/siblings/parents	
(8) Interlocking director relationship of Board of Directors	

(b) Conflict of Interest

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

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

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	No actual or probable conflict of interest.
J. Roberto C. Delgado	
Socorro Z. Niro	
Modesto N. Cervantes	
Jonathan M. Cervantes	
Zaki Antoni H. Delgado	
Felipe P. Araullo	
Rafael M. Garcia III	
Name of Officer/s	
Renato Vicente Martinez	
Melitha F. Gasapos	
Jose Enrique C. Santiago	
Ruelito Q. Soriano	
Name of Significant Shareholders	
TDG Ventures, Inc.	

(ii) Mechanism

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

	Directors/Officers/Significant Shareholders
Company	The Board of Directors and Management, employees and shareholders, believe that corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness of these principles and ensure compliance within the organization at all times. And the Board formulates and implements new policies and procedures that would ensure the integrity and transparency of related party transactions.
Group	

5) Family, Commercial and Contractual Relations

(a) Indicate, if applicable, any relation of a family,² 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
TDG Ventures, Inc.	Borrower-Lender	Represents the cash advances for working capital requirements from TVI.

(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
TDG Ventures, Inc.	Borrower-Lender	Represents the cash advances for working capital requirements from TVI.

(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
There is nothing to report		

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	The Board of Directors shall establish and maintain an alternative resolution system in the corporation that can amicably settle conflicts of differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.
Corporation & Third Parties	
Corporation & Regulatory Authorities	

C. BOARD MEETINGS & ATTENDANCE

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

Regular meetings of the Board of Directors shall be held on such place and date as may be determined by the Board of Directors. Special meeting of the Board of Directors may be called by the Chairman of the Board, the President, or a majority of the Board of Directors.

Attendance of Directors for 2015

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
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				d	
Chairman	J. Roberto C. Delgado	July 30, 2015	3 Board Meetings and 1 Stockholders Meeting	4	100%
Vice-Chairman	Modesto N. Cervantes	July 30, 2015	3 Board Meetings and 1 Stockholders Meeting	4	100%
Regular Director	Socorro Z. Niro	July 30, 2015	3 Board Meetings and 1 Stockholders Meeting	4	100%
Regular Director	Zaki Antoni H. Delgado	July 30, 2015	3 Board Meetings and 1 Stockholders Meeting	4	100%
Regular Director	Jonathan M. Cervantes	July 30, 2015	3 Board Meetings and 1 Stockholders Meeting	4	100%
Independent	Felipe P. Araullo	July 30, 2015	3 Board Meetings and 1 Stockholders Meeting	4	100%
Independent	Rafael M. Garcia III	July 30, 2015	3 Board Meetings and 1 Stockholders Meeting	2	50%

3) Do non-executive directors have a separate meeting during the year without the presence of any executive? None If yes, how many times?

4) Is the minimum quorum requirement for Board decisions set at two-thirds of board members? No Please explain.

The Company's amended By-Laws state under Article IV, Section 4. Quorum and Manner of Acting. "At least a majority of the entire number of directors as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of a business and every decision of at least a majority of the directors present in a meeting at which there is a quorum shall be valid as a corporate acts unless otherwise required by law, Articles of Incorporation or these By-Laws."

5) Access to Information

How many days in advance are board papers³ for board of directors meetings

Notice of the meeting, agenda and reference materials, presentations and other related reports are required to be sent to the members of the Board of Directors at least three days before the day on which the meeting is to be held.

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

Yes

(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 is responsible for keeping full minutes of all meetings of the Board of Directors and of the stockholders; keeping the stock and transfer book and the corporate seal, filling and countersigning all the certificates of stock issued, giving all notices required by law, assisting the Board in making business judgment, and performing other duties as may be prescribed by the Board of Directors.

