

N/A


CONTACT PERSON'S ADDRESS

**Unit 5-I, 5th Floor, OPL Building 100 C. Palanca Street, Legaspi Village,
Makati City**

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM – I-ACGR
INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

1. For the Fiscal Year ended **31 December 2017**
2. Exact Name of Issuer as Specified in its Charter **NOW CORPORATION**
3. **Unit 5-I, 5th Floor, OPL Building, 100 C. Palanca Street, Legaspi Village, Makati City, 1229**
Address of Principal Office Postal Code
4. SEC Identification Number **A199600179**
5. (SEC Use Only)
Industry Classification Code 
6. BIR Tax Identification Number **004-668-224**
7. **+632 750-0211**
Issuer's Telephone number, including area code
8. **N/A**
Former name or former address, if changed from the last report

Principle 1: The company should be headed by a competent, working board 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 long-term best interests of its shareholders and other stakeholders.

Recommendation 1.1

1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.
2. Board has an appropriate mix of competence and expertise.
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.

A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	11
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Actual number of Directors for the year	11
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(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) ¹	Elected when (Annual /Special Meeting)	No. of years served as director
Thomas G. Aquino	ED		Mel V. Velarde	2 June 2011	01 June 2017	Annual	6
Jose S. Alejandro	ED		Mel V. Velarde	1 September 2005	01 June 2017	Annual	12
Mel V. Velarde	ED		Thomas G. Aquino	1 September 2005	01 June 2017	Annual	12
Vicente Martin W. Araneta III	ED		Mel V. Velarde	13 March 2012	01 June 2017	Annual	6
Gerard Bnn R. Bautista	ED		Mel V. Velarde	07 June 2012	01 June 2017	Annual	5
Ramon Guillermo R. Tuazon	ED		Mel V. Velarde	05 June 2014	01 June 2017	Annual	3
Winnita V. Ysog	NED		Mel V. Velarde	02 September 2016	01 June 2017	Annual	1
Marlou B. Ubano	ID		Mel V. Velarde, no relationship with the ID, except for legal representation in some cases not related to the Corporation	06 June 2013	01 June 2017	Annual	4
Domingo B. Bonifacio	ID		Mel V. Velarde, no relationship with the ID	01 June 2017	01 June 2017	Annual	<1
Angeline L. Macasaet	ED		Mel V. Velarde	04 June 2009	01 June 2017	Annual	8

Academic Qualifications, Industry Knowledge, Professional Experience, Expertise, and Relevant Trainings of Directors

Thomas G. Aquino, age 69, Filipino, Chairman of the Board of Directors. He is a Senior Fellow at the Center for Research and Communication, a multidisciplinary policy group of the University of Asia and the Pacific. He is currently the President of NOW Telecom Company, Inc. (formerly Next Mobile, Inc.). He is an independent member of the Board of Directors of ACR Corporation, A

Brown Company Inc., and member of the Board of Trustees of Asian Institute of Journalism and Communication. Dr. Aquino served as Senior Undersecretary of the Philippine Department of Trade and Industry and supervised the country's international trade promotion, trade negotiations under the World Trade Organization and the ASEAN Free Trade Area, as well as bilateral trade talks with the country's major economic trading partners. He also served as overall lead country negotiator for the Philippines in the Japan Philippines Economic Partnership Agreement and was country representative to the High-Level Task Force on ASEAN Economic Integration. For his government service, Dr. Aquino was conferred the Presidential Service Award (or Lingkod Bayan) for extraordinary contribution of national impact on public interest, security and patrimony and was a recipient of the Gawad Mabini Award with the rank of Grand Cross (or Kamanong) for distinguished service to the country both at home and abroad. Dr. Aquino obtained a Doctorate in Business Administration in 1980 from the IESE Business School, University of Navarre in Spain, MS in Industrial Economics in 1972 from the University of Asia and the Pacific, and AB in Economics in 1970 from the School of Economics of the University of the Philippines.

Jose S. Alejandro, age 83, Filipino, Vice Chairman and member of the Board of Directors, served as Chairman of the Board of Directors of the Company on June 2, 2006 until March 22, 2007 when he resigned from said position and was elected as the Company's President. He served as President until January 21, 2008. Mr. Alejandro has also been a Member of the Board of Directors of NOW Telecom Company, Inc. (formerly Next Mobile, Inc.) since 1989 and he now serves as the Board's Chairman. He is a business and management professional and leader with over 25 years of corporate experience. He was the former President and Chief Executive Officer of East Asia Power Resources, a local publicly-listed independent power producer during the period of local economic crisis (1997-1999), Country Manager for the Power Systems Business of General Electric Co. from 1987 to 1995, and Vice President -Marketing at GE Philippines, Inc. and General Manager of GE Appliance Co. In these capacities, he led the growth and success of this leading U.S. global diversified corporation in the Philippines. He holds a Bachelor of Arts and Bachelor of Law degrees from the Ateneo de Manila University, and is a member of the Philippine Bar.

Mel V. Velarde, age 54, Filipino, President and Chief Executive Officer and Member of the Board of Directors, was elected Vice-Chairman of the Company's Board of Directors on June 2, 2006 and served as such until March 22, 2007 when he was elected as Chairman of the Board of Directors. On January 21, 2008, he resigned from his chairmanship and was again elected as Vice Chairman of the Board until June 2, 2011. He was elected as President of the Company on June 13, 2011. Mr. Velarde is the Vice-Chairman and the Chairman of the Executive Committee of NOW Telecom Company Inc. (formerly Next Mobile, Inc.). He served as Philippine Commissioner to the United Nations Educational, Scientific and Cultural Organizations and Chairperson of the Committee on Science and Technology. Mr. Velarde has built a career in broadcasting, cable TV, telecommunications and information communications technology. He was former Executive Vice President and General Manager of Sky Cable. He obtained his Bachelor of Arts in Liberal Studies Major in Interdisciplinary Studies (Summa Cum Laude) at Boston University, Massachusetts, US. He completed the Owner/President Management Program at the Harvard Business School, Harvard University, Cambridge, Massachusetts. He has also completed courses leading to a Masters Degree in Business Economics at the University of Asia and the Pacific. He has taken Strategic Planning, Marketing and Finance at the Asian Institute of Management. In addition, he took up the following executive courses: Wealth Management at Wharton Business School, University of Pennsylvania; Strategic Finance, University of Michigan; Corporate Restructuring and Business Transformation at Harvard Business School; Digital Marketing at Harvard Business School; Managing Businesses in China, Tsinghua University and Harvard Business School; Directing Documentaries at the London School of Film and Television; Broadcasting and Cable Television, Satellite Communications, Data and Internet Communications at the United States Telecommunications Training Institute; Cybersecurity: Planning, Implementing and Auditing of Critical Security Controls (SANS, Washington D.C.); and Advanced and Competitive Sailing Certifications at the Swain Sailing School at Tortola, the British Virgin Islands, Caribbean. He has also completed digital cinematography, digital editing and film production management at University of California, Los Angeles (UCLA), Film Institute, CA.

Vicente Martin W. Araneta III, age 54, Filipino, Director, He also serves as Director and President of Facilities, Inc. and as Chairman of Real Properties, Inc., the holding company of Facilities, Inc. and owner of the Palladium Subdivision. He is also a member of the Board of Directors and Chief Financial Officer of ActivAsia, Inc., a 360-degree marketing services company specializing in Out-of-Home, events, point-of-sale and channel activation, tourism marketing, sports marketing and creative services. He is an incorporator, founding member, Treasurer and Director of the Philippine Chamber of Commerce and Industry – Pasig City, Inc.. He serves as director and chief financial officer of Algo-Rhythm Communications, Inc., Arribadigital, Inc. and ActivCare Home Health Solutions, Inc. He is currently the chief financial officer of Awesome Lab, Inc.. He is also a member (on-leave) of the Management Association of the Philippines and of the Chamber of Real Estate and Builders Associations, Inc. He obtained his Bachelor of Arts Degree in Interdisciplinary Studies at the Ateneo de Manila University in 1985. Mr. Araneta is a member of the Ateneo Alumni Association, Inc. and served as a member of its Board of Directors for the period 2005-2007 and 2009-2012. He is also the President of Ateneo, Inc. and a member since 2011 of the Philippine Association of Congress Exhibitors/ Organizers & Suppliers, Inc. (PACEOS). He is the incorporator of the Mandaluyong Business Foundation. Mr. Araneta also served as Director for the period 2004 to 2005 of the Philippine Science High School Foundation.

Gerard Bnn R. Bautista, age 54 Filipino, Director. He is currently the Chairman of the University of Baguio Foundation. He is a partner in Bnn Bautista Associates, an Architecture & Planning firm. He is a Charter Member of the Rotary Club of Makati,

Greenbelt. He is also a member of various associations, namely, the Harvard Architectural and Urban Society, the Harvard Club of the Phils., the Harvard Alumni Alliance for the Environment, the Harvard Alumni Entrepreneurs, the Philippine Jaycees Senate, Rockwell Club, Porsche Club Philippines, and the Baguio Country Club. He served as President of the Makati Jaycees. He obtained a degree in BS Architecture at the University of the Philippines. He studied Information Technology at the Ateneo Grad School of Business and Financial Forecasting at the University of Asia and the Pacific. He also studied Finance for Senior Executives and Management of Family Corporations at the Asian Institute of Management. Furthermore he studied Actuarial Planning at the Kennedy School of Government at Harvard and School Planning and Design in the Graduate School of Design also at Harvard.

Ramon Guillermo R. Tuazon, age 59, Filipino, Director, is also the President of the Asian Institute of Journalism and Communication (AIJC) and Secretary General of Asian Media Information and Communication Centre (AMIC). Mr. Tuazon is also currently the President and Trustee of the Asian Institute of Journalism and Communication, Inc. He is also a member of the Board of Directors of the Singapore-based Asian Media Information Centre. Since 2007, Mr. Tuazon was the Chairman of the Commission on Higher Education Technical Committee for Communication and member of the CHED Technical Panel for Social Sciences and Communication. He serves as UNESCO Communication & Information Advisor. He also served UNESCO in various capacities: UNESCO Specialist for Myanmar from November 2012 to January 2014; representative of the UNESCO Regional Director to the UN Country Team in the Philippines from 2010 to 2012. He has co-authored six books, co-edited 15 books/monographs, written over 10 handbooks/modules, published numerous articles in international and national books, journals, and monographs. Among his latest publications are: *Multidisciplinary Inquiry on the Culture of Impunity in the Killing of Journalists* (2013), and *Media and Information Literacy: Curriculum for Teachers* (UNESCO Paris, 2011). He has contributed in several international publications including *Media and Information Literacy and Intercultural Dialogue* (NORDICOM, 2013) and *Gender Sensitive Indicators for Media* (UNESCO, 2012). He was a peer reviewer for the recent UNESCO publication, *Global Media Information Literacy Assessment Framework: Country Readiness and Competencies* (2013). Mr. Tuazon completed his Master in Communication Management from the AIJC and Bachelor of Science in Commerce from the University of Santo Tomas where he also took graduate work in advertising.

Marlou Buenafe Ubano, 45 years old, Filipino, Independent Director, has been in practice of law for fifteen years. He is the Founding Partner of the Ubano Sianghio & Lozada Law Offices which was established in June 2002. He is currently a Governor of Integrated Bar of the Philippines – Western Visayas Region. He served as Assistant Secretary for Legal Affairs of the Philippine Department of Transportation and Communications from 2011 to 2013. He was the Commissioner of the Commission on Bar Discipline, Integrated Bar of the Philippines from 2005 to 2007. He also served as President of the Integrated Bar of the Philippines - Capiz Chapter from 2007 to 2009 and again in 2011, and as Deputy Governor of the Integrated Bar of the Philippines – Western Visayas Region from 2011 to 2013. Atty. Ubano was awarded the Presidential Plaque of Merit from the IBP National President in 2007, and a Plaque of Recognition as the Most Outstanding IBP Capiz President in 2009. Atty. Ubano is a Member of the Asean Law Association and the Intellectual Property Association of the Phils., Inc. He obtained his Bachelor's Degree in Law and Political Science in the University of the Philippines.

Domingo B. Bonifacio, age 64, American, Independent Director. He is currently the Executive Vice President & General Manager of Automated Technology (Phil) Inc. Connectivity Division. In addition to these, Mr. Bonifacio was the President of Cirtex Advanced Technologies and Solutions, Inc. – Laguna from 2014 to 2015; President & CEO of REMEC Broadband Wireless International, Inc. – Laguna from 2005 to 2014; President & CEO of REMEC Manufacturing, Philippines, Inc. (Formerly Pacific Microwave Corporation acquired by REMEC, March 2001) from 2001 to 2005; Founder, President & CEO of Pacific Microwave Corporation, Philippines from 1995 to 2001; Director of Operations of Optical Microwave Networks Inc., San Jose, California, U.S.A. from 1989 to 1995; Manufacturing Manager of Litton Industries – MSS Division, Santa Clara, CA, U.S.A from 1987 to 1989; Manufacturing Manager of Gould Inc. – Microwave Products Division, San Jose, CA, U.S.A from 1983 to 1987; Manufacturing Manager of Dexcel Inc. – SATCOM Division, Santa Clara, CA, U.S.A from 1980 to 1983; and a member of the Technical Staff, Varian Associates, Solid State Div., Santa Clara, CA, U.S.A from 1977-1980. Mr. Bonifacio is also a member of the board of directors of Automated Technology (Phil), Inc. of Menlo Health and Wellness Innovations, Inc. and of REMEC Broadband and Wireless, Inc. from 2005 to 2014); a member of the board of trustee of Philippine Chamber of Industrial Estates and Ecozones and of Semiconductor and Electronics of the Philippines from 2011 to 2013; and Chairman of the Board of El Circulo Masantoleno Scholarship Foundation. Mr. Bonifacio obtained his B.S. Electronics and Communications in the University of Santo Tomas. He passed the Electronics and Communication Engineering Licensure Examination, Philippines in 1977. He also took Microwave Engineering in the University of California, Berkley, CA.

Winnita V. Ysog, age 53, Filipino, Director. She served as Marketing Manager of Wizard Academy, a school which offered preparatory education. She also served as Managing Director of Altimax Broadcasting, Inc. In 2004, she served as Vice-Chairman of the Executive Committee and Vice-President of the Human Resource and Quality Administration of Next Mobile, Inc. In 2009, she ventured into the beauty and wellness business and set-up Vanilla Spice. She is the President of Jonahs and Seths Holdings, Inc. She obtained her Bachelor of Science, Major in Tourism degree from the University of the Philippines, Diliman, where she received an award of Proficiency in French. She also obtained her Masters in Management from the Asian Institute of Management, Makati City. She is now the owner and founder of Mabuhay Ako - Bag of Life 360 and currently, the President of Rotary Club of Kamuning East, Rotary International District 3780.

Angeline L. Macasaet, age 45, Filipino, Corporate Secretary and Member of the Board of Directors, is a member of the Philippine Bar. She is also currently the Corporate Secretary and Chief Information Officer of the Company. She is also the Corporate Secretary of the various companies under the Velarde Group such as Velarde, Inc., Gamboa Holdings, Inc., Food Camp Industries and Marketing, Inc., Emerald Investments, Inc., as well as enfranchised companies such as NOW Telecom Company, Inc., GHT Network, Inc., News and Entertainment Network, Inc., among many others. She ensures the compliance of these companies with all regulatory requirements as well as the legal requirements involving specific transactions. Her extensive engagement involves all forms of litigation and in all fora. She also has extensive practice in the Securities and Exchange Commission, Philippine Stock Exchange, and the National Telecommunications Commission. In addition to litigation, Ms. Macasaet has corporate practice all the way to the more complex engagements of management buy-outs, corporate mergers and share swap.

Recommendation 1.2

The Board is composed of a majority of executive directors because most of the directors of the Corporation performs work related to the operation of the Corporation.

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

The Company's corporate governance policy is embodied in its Manual on Corporate Governance (the "Manual") which is a framework of rules, systems and processes in the Company that governs the performance by the Board of Directors and Management of their respective duties and responsibilities to the stockholders. The Revised Manual contains provisions on Adequate and Timely Information (Article 4), Accountability and Audit (Article 5), Governance Self-Rating System (Article 7), Disclosure and Transparency (Article 8) and Commitment to Good Corporate Governance (Article 9). The Composition of the Board, Qualifications and Disqualifications of the Board and Board Responsibilities are provided under Board Governance (Article 3).

The disclosure duties rest mainly on the Compliance Officer of the Company as provided also under Board Governance (Article 3).

¹ Reckoned from the election immediately following 06 June 2013 and 20 January 2017, respectively.

In addition, the Manual contains a provision on Stockholders' Rights and Protection of Minority Stockholders' Interests (Article 7) as provided under the Corporation Code and the Manual on Corporate Governance. The rights of minority stockholders and stakeholders are accorded respect through their: (i) right to vote on all matters that require their consent or approval; (ii) right to inspect corporate books and records; (iii) right to information; (iv) right to dividends; and (v) appraisal right.

(c) Directorship in Other Companies

(i) Directorship in the Company's Group²

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

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Thomas G. Aquino	Now Telecom Company, Inc.	Director-Vice-Chairman
Thomas G. Aquino	Food Camp Industries and Marketing, Inc.	Director-Chairman
Thomas G. Aquino	i-Resource Consulting International, Inc.	Director-Chairman/President
Thomas G. Aquino	i-Professional Search Network, Inc.	Director-Chairman
Mel V. Velarde	Velarde, Inc.	Director-Chairman
Mel V. Velarde	Now Telecom Company, Inc.	Director-President/Chief Executive Officer
Mel V. Velarde	Gamboa Holdings, Inc.	Director-Chairman
Mel V. Velarde	Emerald Investments, Inc.	Director
Mel V. Velarde	Food Camp Industries and Marketing, Inc.	Director-President
Jose S. Alejandro	Now Telecom Company, Inc.	Director-Chairman
Jose S. Alejandro	Emerald Investments, Inc.	Director-Chairman
Ramon Guillermo R. Tuazon	AIJC Incorporated	Director-President
Angeline L. Macasaet	Gamboa Holdings Inc.	Director-Corporate Secretary
Angeline L. Macasaet	Food Camp Industries and Marketing, Inc.	Director-Corporate Secretary
Angeline L. Macasaet	i-Resource International Consulting, Inc.	Director-Corporate Secretary
Angeline L. Macasaet	i-Professional Search Network, Inc.	Director-Corporate Secretary

(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

² The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

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.
Thomas G. Aquino	Alsons Consolidated Resources, Inc.	Independent Director
Thomas G. Aquino	A Brown Company, Inc.	Independent Director

(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
Thomas G. Aquino	Food Camp Industries and Marketing, Inc.	Director-Chairman
Mel V. Velarde	Velarde, Inc.	Director-Chairman
Mel V. Velarde	Gamboa Holdings, Inc.	Director-Chairman
Mel V. Velarde	Emerald Investments, Inc.	Director
Mel V. Velarde	Food Camp Industries and Marketing, Inc.	Director-President
Jose S. Alejandro	Emerald Investments, Inc.	Director-Chairman
Angeline L. Macasaet	Gamboa Holdings Inc.	Director-Corporate Secretary
Angeline L. Macasaet	Emerald Investments, Inc.	Corporate Secretary
Angeline L. Macasaet	Food Camp Industries and Marketing, Inc.	Director-Corporate Secretary
Angeline L. Macasaet	Velarde, Inc.	Corporate Secretary

(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:

The Company has not formally set a limit on the number of board seats in other companies that an individual director or the President or CEO may simultaneously hold. However, as a matter of practice, the directors and the President observe the limit of 5 board seats in other publicly listed companies.

The Board may adopt guidelines on the number of board seats in other companies that an individual director or the President may simultaneously hold especially with other publicly-listed companies, taking into consideration the capability of a director to perform his duties as such effectively and efficiently.

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	Please refer to the above discussion.	None
Non-Executive Director	Please refer to the above discussion.	None
CEO	Please refer to the above discussion.	None

(d) 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
Thomas G. Aquino	1	-	<.01
Jose S. Alejandro	10	-	<.01

<i>Mel V. Velarde</i>	10	-	<.01
<i>Vicente Martin W. Araneta III</i>	1	-	<.01
<i>Gerard Bnn R. Bautista</i>	1	-	<.01
<i>Ramon Guillermo R. Tuazon</i>	1	-	<.01
<i>Marlou B. Ubano</i>	1	-	<.01
<i>Domingo B. Bonifacio</i>	1	-	<.01
<i>Winnita V. Ysag</i>	1	-	<.01
<i>Angeline L. Macasaet</i>	10	-	<.01
TOTAL	37		<.01

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

	Executive	Non-Executive	Independent Director
Role	<ol style="list-style-type: none"> 1. <i>Manages the day-to-day operations of the Company</i> 2. <i>Formulates strategic business plans</i> 3. <i>Implements the business plans</i> 	<ol style="list-style-type: none"> 1. <i>Provides assistance to the executive directors in directing the business affairs of the Company</i> 2. <i>Provides creative criticism of the implementation of the business plan</i> 	<ol style="list-style-type: none"> 1. <i>Coordinates with the executive and non-executive directors in formulating strategic business plans</i> 2. <i>Provides independent judgment and diversity of views and perspectives in reviewing the business plan</i>
Accountabilities	<i>Executive directors are</i>	<i>Non-executive directors</i>	<i>Independent directors ensure</i>
	<i>tasked to implement corporate business plans, decisions and policies, and are involved in the Company's day-to-day operations.</i>	<i>oversee the Company's activities ensuring that sound business decisions are made and that the Board is performing its role in accordance with the Company's business plans and strategies.</i>	<i>that the formulation of effective business plans involves independent judgment and diversity of views and perspectives.</i>
Deliverables	<i>In the performance of their primary functions, executive directors submit reports to the Board and sound proposals and recommendations for consideration of the Board.</i>	<i>Non-executive directors are expected to render an effective scrutiny of the performance of management and the Board in meeting the agreed goals and objectives.</i>	<i>Independent directors are expected to render a thorough consideration of the issues, an informed debate and deliberation of ideas during the Board meetings.</i>

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

An "independent director" is described In the Company's Manual as a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationships which could, or could reasonably be perceived to materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director.

The Nomination Committee ensures that the nominees for independent directorship, apart from their fees and shareholdings, are independent of management and free from any business or other relationships which could, or could reasonably be perceived to materially interfere with their exercise of independent judgment in carrying out their responsibilities as such independent directors.

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.

Yes. Article III, Section 9 of the Company's By-Laws provides that the Company adopts by reference the requirements of Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations on independent directors. The

Company strictly adheres to the provisions of SEC Memorandum Circular No. 09-2011, which took effect on 02 January 2012, which provides that Independent Directors can serve for a period of five (5) consecutive years, and therefore must undergo a cooling off period of two (2) years before he may be eligible for re-election as an Independent Director. An Independent Director who has been re-elected after the cooling-off period can serve for another four (4) additional years.

2) 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
Lucas C. Carpio, Jr.	Independent Director	15 March 2018	Resignation

Recommendation 1.3

1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.
2. Company has an orientation program for first time directors.
3. Company has relevant annual continuing training for all directors.

3) Orientation and Education Program

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

Depending on the qualifications and experience of the director, he or she may be required to attend a seminar or training on corporate governance conducted by a duly recognized training institute before assuming such position.

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

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Thomas G. Aquino	23 November 2017	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management (ROAM) Inc.
Mel V. Velarde	April 13-15, 2015	2015 Broadcast Management Conference	National Association of Broadcasters, USA
Gerard Bnn R. Bautista	November 17 2016	Architectural Imagination	Harvard Graduate School of Design
Gerard Bnn R. Bautista	February 18-19, 2016	Understanding and Implementing ISO 9001: 2015	Certification International Philippines, Inc.
Gerard Bnn R. Bautista	November 2017	Management of Family Corporations	Asian Institute of Management

(c) Continuing education programs for directors, executive officers, and senior management: programs and seminars and roundtables attended during the year.

Name of Director/Officer	Date of Training	Program	Name of Training Institution

Recommendation 1.4 Company has a policy on board diversity.

The Company shall strive to nominate and elect directors with diverse backgrounds, educational attainment, trainings, and work experience to the greatest extent as possible.

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. The process of electing a director involves a review of the qualifications of the nominees, and the Nomination Committee ensures that at least one non-executive director with experience in the same industry as the Company will be qualified for election during the annual stockholders' meeting.

(a) 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	<i>None</i>
Name of Officer/s	<i>None</i>
Name of Significant Shareholders	<i>None</i>

(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	<p><i>For transactions in the ordinary course of business, the Management Committee shall exercise its judgment with regard to any possible conflict of interest.</i></p> <p><i>For transactions that are not in the ordinary course, possible conflict is considered and included in the report to the Board for its consideration. The Board will exercise its judgment in respect to this matter.</i></p>
Group	<i>Same as above.</i>

2) Family, Commercial and Contractual Relations

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

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
<i>None</i>		

(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
<i>Gamboa Holdings, Inc.</i>	<i>Creditor-debtor relationship</i>	<i>Advances for various operational expenses</i>
<i>Emerald Investments, Inc.</i>	<i>Creditor-debtor relationship</i>	<i>Advances for various operational expenses</i>
<i>Velarde, Inc.</i>	<i>Creditor-debtor relationship</i>	<i>Advances for various operational expenses</i>

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

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

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
None.		