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

(e) Committee Procedures

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

Yes No

Committee	Details of the procedures
Executive	No Executive Committee
Audit	Notice of the meeting, agenda and reference materials, presentations and other related reports are required to be sent to the members of the Board of Directors at least three days before the day on which the meeting is to be held.
Nomination	
Remuneration	

6) External Advice

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

Procedures	Details
Seeking legal advice	Refer to the legal counsel for advice and guidance on possible legality or implications.
Seeking opinion on financial matters	Refer to the external auditor whether the financial statements presently fairly and in accordance with the Financial Reporting Standards, and seeking guidance for other financial disclosures and requirements.

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
No changes made		

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 of the directors receive compensation for serving as directors of the Company, except reasonable <i>per diems</i> for attendance in Board meetings. There is NO (1) Standard arrangements with any Director or Officer of the Company, (2) Material term of any agreement; (3) Existing employment contract with any executive officers; (4) Compensation	
(2) Variable remuneration		

	plan or arrangement.
(3) Per diem allowance	Directors and key officers receive a fixed per diem for their attendance in meetings.
(4) Bonus	None of the directors receive compensation for serving as directors of the Company, except reasonable <i>per diems</i> for attendance in Board meetings.
(5) Stock Options and other financial instruments	There is NO (1) Standard arrangements with any Director or Officer of the Company, (2) Material term of any agreement; (3) Existing employment contract with any executive officers; (4) Compensation plan or arrangement.

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	None of the directors receive compensation for serving as directors of the Company, except reasonable <i>per diems</i> for attendance in Board meetings.		
Non-Executive Directors	There is NO (1) Standard arrangements with any Director or Officer of the Company, (2) Material term of any agreement; (3) Existing employment contract with any executive officers; (4) Compensation plan or arrangement.		

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? No Provide details for the last three (3) years.

Remuneration Scheme	Date of Stockholders' Approval
There is nothing to report	

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	Php 0.00	Php 0.00	Php 0.00
(b) Variable Remuneration	Php 0.00	Php 0.00	Php 0.00
(c) Per diem Allowance	Php105,882.36	Php 47,058.83	Php 70,588.24
(d) Bonuses	Php 0.00	Php 0.00	Php 0.00
(e) Stock Options and/or other financial instruments	Php 0.00	Php 0.00	Php 0.00

(f) Others (Specify)	Php 0.00	Php 0.00	Php 0.00
Total	Php105,882.36	Php 47,058.83	Php 70,588.24

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	Php 0.00	Php 0.00	Php 0.00
2) Credit granted	Php 0.00	Php 0.00	Php 0.00
3) Pension Plan/s Contributions	Php 0.00	Php 0.00	Php 0.00
(d) Pension Plans, Obligations incurred	Php 0.00	Php 0.00	Php 0.00
(e) Life Insurance Premium	Php 0.00	Php 0.00	Php 0.00
(f) Hospitalization Plan	Php 0.00	Php 0.00	Php 0.00
(g) Car Plan	Php 0.00	Php 0.00	Php 0.00
(h) Others (Specify)	Php 0.00	Php 0.00	Php 0.00
Total	Php 0.00	Php 0.00	Php 0.00

4) Stock Rights, Options and Warrants

(a) Board of Directors

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

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock
None of the Company's Common Shares are entitled to stock rights, options or warrants				

(b) Amendments of Incentive Programs

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

Incentive Program	Amendments	Date of Stockholders' Approval
There is nothing to report		

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	Total Remuneration
Renato Vicente Martinez – General Manager	

Jose Enrique C. Santiago – Treasurer	Php 52,941*
Melitha F. Gasapos – Corporate Secretary	
Ruelito Q. Soriano – Corporate Compliance Officer	

*per diem allowance

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	The Company has no executive committee						
Audit	1	1	1	Manual on Corporate Governance	To assist the Board in the performance of its oversight responsibility for the financial reporting, system of internal control, audit process and monitoring compliance with applicable laws and regulations. Perform oversight functions over the corporation's internal and external auditors.	Review the quarterly, half-year and annual financial statements. Review the report submitted by the internal and external auditors. Coordinate and facilitate compliance with law, rules and regulations.	Organize an internal audit department and consider the appointment of an independent internal auditor. The Committee shall disallow any non-audit work that will conflict with his duties as an external auditor. Establish and identify the reporting line of the Internal Auditor.
Nomination	2	0	1	Manual on Corporate Governance	To review and evaluate the qualifications of all persons nominated to the Board.	Pre-screens qualifications of all nominees to the Board of Directors. Supervise and coordinate the conduct of elections of the Board	Assess the effectiveness of the Board's processes and procedures in the election or replacement of directors