Recommendation 1.5

1. Board is assisted by a Corporate Secretary? –

Yes.

2. Corporate Secretary is a separate individual from the Compliance Officer? –

Yes.

3. Corporate Secretary is not a member of the Board of Directors? –

Atty. Angeline L. Macasaet, the Company's Corporate Secretary was voted by the stockholders as a member of the Company's Board of Directors during the 2017 Annual Stockholders' Meeting held on 01 June 2017.

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

Yes.

(b) 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 has the following responsibilities –

1. He/She shall assist the Board and the board committees in the conduct of their meetings, including preparing an annual schedule of Board and committee meetings and the annual board calendar, and shall assist the chairs of the Board and its committees to set agendas for those meetings;

2. He/She shall safekeep and preserve the integrity of the minutes of the meetings of the Board and its committees, as well as other official records of the Corporation;

3. He/She shall keep abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of the Corporation, and he/she shall advise the Board and the Chairman on all relevant issues as they arise;

4. He/She shall be loyal to the mission, vision, and objectives of the Corporation;

5. He/She shall work fairly and objectively with the Board, Management and stockholders and other stakeholders, and he/she shall contribute to the flow of information between the Board and management, the Board and its committees, and the Board and its stakeholders, including shareholders;

6. He/She shall advise on the establishment of board committees and their terms of reference;

7. He/She shall have appropriate administrative and interpersonal skills;

8. If he/she is not at the same time the Corporation's legal counsel, he/she shall be aware of the laws, rules, and regulations necessary in the performance of his/her duties and responsibilities;

9. He/She shall have a working knowledge of the operations of the Corporation;

10. He/She shall inform the members of the Board, in accordance with the By-Laws, of the agenda of their meetings at least five (5) working days in advance, and shall ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;

11. He/She shall attend all Board meetings, except when justifiable causes, such as, illness, death in the

immediate family and serious accidents, prevent him/her from doing so;

12. He/She shall perform required administrative functions;

13. He/She shall oversee the drafting of the By-Laws and shall ensure that they conform with regulatory requirements;

*14. He/She shall ensure that all Board procedures, rules and regulations are strictly followed by the members;
and*

⁵ 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.

15. He/She shall perform such other duties and responsibilities as may be provided by the SEC.

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

Recommendation 1.6

1. Board is assisted by a Compliance Officer?

Yes. Atty. Miguel Antonio S. Regal is the Corporation's Compliance Officer.

2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the Corporation?

The Compliance Officer is one of the legal counsels and a member of the Legal Department of the Corporation.

3. Compliance Officer is not a member of the Board?

No. He is not one of the members of the Board of Directors.

Miguel Antonio S. Regal, age 33, Filipino, Compliance Officer. Atty. Miguel Antonio S. Regal is a member of the Philippine Bar. He is also currently a Legal Counsel and the Compliance Officer of NOW Corporation. He assists in the compliance of the various companies under the Velarde Group such as Velarde, Inc., Gamboa Holdings, Inc., Food Camp Industries and Marketing, Inc., Emerald Investments Inc., NOW Telecom Company, Inc., GHT Network, Inc., News and Entertainment Network Corporation, among many others, with all regulatory requirements as well as the legal requirements involving specific transactions. Prior to joining the Company, he practiced law as an Associate of the Suarez & Narvasa Law Firm and also served as the Assistant Corporate Counsel of Major Homes, Inc., a real estate development company. He has significant experience in handling cases involving Business & Corporate Law, Litigation & Dispute Resolution, Labor Law, Intellectual Property Law, and Civil Law.

Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.

1. Directors act on a fully informed basis, in good faith, with due diligence care, and in the best interest of the company.

(d) 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	<i>The directors may request for any Company information at any time from the Corporate Secretary or the concerned officers.</i>
Audit and Risk Management	<i>The directors may request for any Company information at any time from the Corporate Secretary or the concerned officers.</i>
Nomination and Election	<i>The directors may request for any Company information at any time from the Corporate Secretary or the concerned officers.</i>
Compensation	<i>The directors may request for any Company information at any time from the Corporate Secretary or the concerned officers.</i>
Related Party Transactions	<i>The directors may request for any Company information at any time from the Corporate Secretary or the concerned officers.</i>

2) External Advice

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

Procedures	Details
------------	---------

The Company and its directors may seek external advisory services as the need for it arises. The engagement of any such external advisory services is approved by the Board.

For legal matters, as a supplement, the Company engages the services of external counsels on a retainer basis.

Recommendation 2.2

1. Board oversees the development, review and approval of the company's business objectives and strategy?

Yes. As per Article 1, Paragraph 2 of the Manual on Corporate Governance, the Board of Directors is the governing body elected by the stockholders that exercises the corporate powers of the Corporation, conducts all its business and controls its properties.

2. Board oversees and monitors the implementation of the company's business objectives and strategy?

Yes. Please see previous answer.

Supplement to Recommendation 2.2

1. Board has a clearly defined and updated, vision, mission and core values?

The Board reviews and approves the vision and mission when the need arises or when there is a move to review and approve the vision and mission.

2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.

The Board designates to the Corporation's Executive Committee the duties and responsibilities attendant to the day to day operations of the Company.

Recommendation 2.3 Board is headed by a competent and qualified Chairperson.

The Chairperson of the Corporation is Dr. Thomas G. Aquino.

Thomas G. Aquino, age 69, Filipino, Chairman of the Board of Directors. He is a Senior Fellow at the Center for Research and Communication, a multidisciplinary policy group of the University of Asia and the Pacific. He is currently the President of NOW Telecom Company, Inc. (formerly Next Mobile, Inc.). He is an independent member of the Board of Directors of ACR Corporation, A Brown Company Inc., and member of the Board of Trustees of Asian Institute of Journalism and Communication. Dr. Aquino served as Senior Undersecretary of the Philippine Department of Trade and Industry and supervised the country's international trade promotion, trade negotiations under the World Trade Organization and the ASEAN Free Trade Area, as well as bilateral trade talks with the country's major economic trading partners. He also served as overall lead country negotiator for the Philippines in the Japan Philippines Economic Partnership Agreement and was country representative to the High-Level Task Force on ASEAN Economic Integration. For his government service, Dr. Aquino was conferred the Presidential Service Award (or Lingkod Bayan) for extraordinary contribution of national impact on public interest, security and patrimony and was a recipient of the Gawad Mabini Award with the rank of Grand Cross (or Kamanong) for distinguished service to the country both at home and abroad. Dr. Aquino obtained a Doctorate in Business Administration in 1980 from the IESE Business School, University of Navarre in Spain, MS in Industrial Economics in 1972 from the University of Asia and the Pacific, and AB in Economics in 1970 from the School of Economics of the University of the Philippines.

Chairperson and CEO

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

Yes

☒

No

☐

Identify the Chair and CEO:

Chairman of the Board	Thomas G. Aquino
CEO/President	Mel V. Velarde

(b) Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	<i>Presides over the Meetings of the Board of Directors and stockholders</i>	<i>Shall have administration and direction of the day-to-day business affairs of the corporation</i>
Accountabilities	<ol style="list-style-type: none"> <i>1. Makes certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the corporation, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;</i> <i>2. Guarantees that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;</i> <i>3. Facilitates discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors;</i> <i>4. Ensures that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;</i> <i>5. Assures the availability of proper orientation for first-time directors and continuing training opportunities for all directors;</i> <i>6. Makes sure that performance of the Board is evaluated at least once a year</i> 	<p><i>In the Company's By-Laws the President shall exercise the following functions:</i></p> <ol style="list-style-type: none"> <i>1. To preside at the meetings of the Board of Directors and of the stockholders in the absence of the Chairman;</i> <i>2. To initiate and develop corporate objectives and policies and formulate long range projects, plans and programs for the approval of the Board of Directors, including those for executive training, development and compensation;</i> <i>3. To have general supervision and management of the business affairs and property of the corporation;</i> <i>4. To ensure that the administrative and operational policies of the corporation are carried out under his supervision and control;</i> <i>5. Subject to guidelines prescribed by law, to appoint, remove, suspend or discipline employees of the corporation, prescribe their duties, and determine their salaries;</i> <i>6. To oversee the preparation of the budgets and the statements of accounts of the corporation;</i> <i>7. To prepare such statements and reports</i>
	<ol style="list-style-type: none"> <i>and discussed/followed up on.</i> <i>7. Ensure that the meetings of the Board are held in accordance with the By-laws or as the Chair may deem necessary;</i> <i>8. Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management and the directors; and</i> <i>9. Maintain qualitative and timely lines of communication and information between the Board and Management.</i> 	<ol style="list-style-type: none"> <i>of the corporation as may be required of him by law;</i> <i>8. To represent the corporation at all functions and proceedings;</i> <i>9. To execute on behalf of the corporation all contracts, agreements and other instruments affecting the interests of the corporation which require the approval of the Board of Directors, except as otherwise directed by the Board of Directors;</i> <i>10. To make reports to the Board of Directors and stockholders;</i> <i>11. To sign certificates of stock;</i> <i>12. To perform such other duties as are incident to his office or are entrusted to him by the Board of Directors.</i>
Deliverables	<i>None</i>	<i>The President, with the support of the Company's Treasurer and other officers, shall prepare and submit a Report on the Company's financial statements and operations. The Report is presented during the annual stockholders' meeting.</i>

Recommendation 2.4

1. Board ensures and adopts an effective succession planning program for directors, key officers and management?

The succession plan is determined by the Board as the need arises.

2. Board adopts a policy on the retirement for directors and key officers.

Please refer to the previous answer.

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
<i>None</i>		

B. REMUNERATION MATTERS**Recommendation 2.5**

1. Board aligns the remuneration of key officers and board members with long-term interests of the company.
2. Board adopts a policy specifying the relationship between remuneration and performance.
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.

- 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	<i>The Company's Manual provides that the Compensation Committee shall designate the amount of remuneration of the corporate officers, taking into</i>	<i>The President/CEO determines the remuneration, subject to review by the Compensation Committee in the exercise of its oversight function, and</i>
	<i>consideration the experience and the duties of such officer, to be ratified by the Board.</i>	<i>ratification by the Board.</i>
(2) Variable remuneration	<i>None</i>	<i>None</i>
(3) Per diem allowance	<i>The CEO receives a fixed per diem allowance when attending board meetings.</i>	<i>None</i>
(4) Bonus	<i>None</i>	<i>None</i>
(5) Stock Options and other financial instruments	<i>None</i>	<i>None</i>
(6) Others (specify)	<i>None</i>	<i>None</i>

- 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	<p>The remuneration of executive directors must be competitive to attract and retain highly competent members.</p> <p>The Company's By-Laws provide that the Board shall receive and allocate as compensation, an amount of not more than ten percent (10%) of the net income before income tax of the Company during the preceding year.</p> <p>The Company's By-Laws also provide that, by resolution of the Board, each director shall receive a reasonable per diem allowance for his attendance at each meeting of the Board.</p>	Fixed remuneration, and fixed per diem for attendance at each meeting	<p>The Board determines the remuneration upon recommendation by the President and the Compensation Committee, taking into consideration the experience and the duties of such executive director, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders.</p> <p>As per the Company's By-Laws, the Board determines the per diem subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders.</p>
Non-Executive Directors	The Company's By-Laws provide that, by resolution of the Board, each director shall receive a reasonable per diem allowance for his attendance at each meeting of the Board.	Fixed per diem for attendance at each meeting	As per the Company's By-Laws, the Board determines the per diem subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders.

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years.

Remuneration Scheme	Date of Stockholders' Approval
None	None

3) Aggregate Remuneration (as of 31 December 2017)

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	11,263,770.99	0	0
(b) Variable Remuneration	0	0	
(c) Per diem Allowance	235,000.00	30,000.00	30,000.00
(d) Bonuses	0	0	0

(e) Stock Options and/or other financial instruments	0	0	0
(f) Others (Specify)	0	0	0
Total	11,498,770.99	30,000.00	30,000.00

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	0	0	0
2) Credit granted	0	0	0
3) Pension Plan/s Contributions	0	0	0
(d) Pension Plans, Obligations incurred	0	0	0
(e) Life Insurance Premium	0	0	0
(f) Hospitalization Plan	64, 225.28	16,056.32	0
(g) Car Plan	0	0	0
(h) Others (Specify)			
Total	64,225.28	16,056.32	0

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
<i>None</i>	-	-	-	-

(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
<i>None</i>	<i>Not applicable</i>	<i>Not applicable.</i>

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
Andre Gian P. Aguirre	Php 4,827,692.46
Vicente I. Peñanueva	
Joel N. Gonzales	
Maria Nenita G. Libid	
Miguel Antonio S. Regal	

Recommendation 2.6

1. Board has a formal and transparent board nomination and election policy.
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.
4. Board nomination and election policy includes how the board shortlists candidates.
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.