Remuneration	2	0	1	Manual on Corporate Governance	<p>To establish a formal and transparent procedure for developing a policy on remuneration of directors and officer.</p> <p>To ensure that their compensation is consistent with the corporation's culture, strategy and business environment in which it operates.</p>	<p>Provide oversight over remuneration of senior management and other key personnel.</p> <p>Develop a form on full business interest disclosure as part of the pre-employment requirements for all incoming officers.</p>	<p>Designate the amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers.</p> <p>Disallow any director to decide his or her own remuneration.</p> <p>Regulate payment of compensation, allowance, fees and fringe benefits to directors and officers in very exceptional cases.</p>
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2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	The Company has no executive committee					
Member (ED)						
Member (NED)						
Member (ID)						
Member						

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Felipe P. Araullo	July 30, 2015	1	1	100%	7 years
Member (ED)	Socorro Z. Niro	July 30, 2015		1	100%	13 years
Member (ED)	Zaki Antonio H. Delgado	July 30, 2015		0	0	0 years

Disclose the profile or qualifications of the Audit Committee members.

FELIPE P. ARAULLO	Elected as an Independent Director of ECPI during the 2007 Annual Stockholders' Meeting up to the present. His initial job experience was with Bislig Bay Lumber Co. in 1966 to 1967 as a work methods analyst. Thereafter, he worked with IBM for over 26 years, from 1968 to 1994 and assumed various job positions namely: programmer, systems engineer, instructor, advisory marketing representative and executive. The years spent in IBM were centered mainly in marketing, technical support and sales, education and training. On January 1982 to March 1985 he was sent on a foreign assignment to IBM Hong Kong as a staff instructor. His second foreign assignment was in January 1991, he was a program manager to IBM International Sales Office based in Mt. Pleasant, NY. He graduated with a bachelor's degree in Mechanical Engineering from De La Salle College in 1966. Passed the government board exams for mechanical engineers. He also holds a Masters Degree in Business Administration (MBA) from the University of the Philippines. He joined EEMC Asia, Inc. in May 1996 and was connected with the company until February 1999. He is currently involved in part-time consulting in the areas of information technology (IT) and marketing training.
SOCORRO Z. NIRO	Elected Director of the Company in October 2001 up to the present and is currently ECPI's President since 2002. Her other experiences, which cover at least the last five years are shown hereinafter which are currently being held until the present: She is also currently the Group Chief Finance Officer and Treasurer of Transnational Diversified Group, Inc., Transnational Diversified Corp., NYK Fil-Japan Shipping Corp., NYK Fil-Ship Management Inc., Dolphin Ship Management Inc., Asiana Phils. GSA, Inc., Transnational Aero Corp., Transcontainer Ltd. Phils., NYK Logistics Phils., Inc., Yusen Logistics Philippines Inc., NCT, Transnational Corp., Adventure International Tours Inc., Vision Air and Sea Support, Inc., Antonelli Realty Holdings Inc. She is also the I.T. Division President of TDG, and President of TDG World Corporation, TDG Ventures, Inc. (formerly Global E-Business Solutions Inc.), and Vice-Chairman of Transnational E-Business Solutions, Inc. Ms. Niro is a magna cum laude graduate of the Philippine College of Commerce (BSC Accounting) a CPA, with further studies at the National University of Singapore (Stanford-NUS Executive Program) and at the Harvard Business School (OPM Key Executive Program).
- Zaki Antoni H. Delgado	Elected as Director in 2015 and is also the Corporate Information Officer (CIIO) of the Company. He is also the President of TDG Ventures, Inc., (TVI) which is an ICT investment and holding company engaged in BPO, IT services, communications, and other ICT related businesses and Transnational eGlobal, Inc. (TeGI), which operates tripmoba.com, the Philippines' leading online travel site. He is concurrently Managing Director of TDG Orion China, which is engaged in China business development; as well as Orion IT Services Ltd., a Shanghai, China based IT and BPO services company. He is also a Director of American Express Transnational as well as Transnational E-Business Solutions, Inc. (TESI). He received his B.A. degree in Computer Science from Harvard University and later obtained his MBA from INSEAD - Fontainebleau, France and Singapore

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

Prior to the commencement of the audit, the audit committee will discuss with the external auditor the nature, scope, and expenses of the audit and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts. The audit committee shall evaluate and determine the non-audit work, if any, of the external auditor and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to corporation's overall consultancy expenses.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the
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						Committee
Chairman	J. Roberto C. Delgado	July 30, 2015	1	1	100%	13 years
Member (ED)	Modesto N. Cervantes	July 30, 2015		1	100%	25 years
Member (ID)	Rafael M. Garcia, III	July 30, 2015		1	100%	7 years

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	J. Roberto C. Delgado	July 30, 2015	No meeting held during the year			
Member (ED)	Modesto N. Cervantes	July 30, 2015				
Member (ID)	Felipe P. Araullo	July 30, 2015				

(e) Others (Specify)

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

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman						
Member (ED)						
Member (NED)						
Member (ID)						
Member						

3) Changes in Committee Members

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

Name of Committee	Name	Reason
Executive		
Audit	Zaki Antoni H. Delgado	Replaced Cliff Beek who was not re-elected as Director
Nomination		
Remuneration		
Others (specify)		

4) Work Done and Issues Addressed

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

Name of Committee	Work Done	Issues Addressed
Executive		
Audit	Assisted the Board in the performance of its oversight responsibility for the financial reporting, system of internal control, audit process and monitoring	The Committee reviewed the annual financial statements, particularly focus on any changes in accounting policies and practices; major judgmental areas; significant

	compliance with applicable laws and regulations.	adjustments resulting from audit; going concern assumptions; compliance with accounting standards and with tax, legal, and regulatory requirements.
Nomination	Reviewed the qualifications of all persons nominated to the Board.	Reviewed the qualifications of all nominees to the Board of Directors and Independent Directors, taking into consideration the relevant requirements of the Securities and Exchange Commission relative to the qualifications and disqualifications of both regular and independent director nominees.
Remuneration	At present, the Company has no employees.	

5) Committee Program

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

Name of Committee	Planned Programs	Issues to be Addressed
Executive		
Audit	Delivery of 2014 financial statement.	The Committee will review the quarterly and annual financial statements, particularly focus on any changes in accounting policies and practices; major judgmental areas; significant adjustments resulting from audit; going concern assumptions; compliance with accounting standards and with tax, legal, and regulatory requirements.
Nomination	Pre-screens qualifications of all nominees to the Board of Directors.	Review the qualifications of all nominees to the Board of Directors, taking into consideration the relevant requirements of the Securities and Exchange Commission relative to the qualifications and disqualifications of both regular and independent director nominees.
Remuneration	At present, the Company has no employees	

E. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

The Board shall identify the key risk areas and key performance indicators and monitor these factors with due diligence to enable the corporation to anticipate and prepare for possible threats to its operational and financial viability.

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

The Company's 2015 Annual Report states that: "There are NO Major risk/s involved in each of the businesses of the Company and their subsidiaries. Likewise, the Management is setting up measures and procedures to

identify and assess any possible risk/s, should there be any.”

(c) **Period covered by the review;** 2015

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

Since there are no major risks, the board of directors just discusses potential risks during the board meetings.

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

N/A

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
The Company’s 2015 Annual Report states that: “There are NO Major risk/s involved in each of the businesses of the Company and their subsidiaries. Likewise, the Management is setting up measures and procedures to identify and assess any possible risk/s, should there be any.”		