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:

Under Philippine law, directors are elected, not appointed, at the annual meeting of stockholders. When there is a vacancy, the remaining directors, if they still constitute a quorum, may elect another director to fill up the vacancy (Sec. 29, Corporation Code).

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors	<p>Regular Process:</p> <ol style="list-style-type: none"> 1. The stockholders submit to the Nomination Committee the nominees to the Board for validation. 2. The Nomination Committee prepares a list of nominees to the incumbent board for notation. 3. The Board then submits to the stockholders a final list of nominees for election during the annual stockholders' meeting. <p>Vacancy (as provided under Article III, Section 3, of the By-Laws): Any vacancy occurring other than by removal by the stockholders or by expiration of term, may be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum; otherwise, the vacancy must be filled by the stockholders at a regular or at any special meeting of stockholders called for the purpose.</p>	Article 3 of the Company's Manual provides that in addition to the qualifications for membership in the Board provided for in the Corporation Code, Securities Regulation Code and other relevant laws, the Board shall include practical understanding of the business of the corporation and majority of the members of the Board shall be holders of college degrees.

(ii) Non-Executive Directors	<i>Same</i>	<i>In addition to the above, the Company's Manual provides that non-executive directors of the Company shall possess qualifications and stature that will enable them to participate in the deliberations of the Board.</i>
(iii) Independent Directors	<i>Same</i>	<i>In addition to the above, the Company's Manual provides that the independent director 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.</i>
b. Re-appointment		
(i) Executive Directors	<i>Same procedure for the election of Directors above is used for re-election</i>	<i>Same criteria for the election of directors is used for re-election</i>
(ii) Non-Executive Directors	<i>Same procedure for the election of Directors above is used for re-election</i>	<i>Same criteria for the election of directors is used for re-election</i>
(iii) Independent Directors	<i>Same procedure for the election of Directors above is used for re-election</i>	<i>Same criteria for the election of directors is used for re-election</i>
c. Permanent Disqualification		
(i) Executive Directors	<i>During the initial selection process, the Nominations Committee will determine whether any ground for permanent disqualification exists. If it is determined that ground(s) exist, the nominee will not be included in the list of candidates for election at the annual stockholders' meeting.</i>	<p><i>The Company's Manual provides the following grounds for the permanent disqualification of a director:</i></p> <p><i>(i) Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the</i></p>

	<p>With respect to an incumbent director, when there is reasonable ground to believe that a ground for disqualification exists (as provided in the Company's Revised Manual and relevant laws and SEC rules), this is brought to the attention of the Nomination and Election Committee, which submits its recommendation to the Board. Note that under the Corporation Code the removal of an incumbent director requires the vote of 2/3 of the entire outstanding capital stock at a stockholders' meeting duly called and convened. Where the Board, after due consideration, determines there is ground for disqualification, the Board acting alone does not have the authority to remove the director as to do so would violate the Corporation Code.</p>	<p>Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) 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> <p>(ii) Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasibank, trust company, investment house, or investment 'company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in subparagraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.</p> <p>The disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;</p> <p>(iii) Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation,</p>
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		<p><i>perjury or other fraudulent acts;</i></p> <p><i>(iv) Any person who has been adjudged by final judgment or order of the Commission, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law administered by the Commission or BSP, or any of its rule, regulation or order;</i></p> <p><i>(v) Any person earlier elected as independent director who becomes an officer, employee or consultant of the same corporation;</i></p> <p><i>(vi) Any person judicially declared as insolvent;</i></p> <p><i>(vii) Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in subparagraphs (i) to (v) above;</i></p> <p><i>(viii) 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 or appointment.</i></p>
(ii) Non-Executive Directors	<i>Same</i>	<i>Same</i>
(iii) Independent Directors	<i>Same</i>	<i>Same</i>
d. Temporary Disqualification		
(i) Executive Directors	<p><i>The procedure for determining permanent disqualification is followed.</i></p> <p><i>In the event it is determined that a ground for temporary disqualification exists, the nominee is not included in the list of candidates for election at the annual stockholders' meeting.</i></p>	<p><i>The Company's Manual provides the following grounds for the temporary disqualification of a director:</i></p> <p><i>(i) Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists.</i></p> <p><i>(ii) Absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious</i></p>

		<p>accident. The disqualification shall apply for purposes of the succeeding election.</p> <p>(iii) Dismissal or termination for cause as director of any corporation covered by this Code. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination.</p> <p>(iv) If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.</p>
(ii) Non-Executive Directors	The same process for executive directors is followed for non-executive directors.	The same criteria for temporary disqualification of an executive director is followed.
(iii) Independent Directors	The same process for executive directors is followed for independent directors.	The same criteria for temporary disqualification of an executive director is followed.
e. Removal		
(i) Executive Directors	<p>The Corporation Code mandates the procedure and requirements for the removal of directors.</p> <p>Directors who hold executive positions in the Company serve in such executive position at the pleasure of the Board. They may be removed from such executive position on the basis of loss of trust and confidence by the Board, or for commission of wrongful acts or for the omission to take action when required.</p>	Please see note to the left.
(ii) Non-Executive Directors	The same process for executive directors is followed for non-executive directors.	
(iii) Independent Directors	The same process for executive directors is followed for independent directors.	
f. Re-instatement		
(i) Executive Directors	There is no set procedure for reinstatement of any director. Once removed, reinstatement can only be by election as provided in the Corporation Code.	Not applicable
(ii) Non-Executive Directors	There is no set procedure for reinstatement of any director. Once removed, reinstatement can only be by election as provided in the Corporation Code.	Not applicable
(iii) Independent Directors	There is no set procedure for reinstatement of any director. Once removed, reinstatement can only be by election as provided in the Corporation Code.	Not applicable
g. Suspension		
(i) Executive Directors	There is no set procedure for suspension of any director.	Not applicable

(ii) Non-Executive Directors	<i>There is no set procedure for suspension of any director.</i>	<i>Not applicable</i>
(iii) Independent Directors	<i>There is no set procedure for suspension of any director.</i>	<i>Not applicable</i>

Voting Results of the 2017 Annual Stockholders' Meeting:

Name of Director	Votes Received
<i>Thomas G. Aquino</i>	<i>1,036,635,298</i>
<i>Jose S. Alejandro</i>	<i>1,036,635,298</i>
<i>Mel V. Velarde</i>	<i>1,036,635,298</i>
<i>Vicente Martin W. Araneta III</i>	<i>1,036,635,298</i>
<i>Gerard Bnn R. Bautista</i>	<i>1,036,635,298</i>
<i>Marlou B. Ubano</i>	<i>1,036,635,298</i>
<i>Ramon Guillermo R. Tuazon</i>	<i>1,036,635,298</i>
<i>Winnita V. Ysog</i>	<i>1,036,635,298</i>
<i>Domingo B. Bonifacio</i>	<i>1,036,635,298</i>
<i>Lucas C. Carpio, Jr.</i>	<i>1,036,635,298</i>
<i>Angeline L. Macasaet</i>	<i>1,036,635,298</i>

Recommendation 2.7

1. The Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.
2. The Corporation's RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.
3. The Corporations' RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.

Disclosure of RPT

Related parties	Category	Year	Transaction amount	Due from related parties	Trade and other receivables	Due to related parties	Trade and other payables	Advances to affiliates	Terms	Conditions
Shareholders										
Velarde, Inc.	Advances	2017	₱73,004,050	₱-	₱-	₱141,326,866	₱-	₱-	On demand	Unsecured
		2016	73,626,954	-	-	68,322,816	-	-	On demand	Unsecured
		2015	170,709,048	-	-	223,458,035	-	-	On demand	Unsecured
	Management fee	2017	240,000	-	1,680,000	-	-	-	On demand	Unsecured, no impairment
		2016	240,000	-	1,440,000	-	-	-	On demand	Unsecured, no impairment
		2015	240,000	-	1,200,000	-	-	-	On demand	Unsecured, no impairment
	Interest	2017	-	-	-	-	59,903,586	-	On demand	Unsecured
		2016	-	-	-	-	59,903,586	-	On demand	Unsecured
		2015	-	-	-	-	59,903,586	-	On demand	Unsecured
	GHI	Advances	2017	2,000	2,000	-	-	-	On demand	Unsecured
			2016	-	-	-	-	-	On demand	Unsecured
			2015	-	-	-	95,536	2,035,055	-	On demand
EII	Advances	2017	-	40,848	-	-	-	On demand	Unsecured, no impairment	
		2016	-	40,848	-	-	-	On demand	Unsecured, no impairment	
		2015	-	40,848	-	-	-	On demand	Unsecured, no impairment	
	Leases	2017	-	-	-	2,902,918	-	On demand	Unsecured	
		2016	-	-	-	2,902,918	-	On demand	Unsecured	
		2015	-	-	-	2,902,918	-	On demand	Unsecured	
Affiliates										
NOW Telecom	Advances	2017	12,398,938	63,745,439	-	878,208	-	On demand	Unsecured, no impairment	
		2016	2,704,687	51,346,501	-	878,208	-	On demand	Unsecured, no impairment	
		2015	7,816,287	31,408,455	-	749,806	-	On demand	Unsecured, no impairment	
	Services	2017	7,800,000	-	13,102,508	-	On demand	Unsecured, no impairment		
		2016	7,500,000	-	8,400,000	-	-	-		
		2015	-	-	-	-	-	-		

(Forward)

[illegible]

Related parties	Category	Year	Transaction amount	Due from related parties	Trade and other receivables	Due to related parties	Trade and other payables	Advances to affiliates	Terms	Conditions
I-College	Advances	2017	P-	P720	P-	P-	P-	P-	On demand	Unsecured, no impairment
		2016	-	720	-	-	-	-	On demand	Unsecured, no impairment
		2015	-	720	-	-	-	-	-	-
	Lease	2017	930,313	-	-	5,736,925	-	-	On demand	Unsecured
		2016	930,313	-	-	4,806,612	-	-	On demand	Unsecured
		2015	930,313	-	-	3,876,300	-	-	On demand	Unsecured
	Advances	2017	111,701	487,344	2,380,860	4,216	-	-	On demand	Unsecured
		2016	-	487,344	2,380,860	4,816	-	-	On demand	Unsecured
		2015	1,389,259	2,163,820	2,380,860	6,390,573	-	5,000,000	On demand	Unsecured
Associate Softweb	Loans	2017	-	714,000	-	-	-	-	On demand	Unsecured, no impairment
		2016	-	714,000	-	-	-	-	On demand	Unsecured, no impairment
		2015	-	714,000	-	-	-	-	On demand	Unsecured, no impairment
	Sales	2017	-	-	16,401,451	-	-	-	On demand	Unsecured, no impairment
		2016	5,412,232	-	16,401,451	-	-	-	On demand	Unsecured, no impairment
		2015	12,088,054	-	22,493,064	-	-	-	On demand	Unsecured, no impairment
	Management fee	2017	-	-	15,590,000	-	-	-	On demand	Unsecured, no impairment
		2016	-	-	15,590,000	-	-	-	On demand	Unsecured, no impairment
		2015	-	-	15,590,000	-	-	-	On demand	Unsecured, no impairment
			2017	P123,453,012	P148,840,227	P151,454,345	P76,300,540	P23,592,818		
			2016	P99,526,454	P103,432,082	P77,520,582	P78,712,292	P23,592,818		
			2015	P74,950,275	P66,275,695	P238,078,380	P85,016,264	P28,592,818		

Summary of related party transactions affecting consolidated statements of income:

Related parties	Category	Year	Revenues	Cost of sales and services	General and administrative expenses	
Velarde Inc.	Management Fee	2017	₱240,000	₱-	₱-	
		2016	240,000	-	-	
		2015	240,000	-	-	
	Interest	2017	-	-	-	
		2016	-	-	-	
		2015	-	-	-	
NOW Telecom	Services	2017	7,800,000	-	-	
		2016	7,500,000	-	-	
		2015	-	-	-	
	Cost of data services	2017	-	1,757,720	-	
		2016	-	779,715	-	
		2015	-	-	-	
	Lease	2017	-	-	120,000	
	Newsnet	Services	2017	25,600,000	-	-
			2016	15,450,000	-	-
2015			10,000,000	-	-	
Cost of data services		2017	-	1,364,054	-	
		2016	-	1,696,912	-	
		2015	-	-	-	
GHT	Services	2017	20,600,000	-	-	
		2016	15,450,000	-	-	
		2015	10,000,000	-	-	
IBI	Interest	2017	467,033	-	-	
		2016	467,033	-	-	
		2015	467,033	-	-	
KPSC	Outside services	2017	-	8,411,946	3,344,164	
		2016	-	43,226,619	7,489,693	
		2015	-	40,054,599	6,602,192	
Softweb	Sales	2017	-	-	-	
		2016	5,412,232	-	-	
		2015	12,088,054	-	-	
	Management fee	2017	-	-	-	
		2016	-	-	-	
		2015	-	-	-	
I-College	Lease	2017	-	-	930,313	
		2016	-	-	930,313	
		2015	-	-	930,313	
		2017	₱54,707,033	₱11,533,720	₱4,394,477	
		2016	₱44,519,265	₱45,703,246	₱8,420,006	
		2015	₱32,795,087	₱40,054,599	₱7,532,505	

Supplement to Recommendations 2.7

The Board shall define the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered de minimis or transactions that need not be reported or announced, those that need to be disclosed, and those that need to prior shareholder approval.

The Board shall establish a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.

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

The transactions are supported by signed agreements, corresponding promissory notes, or other documentary support.

Related Party Transactions**(d) 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	<i>Not applicable. The Company has no parent company.</i>
(2) Joint Ventures	<i>Not applicable. The Company has not entered into joint ventures.</i>
(3) Subsidiaries	<i>All related party transactions are fully disclosed and subjected to regular audit by the external auditors. All related party transactions are approved/ratified by the Board.</i>
(4) Entities Under Common Control	<i>Same as (3)</i>
(5) Substantial Stockholders	<i>Same as (3)</i>
(6) Officers including spouse/children/siblings/parents	<i>Same as (3)</i>
(7) Directors including spouse/children/siblings/parents	<i>Same as (3)</i>
(8) Interlocking director relationship of Board of Directors	<i>Same as (3)</i>

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

The department in-charge of business development, working with the President, Treasurer and other officers, and external financial and technical consultants, prepare a detailed recommendation for consideration by the Board. An independent party is named for a specific transaction.

J. RIGHTS OF STOCKHOLDERS**1) Right to participate effectively in and vote in Annual/Special Stockholders' Meetings****(a) Quorum**

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

Quorum Required	<i>Majority of the outstanding capital stock</i>
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(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	Cumulative Voting
Description	<p>For election of directors:</p> <p><i>Stockholders entitled to vote at the Annual / Special Stockholders' meeting shall have the right to vote in person or by proxy the number of shares registered in his name in the stock transfer book of the Company for as many persons as there are directors to be elected. Each stockholder with voting privilege shall have the right to accumulate said shares. The instrument appointing the proxy shall be exhibited to the Secretary and the inspectors of election, and shall be lodged with the Secretary at the time of the meetings if he shall so request.</i></p> <p>All other matters:</p> <p><i>Voting during the Annual/Special Stockholders' Meeting is usually done viva voce or by the raising of hands, unless voting by ballot is specifically requested.</i></p> <p><i>A majority vote is necessary to approve regular matters. The vote of stockholders representing at least 2/3 of the outstanding capital stock of the Company is needed for approval of special matters required by law.</i></p>

(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
	<i>Under the Company's Manual on Corporate Governance, the Board shall give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Company.</i>

Dividends

Declaration Date	Record Date	Payment Date
<i>None</i>		

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
<i>Meetings are held in a comfortable venue easily accessible to shareholders to encourage more attendance.</i>	<i>Details of the date, time and venue are announced well ahead of the meeting. Any changes in the venue are timely disclosed to the SEC and PSE.</i>
<i>Chairman, Directors and Management are present at shareholders meetings. The representatives of the external auditor also attend the shareholders' meeting.</i>	<i>An open forum is held after the annual report and audited financial report are presented. Ample time is provided during every annual stockholders' meeting, allowing them to directly address their questions and comments to the Board or Management. The Chairman also gives shareholders the opportunity to object or interject before a motion is carried during the meeting.</i>

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
 - a. Amendments to the company's constitution – *The approval of the shareholders is secured during annual stockholders' meeting. Prior to the putting to vote any amendment to the Company's constitution, the President of the Company explains the reason for the proposed amendment. Then the shareholders are encouraged to raise questions, give their comments or request clarifications on the proposed amendment.*
 - b. Authorization of additional shares – *The approval of the shareholders is secured during annual stockholders' meeting.*
 - c. Transfer of all or substantially all assets, which in effect results in the sale of the company. - *The approval of the shareholders is secured during the annual stockholders' meeting.*
3. Does the company observe a minimum of twenty-one (21) business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up? - *In the Company's By-Laws, the notice for regular or special meetings of stockholders may be sent by the Secretary by personal delivery or by mail at least two (2) weeks prior to the date of the meeting to each stockholder of record. However, copies of SEC Form 20-IS (Definitive), which include a copy of the Notice of the Stockholders' Meeting, are sent out to the stockholders at least twenty-one (21) business days before the meeting. In addition, the date of the stockholders' meeting is disclosed to the PSE at least 10 business days before the Record Date.*
 - a. Date of sending out notices: *At least twenty-one (21) business days before the meeting*
 - b. Date of the Annual Stockholders' Meeting: *Every first Thursday of June.*
4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting.
 - a) *During the Annual Stockholders' Meeting, various stockholders present engaged in a discussion with the Company's officers and members present in the matter of the products that will be launched by the Corporation for the ensuing year. The Corporation's President and Chief Executive Officer, Mr. Mel V. Velarde, explained and discussed in detail the features and specifications of the device providing wi-fi internet connection.*
5. Result of Annual/Special Stockholders' Meeting's Resolutions

Annual Stockholders' Meeting (01 June 2017)

Resolution	Approving	Dissenting	Abstaining
<i>The following were elected as Directors – Dr. Thomas G. Aquino Atty. Jose S. Alejandro Mr. Mel V. Velarde Mr. Vicente Martin W. Araneta III Arch. Gerard Bnn R. Bautista Mr. Ramon Guillermo R. Tuazon Atty. Marlou B. Ubano, as independent director Mr. Domingo B. Bonifacio, as independent director Atty. Lucas C. Carpio, Jr., as independent director Ms. Winnita V. Ysog Atty. Angeline L. Macasaet</i>	1,036,635,298	0	0
<i>Approval of the Minutes of the Special Stockholders' Meeting held on 08 November 2016</i>	1,036,635,298	0	0
<i>Approval of the 2016 Annual Report and 2016 Audited Financial Statements</i>	1,036,635,298	0	0

<i>Approval of Acts of and Resolutions of the Board of Directors and Officers of the Corporation since the Last Annual Stockholders' Meeting</i>	1,036,635,298	0	0
<i>Approval of the Re-Appointment of Sycip Gorres Velayo & Co. as External Auditor</i>	1,036,635,298	0	0

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

The result of the votes was immediately disclosed to the PSE on the day of the meeting and filed with the SEC within 3 days from the date of the meeting.

(d) 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
None	

(e) 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	Thomas G. Aquino Jose S. Alejandro Mel V. Velarde	01 June 2017	By show of hands	0.3373	67.9847	68.3220
	Vicente Martin W. Araneta III Gerard Bnn R. Bautista Ramon Guillermo R. Tuazon Marlou B. Ubano Domingo B. Bonifacio Lucas C. Carpio, Jr. Winnita V. Ysog Angeline L. Macasaet					

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

Yes.

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

Yes, the Company's common shares carry one vote for one share. On 10 January 2017, the SEC approved the reclassification of 60,000,000 Common Shares to Redeemable, Convertible, Non-Participating, and Non-Voting Preferred Shares.

(f) 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	<i>The Company encourages shareholders to submit proxies.</i>
Notary	<i>Notarization of the proxy is not required.</i>
Submission of Proxy	<i>Submission of the proxy may be done by personal delivery, by mail, by electronic mail or by facsimile.</i>
Several Proxies	<i>There has been no instance where a shareholder executed several proxies. Should this situation arise, the latest dated proxy would be recognized.</i>
Validity of Proxy	<i>As stated in the Company's By-Laws, unless otherwise stated in the proxy, it is valid only for the meeting for which it was presented to the Secretary (valid for one meeting only).</i>
Proxies executed abroad	<i>Proxy executed abroad is acceptable and may be sent by electronic mail or by facsimile.</i>
Invalidated Proxy	<i>Proxy not submitted during the announced date and time of proxy validation is not accepted during the meeting.</i>
Validation of Proxy	<i>Date, time and venue of proxy validation is announced and contained in the notice of meeting.</i>
Violation of Proxy	<i>If there is material violation of the Proxy, the Company will not accept the proxy.</i>

(g) Sending of Notices

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

Policies	Procedure
<i>The Notice must be sent to stockholders at least twenty-one (21) business days before the scheduled meeting.</i>	<i>The notices are sent by personal delivery or by mail along with a copy of the Company's SEC Form 20-IS (Definitive Information Statement).</i>

Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	44
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	10 May 2017
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	10 May 2017
State whether CD format or hard copies were distributed	<i>Hard copies were distributed.</i>
If yes, indicate whether requesting stockholders were provided hard copies	<i>Hard copies were also available during the Annual Stockholders' Meeting. Requesting stockholders were provided hard copies.</i>

(h) 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.	<i>No. The profiles of directors nominated for election/re-election are included in the Definitive Information</i>

	Statement.
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

The dividend policy will be provided when dividends are declared. The Company has not declared any dividends in the previous years.

The Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.

The results of the 2017 Annual Stockholders' Meeting were filed with the Securities and Exchange Commission (SEC Form 17-C) on 02 June 2017 and disclosed with the Philippine Stock Exchange on 01 June 2017,

The Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.

Representatives from Sycip Gorres & Velayo Co. were present during the 2017 Annual Stockholders' Meeting held on 01 June 2017.

2) Treatment of Minority Stockholders

The Board clearly articulates and enforces policies with respect to treatment of minority shareholders.

Policies	Implementation
<i>The Company respects the right of minority shareholders to vote on all matters that require their consent or approval.</i>	<i>Stockholders have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code. Cumulative voting shall be used in the election of directors. A director shall not be removed without cause if it will deny minority stockholders representation in the Board.</i>
<i>The Company respects the right of minority shareholders to inspect corporate books and records.</i>	<i>All stockholders are allowed, upon prior written notice and during regular business hours, to inspect corporate books and records including the minutes of Board meetings and stock registries in accordance with the Corporation Code and shall be furnished with annual reports, including financial statements, without cost or restrictions.</i>

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

Yes, as discussed above.

Recommendation 2.8

1. The Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions.

Members of the Management Team –

a. Vicente I. Peñanueva	-	Treasurer and Chief Finance Officer
b. Andre Gian P. Aguirre	-	Chief Audit Executive
c. Miguel Antonio S. Regal	-	Compliance Officer
d. Kristian Noel A. Pura	-	Head, Business Development and Strategy
e. Joel N. Gonzales	-	Service Delivery Head
f. Maria Nenita G. Libid	-	Managing Director, Software Collaborations Group
g. Elena H. Dimailig	-	Head Operations and Admin Group
h. Romeo C. Escobar, Jr.	-	Network & Infrastructure Director

i. Jonah Kasthen V. Rosero

- Head of Digital Marketing

2. The Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions.

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

	Process	Criteria
Board of Directors	<i>Self-assessment and rating</i>	<i>Manual on Corporate Governance</i>
Board Committees	<i>Self-assessment and rating</i>	<i>Manual on Corporate Governance</i>
Individual Directors	<i>Self-assessment and rating</i>	<i>Manual on Corporate Governance</i>
CEO/President	<i>Self-assessment and rating</i>	<i>Manual on Corporate Governance and By-Laws</i>

Recommendation 2.9

1. The Board shall establish an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board of Directors and Senior Management.

1. The Board shall also establish an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.

C. INTERNAL AUDIT AND CONTROL

Recommendation 2.10

1. The Board oversees that an appropriate internal control system is in place.

2. The internal control system shall include a mechanism for monitoring and managing potential conflicts of interest of the Management, members and shareholders.

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 internal control is a system established by the Board of Directors and Management for the accomplishment of the Company's objectives, the efficient operation of its business, the reliability of its financial reporting, and faithful compliance with applicable laws, regulations and internal rules. The Audit and Risk Management Committee is mandated to monitor and evaluate the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology security.

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

The Board utilizes its regular Board meetings to review and assess the effectiveness of the Company's internal control system.

(c) Period covered by the review;

The review conducted by the Board regarding the effectiveness of the Company's internal control system covers projects and activities during the quarter previous to the Board meeting.

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

The internal controls, as well as the directors' criteria, are reviewed annually.

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

Not applicable.