(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
The Group has information security management policy which covers information security risks, environmental and physical risks, commercial risks to limit possible risks and address, minimize their consequences.		

(c) **Minority Shareholders**

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

Risk to Minority Shareholders
All stockholders should be treated equally or without discrimination, but the Board should give minority stockholders the right to propose the holding of meetings and items for discussion in the agenda that relate directly to the business of the corporation.

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)
The Board adopts a system of internal checks and balance within the Board. A regular review of the effectiveness of such system should be conducted to ensure the integrity of the decision making and reporting processes at all times. There should be a continuing review of the corporation's internal control system in order to maintain adequacy and effectiveness.		

(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)
The Board adopts a system of internal checks and balance within the Board. A regular review of the effectiveness of such system should be conducted to ensure the integrity of the decision making and reporting processes at all times. There should be a continuing review of the corporation's internal control system in order to maintain adequacy and effectiveness.		

(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	Review the quarterly and annual financial statements of the Company.	This is to particularly focus on any changes in accounting policies and practices; major judgmental areas; significant adjustments resulting from audit; going concern assumptions; compliance with accounting standards and with tax, legal, and regulatory requirements

F. 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 minimum internal control mechanisms include the definition of duties and responsibilities of the CEO/President, selection of the person who possesses the ability, integrity and expertise essential for the position of CEO/President, evaluation of proposed Senior Management Appointments, and review of the corporation's human resource policies, conflict of interest situations, and compensation program for employees and management succession plan.

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

The Audit Committee is tasked by the Board to monitor and evaluate and adequacy and effectiveness on the corporation's internal control system.

(c) **Period covered by the review;** 2015

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

The Audit Committee is tasked by the Board to monitor and evaluate and adequacy and effectiveness on the corporation's internal control system.

(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
Auditor/Reviewer /Consultant	Financial, Risk Management and Operational	In-house	Maricel L. Evangelista	Reports directly to the Audit Committee

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

(c) **Discuss the internal auditor's reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel?** Internal auditors directly reports to the Audit Committee.

(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
No movement for the year	

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

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

Progress Against Plans	On-Going Audit
Issues	On-Going Audit
Findings	On-Going Audit
Examination Trends	On-Going Audit

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

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

(f) Audit Control Policies and Procedures

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

Policies & Procedures	Implementation
<p>Management should formulate, under the supervision of the Audit Committee, the rules and procedures on financial reporting and internal control in accordance with the following guidelines: extent of its responsibility in the preparation of the financial statements; an effective system of internal control that will ensure the integrity of financial reports; internal audit examinations should cover the evaluation of the adequacy and effectiveness of controls that cover the corporation’s governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations. Protection of assets and compliance with contracts, laws, rules and regulations.</p>	

(g) Mechanisms and Safeguards

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

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
<p>The external auditor shall not concurrently serve as the Internal Auditor of the Corporation and shall not perform other non-audit work that may be conflict with its functions as external auditor.</p>			

(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 President.

G. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' welfare	One of the TDG core values is the stewardship, the genuine concern for the common good of all stakeholders. TDG's trust to be the partner of choice.	
Supplier/contractor selection practice	One of the TDG core values is the stewardship, the genuine concern for the common good of all stakeholders. TDG's trust to be the partner of choice.	
Environmentally friendly value-chain	TDG's drive for excellence and sustainable growth is anchored on every TDGer's strong sense of responsibility, " <i>malasakit</i> ," and leadership. TDG believes in the preservation of the environment for future generations, Refer to Corporate Social Responsibility Initiatives for TDG Group's environmental preservation efforts.	
Community interaction	Is comprised of all stakeholders, who together experience a deep sense of belonging and loyalty anchored on a common mission, vision, shared values and caring spirit. Our TDG Community enables us to achieve excellence beyond individual efforts. The Company has a balanced scorecard which the 5% is the corporate social responsibility. Refer to Corporate Social Responsibility Initiatives for TDG Group's corporate social responsibilities.	
Anti-corruption programmes and procedures?	TDG is committed to maintain a work environment that is free from harassment and discrimination. Any unwelcome verbal, written, electronic or physical conduct that either denigrates or show hostility or aversion towards a person on the basis of race, sex, marital status, religion, age, disability, opinions or beliefs will not be tolerated.	
Safeguarding creditors' rights	One of the TDG core values is the stewardship, the genuine concern for the common good of all stakeholders. TDG's trust to be the partner of choice.	