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
<i>To provide independent, objective assurance and consulting services to Management</i>	<i>On the basis of the approved audit plans, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the corporation's</i>	<i>In-house; Internal Audit may consult External Auditor as necessary or appropriate.</i>	<i>The audit function is performed by the heads of the different departments within their respective departments.</i>	<i>Internal audit reports are submitted to the Audit and Risk Management Committee directly.</i>
<i>designed to add value and improve the Company's operations.</i>	<i>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.</i>			

(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 and Risk Management Committee?

Not applicable.

(c) Discuss the internal auditor's reporting relationship with the Audit and Risk Management Committee. Does the internal auditor have direct and unfettered access to the Board of Directors and the Audit and Risk Management Committee and to all records, properties and personnel?

The heads of the different departments have access to the Board and the Audit and Risk Management Committee, and to records, properties and personnel of their respective departments.

(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.

Not applicable. The Company has no internal audit staff.

Name of Audit Staff	Reason
<i>Not applicable</i>	

(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	<i>The Company comprehensively reviews and implements the established audit plan based on a scheduled timeline.</i>
Issues⁶	<i>There are no significant issues involving different interpretations because the Company implements and adheres to a fixed set of accounting policies and internal control mechanisms.</i>

Findings⁷	<i>There are no significant findings.</i>
Examination Trends	<i>The Company continues to conduct examination of possible issues on a regular basis but no pervasive issues or findings have been determined.</i>

[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.]

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

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

(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
<i>The unit must effectively communicate the results of its work, thereby helping to drive changes that contribute to the achievement of organizational objectives</i>	<i>Implemented</i>
<i>Risk-based plans must be established to determine the priorities of the internal audit activity, consistent with the Company's goals</i>	<i>Implemented</i>
<i>Governance frameworks must be established to define the scope of work</i>	<i>Implemented</i>

(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
<i>The stockholders, during the Annual Stockholders' Meeting, approve the appointment of the Company's external auditors for the ensuing year.</i>	<i>The Company does not retain financial analysts, thus this question is not relevant to the Company.</i>	<i>The Company does not deal with Investment Banks, thus this question is not relevant to the Company.</i>	<i>Except with the Institute of Corporate Directors, the Company does not deal with rating agencies.</i>

(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's Compliance Officer attests to the Company's full compliance with the SEC Code of Corporate Governance and confirms that all the members of the Board of Directors, officers and personnel of the Company have complied with all the leading practices and principles on good corporate governance as embodied in the Company's Manual. The Compliance Officer further confirms that all the members of the Board of Directors, officers and personnel 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.

A. 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

At the level of directors and senior officers, the Board will evaluate possible violation and if after a fair consideration of the facts it is established that there was in fact a violation, the Board will determine sanctions on a case to case basis.

Violations	Sanctions
<i>Please see answer above.</i>	

Recommendation 2.11

1. The Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively, identify, monitor, assess and manage key business risks.

2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.

D. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

The Board has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Company shall fund its operational and capital-intensive projects from internally generated funds.

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

The Board regularly meets to discuss and update themselves regarding the ongoing plans and programs of the Company and how these may affect the Company's liquidity and other relevant risks. The Company shall establish or provide for a system on internal audit of the Company to provide a more effective risk management system.

(c) Period covered by the review;

The review conducted by the Board regarding the effectiveness of the Company's risk management system covers projects and activities during the quarter previous to the Board meeting.

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

The Company's risk management policies and structure are reviewed regularly to reflect changes in market conditions and the Company's activities.

(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
Competition	<i>New and existing competitors can erode the Company and its subsidiaries' competitive advantage through the introduction of new products and services, improvement of product quality, increase in production efficiency, new and updated technologies and costs reductions. To manage these, the Company and its subsidiaries continuously come up with new and exciting products and improve product propositions.</i>	<i>To ensure competitiveness of the Company's products</i>
Third party services	<i>The Company's social media services are dependent on 3rd party services. Maintaining and sustaining a satisfactory relationship with these providers is critical to ensure technical support for the Company's social media services. To mitigate this risk, the Company is constantly in search for the right partners.</i>	<i>To minimize the Company's exposure to unreliable 3rd party service providers</i>

Internet	<i>The Company's social media services are dependent on the quality and accessibility of the Internet. The over-all user experience may be adversely affected by a poor internet connection. The growth of this sector in the Philippines may be limited as internet access has not reached more far-flung areas in the country. To mitigate this risk, the Company is constantly in search of telecommunication partners who will provide reliable internet connection.</i>	<i>To minimize the Company's exposure to unreliable 3rd party service providers</i>
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(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:

The Group's risk management policy is essentially the same as those implemented by the Company.

(c) Minority Shareholders

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

Risk to Minority Shareholders
<i>Exercising control over the stockholders' voting power bears the risk of creating an imbalance between the controlling and the minority shareholders, for which reason, the holders of the Company's shares are all equally entitled to one vote per share with the objective of protecting minority interests. At the same time, the identity of the controlling shareholders and the degree of ownership concentration are disclosed in the Company's annual report.</i>
<i>As with any other corporation that has various shareholder groups with differing interests, the minority shareholders' interests may not be prioritized by the exercise of the controlling shareholders' voting power. To address this risk, policies are in place towards ensuring that the Board will, in all cases, consider the corporate interest as a whole, among them are: (i) emphasis on the fiduciary responsibilities of the Board and the officers to the Company and its shareholders and the duties of care and prudence; (ii) emphasis on the avoidance of conflicts of interest and on prompt disclosure of potential conflict; (iii) prompt, full and fair disclosure of material information; (iv) adoption of policies on related party transactions; and (v) other policies towards avoidance of actions that will favor the controlling or major shareholders' at the expense of the minority shareholders.</i>

Control System Set Up

(d) 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)
Competition	<i>Input from the sales and marketing teams are considered in assessing the competition.</i>	<i>To manage these, the Company and its subsidiaries continuously come up with new and exciting products and improve product propositions.</i>
Third Party Services	<i>Input from the technical team is considered in assessing the reliability of third party services.</i>	<i>To mitigate this risk, the Company is constantly in search for the right partners.</i>
Internet	<i>Input from the technical team is considered in assessing the reliability of internet connection.</i>	<i>To mitigate this risk, the Company is constantly in search for the right partners.</i>

(e) Group

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

company:

The Group's risk control system is essentially the same as those implemented by the Company.

(f) 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
<i>Executive Committee</i>	<i>Regular review of Company activities</i>	<i>Power to approve or amend the annual business plan to govern the operation, expenditures, activities, making of capital calls, sourcing of funds, and budget of the Company</i>
<i>Audit and Risk Management Committee</i>	<i>Regular review of risk policies and management</i>	<p><i>Common recurring activities of the Committee:</i></p> <p>A. Financial Reporting and Disclosures</p> <ol style="list-style-type: none"> <i>1. The Committee shall review, with management and the external auditors and approve, prior to public dissemination, the Company's annual audited financial statements and any quarterly financial statements and reports</i> <i>2. The Committee shall review and identify material errors and fraud, and ensure establishment of measures for sufficient risk control.</i> <i>3. The Committee shall review unusual or complex transactions including related party transactions.</i> <i>4. The Committee shall review and determine, with management and the external auditors and approve the impact of new accounting standards and interpretations.</i> <i>5. The Committee shall communicate with legal counsel on litigation, claims, contingencies or other significant legal issues that impact the financial statements.</i> <i>6. The Committee shall review and discuss with management and the external auditors the Company's earnings, press releases as well as financial information and earnings guidance provided to analysts and rating agencies.</i> <i>7. The Committee shall review any significant disagreement between management and the independent auditors or the Internal Audit Department in connection with the preparation of the financial statements and management's response to such matters.</i> <i>8. The Committee shall assess the correspondence between the Company and regulators regarding financial filings and disclosures.</i>

		<p>B. Risk Management and Internal Controls</p> <ol style="list-style-type: none"> 1. The Committee shall obtain Management's assurance on the state of internal controls. 2. The Committee shall review internal auditors' evaluation of internal controls. 3. The Committee shall evaluate the internal control issues raised by external auditors and assess the control environment, including IT systems and functions. 4. The Committee shall set a framework for fraud prevention and detection, including the establishment of the whistle-blower program. 5. The Committee shall deliberate on findings of weakness in controls and reporting process. 6. The Committee shall evaluate the sufficiency and effectiveness of risk management processes and policies and meet with Management to discuss the Committee's observations and findings on the risk processes and policies of the Company. 7. The Committee shall prepare and implement a Business Continuity Plan. 8. The Committee shall also promote risk awareness in the Company. <p>C. Management and Internal Audit</p> <ol style="list-style-type: none"> 1. The Committee shall evaluate Management's compliance with the Code of Conduct. 2. The Committee shall ensure unrestricted access of the internal auditors to all records, properties and personnel of the Company to enable them to perform their internal audit functions. 3. The Committee shall set up the Internal Audit Department and appoint the Chief Internal Auditor. It shall establish and identify the structure of the Internal Audit Department, with the Chief Internal Auditor reporting directly to the Committee functionally. The Committee shall also approve the Internal Audit Charter and subsequent amendments thereto for approval of the Board. The Committee shall also assess adequacy of resources and ensure the independence of the Internal Audit Department. 4. The Committee shall ensure compliance by the Internal Audit Department with International Standards on the Professional Practice of Internal Auditing. 5. The Committee shall also review and approve the internal audit annual plan, ensuring that it conforms to the objectives of the Company. It shall also approve the extent and scope of the internal audit work, ensuring that the audit resources are reasonably allocated to the areas of highest risk. 6. The Committee shall review the reports of the internal auditors and regulatory agencies, where applicable, ensuring that Management is taking appropriate corrective actions in a timely manner. 7. Should the Company become a subsidiary of a foreign corporation covered by the Code of Corporate Governance, the Committee shall ensure that the internal auditor is independent of the Philippine operations and shall report to the regional corporate headquarters. <p>D. External Audit</p> <ol style="list-style-type: none"> 1. The Committee shall assess and ensure the independence and professional qualifications of the external auditors. It shall recommend the appointment of the external auditors and their remuneration to the Board. The Committee shall ensure that the external auditors are rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Company, should be changed with the same frequency. 2. The Committee shall discuss with the external auditor, prior to the commencement of the audit, the nature, scope and expenses of the audit. It shall also review the reports submitted by the external auditors, and ensure the external auditors' compliance with auditing standards. 3. The Committee shall evaluate and determine the non-audit work, if any, of the external auditors, and review periodically the non-audit fees paid to the external auditors in relation to their significance to the total annual income of the external auditors and to the Company's overall consultancy expenses. It shall disallow any non-audit work that will conflict with the duties of the external auditors or may pose a threat to their independence. 4. The Committee shall evaluate and understand agreements between the external auditor and Management. 5. The Committee shall also ensure that Management is taking appropriate corrective actions on the findings of the external auditors in a timely manner. 6. The Committee shall ensure Management's competence regarding financial reporting responsibilities including aggressiveness and reasonableness of decisions.
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		<p>7. The Committee shall ensure that Management shall timely and completely communicate with the external auditor the 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.</p> <p>8. The Committee shall ensure unrestricted access of the external auditors to all records, properties and personnel of the Company to enable them to perform their external audit functions.</p>
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Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

Recommendation 3.1 The Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

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

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	3	0	0	Executive Committee Charter	Takes charge of the day to	<p>1. Appoint and remove any officers of the Company, except the President, Treasurer and Corporate Secretary;</p> <p>2. Approve or amend the annual business plan approved by the SH to govern the operation, expenditures, activities, making of capital call, sourcing of funds, and budget of the Company;</p> <p>3. Approve each annual operating budget or capital budget of the Company, and of any material amendment, modification or deviation and of any disbursement of expenses not reflected in such budget;</p> <p>4. Approve any individual expenditure, including multiple components of a single order or system, which expenditure is not part of the business plan approved by the SH;</p> <p>5. Approve borrowing, or</p>	Removal of Company officers, except the President, Treasurer and Corporate Secretary