*At present, the Company has no separate code of conduct & ethics, the TDG Groupwide code of conduct and ethics is hereby adopted.

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

The Company participates in the TDG group-wide corporate responsibility.

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

At present, the company has no employees, the TDG Groupwide human resource policy is hereby adopted.

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

Every employee should be safety conscious and concerned with the preservation of health and good housekeeping in the workplace. To ensure the safety and protection of employees, office premises, properties and facilities, everyone is required to comply with the health, security and safety policies of TDG.

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

Every employee should undergo the annual check-up with the TMDC to ensure that the employees are fit to work and free from ailments.

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

As part of TDG's people development program and group-wide quality initiatives, employees are required to attend training programs for quality improvement, as well as for personal and career development. In addition, rotation (transfer or reassignment) is an integral aspect of TDG's Total Organizational Development Program and it is management's prerogative to reassign employees to a different role/function, department, or Member Company as part of this program.

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

4) **What are the company’s procedures for handling complaints by employees concerning illegal (including corruption) and unethical behaviour? Explain how employees are protected from retaliation.**

TDG is committed to maintain a work environment that is free from harassment and discrimination. It shall be the responsibility of the employer or head office to prevent or deter the commission of acts of any harassment. It shall provide procedures for the resolution, settlement or prosecution of harassment. Towards this end, the employer or head office shall promulgate the appropriate rules and regulations in consultation with and jointly approved by the employees through their duly designated representatives.

H. DISCLOSURE AND TRANSPARENCY

1) **Ownership Structure**

(a) **Holding 5% shareholding or more**

Shareholder	Number of Shares	Percent	Beneficial Owner
TDG Ventures, Inc.	131,896,022	87.931%	Transnational Diversified Corp – Parent Company J. Roberto C. Delgado/ Zaki Antoni H. Delgado –Nominee shareholders of TVI

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
No one in the senior management holds more than 5% shares			

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

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

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

Whistle-blowing policy – as this was adopted from TDG’s group-wide whistle-blowing policy.

Training – included in the individual profiles of the directors.

3) **External Auditor's fee**

Name of auditor	Audit Fee	Non-audit Fee
Sycip, Gorres, Velayo & Co.	Php 280,000.00	Php 0.00

4) **Medium of Communication**

Shareholders are provided through public records, communication media and the Company's website, the disclosures, announcements and reports filed with the SEC, PSE, NTC and other regulatory agencies.

5) **Date of release of audited financial report:**

The audited financial statements as of December 31, 2015 were released by the external auditors on March 14, 2016 and submitted to regulators on April 14, 2016.

6) **Company Website**

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

Business operations	YES
Financial statements/reports (current and prior years)	YES
Materials provided in briefings to analysts and media	YES
Shareholding structure	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.

7) **Disclosure of RPT**

RPT	Relationship	Nature	Value
TDG Ventures, Inc.	Borrower-Lender	Shareholder advances existing since 2008. As stated in the audited financial statements, the unsecured intercompany balances represent noninterest-bearing cash advances for working capital requirements.	Php 16,310,284.00

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?

I. **RIGHTS OF STOCKHOLDERS**

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

(a) Quorum

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

Quorum Required	At each meeting of the stockholders, the holder/holders of at least a majority of the outstanding stock of the corporation having voting powers, present in person or represented by proxy, shall constitute a quorum for the transaction of business.
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(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	The Board approves corporate acts. This is ratified and confirmed annually.
Description	A listing of all corporate acts is given to the stockholders as part of the notice and confirmed by the stockholders during the annual meeting.