						<p>guarantee of or agreement to indemnify for any one liability in each case not provided for in an approved budget; and</p> <p>6. Approve transaction between the Company and any SH.</p>	
Audit and Risk Management	2	0	1	Audit and Risk Management Committee Charter	The primary responsibility of the Committee is oversight.	<p>It's key responsibilities are with respect to:</p> <ol style="list-style-type: none"> 1. Financial Reporting and Disclosures 2. Risk Management and Internal Controls 3. Management and Internal Audit; and 4. External Audit 	May disallow any non-audit work that will conflict with the duties of an external auditor or may pose a threat to his independence
Nomination and Election	2	0	1	Nomination and Election Committee Charter	Reviews and evaluates qualifications of all persons nominated to the Board and other appointments that require Board approval	<ol style="list-style-type: none"> 1. Review the qualifications of the nominees for the Board and determine whether any ground for disqualification exists; 2. Ensure that at least one non-executive director with experience in the same industry as the Company will be qualified for election during the annual SH meeting; 3. Set a limit on the number of board seats in other companies that a director or the President or CEO of the Company may simultaneously hold especially with other publicly-listed companies; 4. Review the qualifications of the nominees for positions in the Company requiring appointment by the Board and shall determine whether any ground for disqualification against the nominees exists.; 5. Appoint competent, professional, honest & highly motivated management officers. 	May disqualify a nominee for a board seat or any other appointments that require a board approval
Compensation	1	1	1	Compensation Committee Charter	Establishes a formal and transparent procedure for developing a policy on remuneration of directors and officers, and exercises oversight function over the remuneration of senior management and other key personnel to ensure that the compensation is consistent with the Company's strategy, culture, and control	<ol style="list-style-type: none"> 2. Establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors, if any, & officers; 3. Establish pension, retirement, bonus, profit-sharing, or other types of incentives or compensation plans for the employees, officers and directors of the Company and to determine the persons to participate in any such plans and the amount of their respective participation; 	May disallow any director to decide his or her own remuneration

					environment	<p>3. Review remuneration of senior management and other key personnel as fixed by the President;</p> <p>4. Determine reasonable per diem allowance of the directors for attendance at each meeting of the Board subject to ratification by the Board;</p> <p>5. Designate the amount of remuneration of the executive officers subject to ratification by the Board;</p> <p>6. Ensure that the SH have the opportunity at a regular or special meeting to approve the decision on total remuneration of members of the Board;</p> <p>7. Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers;</p> <p>8. Develop the Personnel Handbook to establish provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of employees concerned with all statutory requirements that must be periodically met in their respective posts.</p>	
Related Party Transactions	0	0	3	Related Party Transactions Committee Charter	Reviews all material related party transactions of the Company.	<p>1. Evaluate on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships should be reflected in the relevant reports to the Board and regulators/supevisors;</p> <p>2. Evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms (e. g. price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the company are misappropriated or</p>	

					<p><i>misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee takes into account, among others, the following:</i></p> <p><i>a. The related party's relationship to the Company and interest in the transaction;</i></p> <p><i>b. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;</i></p> <p><i>c. The benefits to the Corporation of the proposed RPT;</i></p> <p><i>d. The availability of other sources of comparable products or services; and</i></p> <p><i>e. An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Company should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs;</i></p> <p><i>3. Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Company's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure should include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the Company's affiliation or transactions with other related parties;</i></p> <p><i>4. Report to the Board of Directors on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;</i></p> <p><i>5. Ensure that transactions with related parties,</i></p>	
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						including write-off of exposures are subject to a periodic independent review or audit process; and	
						6. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.	
Others	N/A	N/A	N/A	N/A	N/A	N/A	N/A

The above Committees may also carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committees shall also carry out any other responsibilities and duties delegated to it by the Board of Directors from time to time related to its respective purpose.

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	Thomas G. Aquino	29 June 2017	12	12	100	6
Member (ED)	Mel V. Velarde	29 June 2017	12	12	100	6
Member (ED)	Angeline L. Macasaet	29 June 2017	12	12	100	6

The Board establishes an Audit and Risk Management Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. It is the responsibility of the Audit and Risk Management Committee to recommend the appointment and removal of the company's external auditor.

All the members of the Committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.

The Chairman of the Audit and Risk Management Committee is not the Chairman of the Board or of any other committee.

(b) Audit and Risk Management Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairperson (ID)	Marlou B. Ubano	29 June 2017	2	2	100	4 years
Member (ED)	Ramon Guillermo R. Tuazon	29 June 2017	2	2	100	4 years
Member (ED)	Gerard Bnn R. Bautista	29 June 2017	2	2	100	4 years

Disclose the profile or qualifications of the Audit and Risk Management Committee members.

The Company's Manual on Corporate Governance mandates that the Audit and Risk Management Committee shall consist of at least three (3) directors, one of whom shall be an independent director.

Marlou Buenafe Ubano, 45 years old, Filipino, Independent Director, has been in practice of law for fifteen years. He is the Founding Partner of the Ubano Sianghio & Lozada Law Offices which was established in June 2002. He is currently a Governor of Integrated Bar of the Philippines – Western Visayas Region. He served as Assistant Secretary for Legal Affairs of the Philippine Department of Transportation and Communications from

2011 to 2013. He was the Commissioner of the Commission on Bar Discipline, Integrated Bar of the Philippines from 2005 to 2007. He also served as President of the Integrated Bar of the Philippines - Capiz Chapter from 2007 to 2009 and again in 2011, and as Deputy Governor of the Integrated Bar of the Philippines – Western Visayas Region from 2011 to 2013. Atty. Ubano was awarded the Presidential Plaque of Merit from the IBP National President in 2007, and a Plaque of Recognition as the Most Outstanding IBP Capiz President in 2009. Atty. Ubano is a Member of the Asean Law Association and the Intellectual Property Association of the Phils., Inc. He obtained his Bachelor's Degree in Law and Political Science in the University of the Philippines.

Ramon Guillermo R. Tuazon, age 59, Filipino, Director, is also the President of the Asian Institute of Journalism and Communication (AIJC) and Secretary General of Asian Media Information and Communication Centre (AMIC). Mr. Tuazon is also currently the President and Trustee of the Asian Institute of Journalism and Communication, Inc. He is also a member of the Board of Directors of the Singapore-based Asian Media Information Centre. Since 2007, Mr. Tuazon was the Chairman of the Commission on Higher Education Technical Committee for Communication and member of the CHED Technical Panel for Social Sciences and Communication. He serves as UNESCO Communication & Information Advisor. He also served UNESCO in various capacities: UNESCO Specialist for Myanmar from November 2012 to January 2014; representative of the UNESCO Regional Director to the UN Country Team in the Philippines from 2010 to 2012. He has co-authored six books, co-edited 15 books/monographs, written over 10 handbooks/modules, published numerous articles in international and national books, journals, and monographs. Among his latest publications are: *Multidisciplinary Inquiry on the Culture of Impunity in the Killing of Journalists* (2013), and *Media and Information Literacy: Curriculum for Teachers* (UNESCO Paris, 2011). He has contributed in several international publications including *Media and Information Literacy and Intercultural Dialogue* (NORDICOM, 2013) and *Gender Sensitive Indicators for Media* (UNESCO, 2012). He was a peer reviewer for the recent UNESCO publication, *Global Media Information Literacy Assessment Framework: Country Readiness and Competencies* (2013). Mr. Tuazon completed his Master in Communication Management from the AIJC and Bachelor of Science in Commerce from the University of Santo Tomas where he also took graduate work in advertising.

Gerard Bnn R. Bautista, age 54 Filipino, Director. He is also currently the Chairman of the University of Baguio Foundation. He is a partner in Bnn Bautista Associates, an Architecture & Planning firm. He is a Charter Member of the Rotary Club of Makati, Greenbelt. He is also a member of various associations, namely, the Harvard Architectural and Urban Society, the Harvard Club of the Phils., the Harvard Alumni Alliance for the Environment, the Harvard Alumni Entrepreneurs, the Philippine Jaycees Senate, Rockwell Club, Porsche Club Philippines, and the Baguio Country Club. He served as President of the Makati Jaycees. He obtained a degree in BS Architecture at the University of the Philippines. He studied Information Technology at the Ateneo Grad School of Business and Financial Forecasting at the University of Asia and the Pacific. He also studied Finance for Senior Executives and Management of Family Corporations at the Asian Institute of Management. Furthermore, he studied Actuarial Planning at the Kennedy School of Government at Harvard and School Planning and Design in the Graduate School of Design also at Harvard.

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

The Audit and Risk Management Committee performs oversight functions over external auditors and ensures that external auditors are given unrestricted access to all records, properties and personnel to enable them to perform their audit functions.

The Audit and Risk Management Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.

Fees paid for non-audit services do not outweigh the fees paid for audit services.

(c) Nomination and Election Committee

Office	Name	Date Last of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Vicente Martin W. Araneta III	29 June 2017	3	3	100	4 years
Member (ED)	Jose S. Alejandro	29 June 2017	3	3	100	4 years
Member (ID)	Marlou B. Ubano	29 June 2017	3	3	100	3 years

(d) Compensation Committee

Office	Name	Date Last of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	<i>Thomas G. Aquino</i>	<i>29 June 2017</i>	<i>1</i>	<i>1</i>	<i>100</i>	<i>6 years</i>
Member (ID)	<i>Marlou B. Ubano</i>	<i>29 June 2017</i>	<i>1</i>	<i>1</i>	<i>100</i>	<i>1 year</i>
Member (NED)	<i>Winnita V. Ysog</i>	<i>29 June 2017</i>	<i>1</i>	<i>1</i>	<i>100</i>	<i>1 year</i>

Recommendation 3.5

1. The Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.

(e) Related Party Transactions Committee

Office	Name	Date Last of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	<i>Domingo B. Bonifacio</i>	<i>29 June 2017</i>	<i>3</i>	<i>3</i>	<i>100</i>	<i><1 year</i>
Member (ID)	<i>Lucas C. Carpio, Jr.</i>	<i>29 June 2017</i>	<i>3</i>	<i>3</i>	<i>100</i>	<i><1 year</i>
Member (ID)	<i>Marlou B. Ubano</i>	<i>29 June 2017</i>	<i>3</i>	<i>3</i>	<i>100</i>	<i><1 year</i>

(f) Others:

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

Office	Name	Date Last of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
N/A	N/A	N/A	N/A	N/A	N/A	N/A

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	<i>None</i>	-
Audit and Risk Management	<i>None</i>	-
Nomination and Election	<i>None</i>	-
Compensation	<i>None</i>	-
Related Party Transaction	<i>Lucas C. Carpio, Jr.</i>	Resignation on 15 March 2018

Recommendation 3.6

1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.

2. The Committee Charters provide standards for evaluating the performance of the Committees.

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

Name of Committee	Work Done	Issues Addressed
Executive	<i>Directed the day to day operations of the Company; Reviewed and approved the Executive Committee Charter</i>	<i>No significant issues arose</i>

Audit and Risk Management	<i>Reviewed and evaluated the financial statements and the findings of the external auditors; Drafted and approved the Audit and Risk Management Committee Charter</i>	<i>No significant issues arose</i>
Nomination and Election	<i>Reviewed and evaluated the qualifications of nominees to the Board and nominees to positions requiring Board approval; Reviewed and approved the Nomination and Election Committee Charter</i>	<i>No significant issues arose</i>
Compensation	<i>Reviewed and evaluated the compensation of the directors and Management; Reviewed and approved the Compensation Committee Charter</i>	<i>No significant issues arose</i>
Related Party Transactions	<i>Evaluated existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, related party transactions are monitored, and subsequent changes in relationships with counterparties are captured; Reviewed and approved the Related Party Transactions Committee Charter</i>	<i>No significant issues arose</i>
Others (specify)	<i>Not applicable</i>	

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	<i>Not applicable</i>	
Audit and Risk Management	<i>Set up the Internal Audit Department and appoint the Chief Internal Auditor</i>	<i>Establish and identify the structure of the Internal Audit Department, with the Chief Internal Auditor reporting directly to the Committee functionally</i>
Nomination and Election	<i>Review and evaluation of the qualifications of nominees to the Board and nominees to positions requiring Board approval</i>	<i>Qualifications or disqualifications, if any, of nominees to the Board and nominees to positions requiring Board approval</i>
Compensation	<i>Review and evaluation of directors' per diem and remuneration of senior management and other consultants of the Company.</i>	<i>To determine remuneration sufficient to attract and retain the services of qualified and competent directors and senior officers needed to run the Company successfully</i>
Related Party Transactions	<i>Evaluate existing relations between and among businesses and counterparties.</i>	<i>To ensure that all related parties are continuously identified, related party transactions are monitored, and subsequent changes in relationships with counterparties are captured</i>

Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

Recommendation 4.1

The Directors attend and actively participate in meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.

The Directors review meeting materials for all Board and Committee meetings.

The Directors ask necessary questions or seek clarifications and explanations during the Board and Committee meetings.

BOARD MEETINGS & ATTENDANCE

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

As far as practicable, the Board of Directors' meetings are scheduled quarterly.