(c) Stockholders' Rights

List any Stockholders' Rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code.

Stockholders' Rights under The Corporation Code	Stockholders' Rights <u>not</u> in The Corporation Code
Stockholders' rights concerning Annual/Special Stockholders' Meeting are in accordance with provisions stated in the Corporation Code.	There are no stockholders' rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code.

Dividends

Declaration Date	Record Date	Payment Date
There was no dividend declaration for the year.		

(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
Shareholder shall have the right to elect, remove and replace directors and vote on certain corporate acts with the Corporation Code. The minority shareholders shall be granted the right to propose the holding of the meeting and the right to propose items in the agenda of the meeting.	All shareholders shall be allowed to inspect corporate books and records including minutes of the Board and Stockholders Meeting. Shareholders are provided through public records, communication media and the Company's website, the disclosures, announcements and reports filed with the SEC, PSE, NTC and other regulatory agencies.

<p>The Board should be transparent and fair in the conduct of the Annual and Special Stockholders' Meeting. The stockholder should be encouraged to personally attend such meetings.</p>	<p>Shareholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the directors and officers and certain other matters.</p> <p>Stockholders are informed at least 15 business days before the scheduled date of the Annual Stockholders' Meeting. The Notice of the Meeting includes the date, time, venue and agenda of the meeting, the record date of stockholders entitled to vote and the date and place for proxy validation.</p>
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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 the right to actively participate in the above corporate decisions through shares held as each share entitles the holder to one vote that may be exercised in person or by proxy at shareholder meetings.

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:

On July 10, 2015, sending out of annual stockholders' meeting kit to all record stockholders was done through personal delivery and registered mail.

b. Date of the Annual/Special Stockholders' Meeting: TDG Ventures, Inc.

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

No questions arise during the Annual Stockholders' Meeting.

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

Resolution	Approving	Dissenting	Abstaining
Approval of the 2015 Audited Financial Statements	140,609,643 votes representing 94.06%	-	-
Ratification and Confirmation of Board Resolutions and Acts during 2013	140,609,643 votes representing 94.06%	-	-
Election of the Member of the Board	140,609,643 votes representing 94.06%	-	-
Appointment of the External Auditors	140,609,643 votes representing 94.06%	-	-
Amendment of Articles of Incorporation	140,609,643 votes representing 94.06%	-	-

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

The result of the annual stockholders' meeting was immediately disclosed to PSE's on-line reporting system (Odisy) within the same date of the meeting – July 30, 2015.

(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 made during the Annual/Special Stockholders' Meeting.	

(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	Directors: 1. J.Roberto Delgado 2. Modesto N. Cervantes 3. Socorro Z. Niro 4. Jonathan M. Cervantes 5. Zaki Antoni H. Delgado 6. Felipe Araullo 7. Rafael Garcia Officers: 1. Renato Vicente Martinez 2. Melitha F. Gasapos 3. Jose Enrique C. Santiago 4. Ruel Soriano	July 30, 2015	Except in cases where voting by ballot is required by law, voting and counting shall be <i>viva voce</i>	0.0032%	93.7358%	94.0558%
Special	No special meeting held during the year.					

(ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs? No

(iii) Do the company's common shares carry one vote for one share? Yes
 If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.

(g) Proxy Voting Policies

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

Company's Policies	
Execution and acceptance of proxies	Any stockholder entitled to vote at stockholders' meeting may be represented and vote there at by proxy appointed in an instrument in writing, subscribed by such stockholder or
Notary	

Submission of Proxy	by duly authorized attorney, and delivered to the Secretary not later than ten (10) working days before the time set for the meeting. Proxies shall be signed, but they shall require no other attestation. Proxies shall be valid for five (5) years, unless the proxy provides for a shorter period.
Several Proxies	
Validity of Proxy	
Proxies executed abroad	
Invalidated Proxy	
Validation of Proxy	
Violation of Proxy	

(h) Sending of Notices

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

Policies	Procedure
Except as otherwise provided by law, written or printed notice of all annual and special meetings of stockholders, stating the place and time of the meeting and, if necessary, the general nature of the business to be considered, shall be transmitted by personal delivery, mail, telegraph or cable to each stockholder of record entitled to vote thereat at his address last known to the Secretary of the Corporation, at least (10) days before the meeting.	<p>The notice shall be transmitted by personal delivery, mail, telegraph, or cable to each stockholder of record.</p> <p>Except where expressly required by law, no publication of any notice of a meeting of stockholders shall be required.</p> <p>Notice of any adjourned meeting of the stockholders shall not be given, except when expressly required by law.</p>

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	As of the record date, 299 stockholders entitled to receive the definitive information statements and management reports and other materials.
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	July 10, 2015
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	July 10, 2015
State whether CD format or hard copies were distributed	CD format
If yes, indicate whether requesting stockholders were provided hard copies	Generally, stockholders as of record date were provided with hardcopies, except that were established by long practice of sending via registered mail were returned to the sender.

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

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

Should any of the foregoing information be not disclosed, please indicate the reason thereto.
No dividend declared for 2015.

2) Treatment of Minority Stockholders

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

Policies	Implementation
Stockholders should be treated equally or without discrimination, but the Board should give minority stockholders the right to propose the holding of meetings and items for discussion in the agenda that relate directly to the business of the corporation.	Shareholders are provided through public records, communication media and the Company's website, the disclosures, announcements and reports filed with the SEC, PSE, NTC and other regulatory agencies. Stockholders are informed at least 15 business days before the scheduled date of the Annual Stockholders' Meeting. The Notice of the Meeting includes the date, time, venue and agenda of the meeting, the record date of stockholders entitled to vote and the date and place for proxy validation.

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

Yes

J. INVESTORS RELATIONS PROGRAM

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

The Board establish and maintain an investor relations program that will keep the stockholders informed of important developments in the Corporation.

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	To keep the stockholders informed of important developments in the corporation.
(2) Principles	
(3) Modes of Communications	Shareholders are provided through public records, communication media and the Company's website, the disclosures, announcements and reports filed with the SEC, PSE, NTC and other regulatory agencies.
(4) Investors Relations Officer	If feasible, the Corporation's CEO/President shall exercise oversight responsibility over this program.

3) What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets?
Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price.

K. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiative	Beneficiary
NCT's Operation Smile at Caloocan	Residents of Barangay 28 Caloocan City
NTFF & Knowledge Channel Trains Teachers	Teachers of Bayabasan Elem. School, Nasugbu, Batangas
TDG & Delgados' Gives Back to Nasugbu	Students & Faculty Members of Bayabasan Elem. School, Nasugbu, Batangas
NTFF Extends A Hand to Yolanda Victims	Typhoon "Yolanda" victims in Visayas and employees of TDG
NYKFJSC Visited Haven for the Elderly	Elderly people of The Haven for Elderly, Tanay, Rizal
ASIANA Phils. GSA & Hands-on-Manila's "Galing-Mo-Kid Program"	Selected Grade 4 students from chosen schools in Metro Manila
YUSEN Logistics' Cebu Relief Operations	Affected families in Cebu
NYK FIL Japan Shipping Corp's Family Day	Families & Relatives of NYKFIL Japan employees

*The Company participates to the TDG group-wide corporate responsibility.

L. 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	The Board of Directors through its Nomination Committee reviews and evaluates the qualifications of all persons nominated to the Board, as well as the key officers who include CEO/President, and top key officers that required the Board approval. The Nomination Committee also assesses the effectiveness of the Board's processes and procedures in the election or replacement of the directors.	Same criteria are used as stated above in the selection / appointment and re-election of both regular and independent directors is adopted.
Board Committees		
Individual Directors		
CEO/President		

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M. 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
First violation	Subject person shall be reprimanded
Second violation	Suspension from the office shall be imposed
Third violation	The maximum penalty of removal from office shall be imposed

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