- 4) Attendance of Directors (for 2017)

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Thomas G. Aquino	01 June 2017 (Re-elected)	5	5	100
Vice-Chairman	Jose S. Alejandro	01 June 2017 (Re-elected)	5	5	100
President and CEO	Mel V. Velarde	01 June 2017 (Re-elected)	5	5	100
Member	Vicente Martin W. Araneta III	01 June 2017 (Re-elected)	5	4	100
Member	Gerard Bnn R. Bautista	01 June 2017 (Re-elected)	5	5	100
Member	Ramon Guillermo R. Tuazon	01 June 2017 (Re-elected)	5	3	60
Independent	Marlou B. Ubano	01 June 2017 (Re-Elected)	5	4	100
Independent	Domingo B. Bonifacio	01 June 2017	5	3	60
Independent	Lucas C. Carpio, Jr.	01 June 2017	5	3	60
Member	Winnita V. Ysog	01 June 2017 (Re-Elected)	5	5	100
Member - Corporate Secretary	Angeline L. Macasaet	01 June 2017 (Re-Elected)	5	5	100

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

So far as is known to the Company, non-executive directors do not hold meetings amongst themselves exclusively.

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

No. Under Article II, Section 6, of the Company's By-Laws, a majority of the number of directors as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of corporate business, and every decision of at least a majority of the directors present at a meeting at which there is a quorum shall be valid as a corporate act, except for the election of officers which shall require the vote of a majority of all the members of the Board.

- 7) Access to Information

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

As far as practicable, the board papers are provided to the members of the Board one (1) week before the scheduled meeting.

Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs.

Recommendation 5.1 The Board has three (3) independent directors

- a. Atty. Marlou B. Ubano;
- b. Mr. Domingo B. Bonifacio; and
- c. Atty. Lucas C. Carpio, Jr.

Recommendation 5.2 The Independent Directors possess all the qualifications and none of the disqualifications to hold the positions.

Marlou Buenafe Ubano, 45 years old, Filipino, Independent Director, has been in practice of law for fifteen years. He is the Founding Partner of the Ubano Sianghio & Lozada Law Offices which was established in June 2002. He is currently a Governor of Integrated Bar of the Philippines – Western Visayas Region. He served as Assistant Secretary for Legal Affairs of the Philippine Department of Transportation and Communications from 2011 to 2013. He was the Commissioner of the Commission on Bar Discipline, Integrated Bar of the Philippines from 2005 to 2007. He also served as President of the Integrated Bar of the Philippines - Capiz Chapter from 2007 to 2009 and again in 2011, and as Deputy Governor of the Integrated Bar of the Philippines – Western Visayas Region from 2011 to 2013. Atty. Ubano was awarded the Presidential Plaque of Merit from the IBP National President in 2007, and a Plaque of Recognition as the Most Outstanding IBP Capiz President in 2009. Atty. Ubano is a Member of the Asean Law Association and the Intellectual Property Association of the Phils., Inc. He obtained his Bachelor's Degree in Law and Political

Science in the University of the Philippines.

Domingo B. Bonifacio, age 64, American, Independent Director. He is currently the Executive Vice President & General Manager of Automated Technology (Phil) Inc. Connectivity Division. In addition to these, Mr. Bonifacio was the President of Cirtex Advanced Technologies and Solutions, Inc. – Laguna from 2014 to 2015; President & CEO of REMEC Broadband Wireless International, Inc. – Laguna from 2005 to 2014; President & CEO of REMEC Manufacturing, Philippines, Inc. (Formerly Pacific Microwave Corporation acquired by REMEC, March 2001) from 2001 to 2005; Founder, President & CEO of Pacific Microwave Corporation, Philippines from 1995 to 2001; Director of Operations of Optical Microwave Networks Inc., San Jose, California, U.S.A. from 1989 to 1995; Manufacturing Manager of Litton Industries – MSS Division, Santa Clara, CA, U.S.A from 1987 to 1989; Manufacturing Manager of Gould Inc. – Microwave Products Division, San Jose, CA, U.S.A from 1983 to 1987; Manufacturing Manager of Dexcel Inc. – SATCOM Division, Santa Clara, CA, U.S.A from 1980 to 1983; and a member of the Technical Staff, Varian Associates, Solid State Div., Santa Clara, CA, U.S.A from 1977-1980. Mr. Bonifacio is also a member of the board of directors of Automated Technology (Phil), Inc. of Menlo Health and Wellness Innovations, Inc. and of REMEC Broadband and Wireless, Inc. from 2005 to 2014); a member of the board of trustee of Philippine Chamber of Industrial Estates and Ecozones and of Semiconductor and Electronics of the Philippines from 2011 to 2013; and Chairman of the Board of El Circulo Masantoleno Scholarship Foundation. Mr. Bonifacio obtained his B.S. Electronics and Communications in the University of Santo Tomas. He passed the Electronics and Communication Engineering Licensure Examination, Philippines in 1977. He also took Microwave Engineering in the University of California, Berkeley, CA.

Lucas C. Carpio, Jr., 69, Filipino, packs more than 40 years' experience in law practice, honed in fora as varied as the Supreme Court and the Court of Appeals, the Regional, City and Municipal Trial Courts and quasi-administrative bodies like the Office of the Ombudsman. He hails from Paoay, Ilocos Norte and comes after all from a family of lawyers. Jun, as he is fondly called, obtained his Bachelor of Arts degree from La Salle Manila in 1969, and his Bachelor of Laws degree from the Ateneo de Davao University in 1975. After passing the bar in 1976, he joined the National Prosecution Service as a Prosecutor in Davao City in 1976. Four years later, he shifted to private practice. In 1984, he and his family moved from Davao to Manila, where he joined Security Bank and Trust Co as in-house counsel of its head office in Makati. In 1993, he joined the firm Yulo Quisumbing Torres Ali and Bello, the predecessor of what is now the Carpio & Bello Law Offices of which he is a name partner.

Supplement to Recommendation 5.2 The Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.

Recommendation 5.3

1. The independent directors serve for a cumulative term of nine (9) years.
2. The company bars an independent director from serving in such capacity after the term limit of nine (9) years.

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) ¹	Elected when (Annual /Special Meeting)	No. of years served as director
Marlou B. Ubano	ID		Mel V. Velarde, no relationship with the ID, except for legal representation in some cases not related to the Corporation	06 June 2013	01 June 2017	Annual	4
Domingo B. Bonifacio	ID		Mel V. Velarde, no relationship with the ID	01 June 2017	01 June 2017	Annual	<1
Lucas C. Carpio, Jr.	ID		Mel V. Velarde, no relationship with the ID	01 June 2017	01 June 2017	Annual	<1

Recommendation 5.4

1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.

Chairperson and CEO

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

Yes

☒

No

☐

Identify the Chair and CEO:

Chairman of the Board	<i>Thomas G. Aquino</i>
CEO/President	<i>Mel V. Velarde</i>

2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.

Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	<i>Presides over the Meetings of the Board of Directors and stockholders</i>	<i>Shall have administration and direction of the day-to-day business affairs of the corporation</i>
Accountabilities	<p><i>7. Makes certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the corporation, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;</i></p> <p><i>8. Guarantees that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;</i></p> <p><i>9. Facilitates discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors;</i></p> <p><i>10. Ensures that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;</i></p> <p><i>11. Assures the availability of proper orientation for first-time directors and continuing training opportunities for all directors;</i></p> <p><i>12. Makes sure that performance of the Board is evaluated at least once a year</i></p>	<p><i>In the Company's By-Laws the President shall exercise the following functions:</i></p> <p><i>8. To preside at the meetings of the Board of Directors and of the stockholders in the absence of the Chairman;</i></p> <p><i>9. To initiate and develop corporate objectives and policies and formulate long range projects, plans and programs for the approval of the Board of Directors, including those for executive training, development and compensation;</i></p> <p><i>10. To have general supervision and management of the business affairs and property of the corporation;</i></p> <p><i>11. To ensure that the administrative and operational policies of the corporation are carried out under his supervision and control;</i></p> <p><i>12. Subject to guidelines prescribed by law, to appoint, remove, suspend or discipline employees of the corporation, prescribe their duties, and determine their salaries;</i></p> <p><i>13. To oversee the preparation of the budgets and the statements of accounts of the corporation;</i></p> <p><i>14. To prepare such statements and reports</i></p>

	<p><i>and discussed/followed up on.</i></p> <p><i>10. Ensure that the meetings of the Board are held in accordance with the By-laws or as the Chair may deem necessary;</i></p> <p><i>11. Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management and the directors; and</i></p> <p><i>12. Maintain qualitative and timely lines of communication and information between the Board and Management.</i></p>	<p><i>of the corporation as may be required of him by law;</i></p> <p><i>13. To represent the corporation at all functions and proceedings;</i></p> <p><i>14. To execute on behalf of the corporation all contracts, agreements and other instruments affecting the interests of the corporation which require the approval of the Board of Directors, except as otherwise directed by the Board of Directors;</i></p> <p><i>15. To make reports to the Board of Directors and stockholders;</i></p> <p><i>16. To sign certificates of stock;</i></p> <p><i>17. To perform such other duties as are incident to his office or are entrusted to him by the Board of Directors.</i></p>
Deliverables	None	<p><i>The President, with the support of the Company's Treasurer and other officers, shall prepare and submit a Report on the Company's financial statements and operations. The Report is presented during the annual stockholders' meeting.</i></p>

Recommendation 5.6 Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.

Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

1. The Board adopts a Code of Business Conduct & Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.
2. The Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.
3. The Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.

CODE OF BUSINESS CONDUCT & ETHICS

Discuss briefly the company's policies on the following business conduct or ethics affecting directors, senior¹

¹ Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company

management and employees:

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	<p><i>In the Company's Manual on Corporate Governance, a director is mandated to ensure that his personal interest does not conflict with the interests of the Company. In addition, the Nomination and Election Committee is mandated to consider possible conflicts of interest in the determination of the nominees for election to the Board.</i></p> <p><i>If an actual or potential conflict of interest may arise, the director is encouraged to fully and immediately disclose it and should not participate in the decision-making process. A director who has a continuing material conflict of interest is encouraged to consider voluntary resignation from his position.</i></p>	<p><i>In the Company's Manual, the Compensation Committee is mandated to develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which among others, compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired. The Compensation Committee is also mandated to develop or review the existing Human Resources Development or Personnel Handbook, to strengthen provisions on conflict of interest.</i></p> <p><i>The officers are also encouraged to disclose any potential conflict of interest.</i></p>	<p><i>Same as for Senior Management.</i></p>
(b) Conduct of Business and Fair Dealings	<p><i>In the Company's Manual, a director is mandated to conduct fair business transactions with the Company.</i></p>	<p><i>The conduct of business by senior management with the Company is not encouraged. If there are any, they are on an arms-length basis. Senior management must conduct business transactions with the Company, if any, fairly, and must ensure that his personal interest does not conflict with the interests of the Company.</i></p>	<p><i>The conduct of business by employees with the Company is not allowed.</i></p>
(c) Receipt of gifts from third parties	<p><i>The Company requires that all its directors, officers and employees to not take, offer, or authorize any payment, gift, promise or other advantage, whether directly or through any other person or entity, to or for the use or benefit of any public official or any political party or political party official or candidate for office, where such payment, gift, promise or advantage would violate applicable laws</i></p>	<p><i>Same as for Directors.</i></p>	<p><i>Same as for Senior Management.</i></p>

	<p><i>of the Philippines. However, Token gifts are deemed acceptable.</i></p> <p><i>The Company does not have knowledge of any case where a director received a substantial gift by reason of being a director of the Company.</i></p>		
(d) Compliance with Laws & Regulations	<p><i>The Company's Manual requires the Board to keep their activities and decisions within its authority under the articles of incorporation and by-laws, and in accordance with existing laws, rules and regulations. The directors are also mandated to have a working knowledge of the statutory and regulatory requirements that affect the Company, including its articles of incorporation and by-laws, the rules and regulations of the Commission and, where applicable, the requirements of relevant regulatory agencies. In line with the above, the Corporate Secretary is required to ensure that all Board procedures, rules and regulations are strictly followed by the members.</i></p>	<p><i>The Audit Committee is mandated in the Company's Manual on Corporate Governance to coordinate, monitor and facilitate compliance with laws, rules and regulations.</i></p>	<p><i>Same as for Senior Management.</i></p>
(e) Respect for Trade Secrets/Use of Non-public Information	<p><i>All information, data, technical or otherwise, proprietary to the Company, obtained by the director, senior management, or employee while under its employ, are proprietary and confidential in nature and shall not be used, divulged, printed or reproduced without the Company's prior written consent. During the regular course of employment, such information/data and/or such material containing the same may be used only in relation to official Company business and operations.</i></p>	<p><i>Same as for Directors.</i></p>	<p><i>Same as for Senior Management.</i></p>
(f) Use of Company Funds, Assets and Information	<p><i>Strictly prohibited if for personal use or use of personal business.</i></p>	<p><i>Strictly prohibited if for personal use or use of personal business.</i></p>	<p><i>Strictly prohibited if for personal use or use of personal business.</i></p>
(g) Employment & Labor Laws & Policies	<p><i>Directors who occupy management positions observe the Code of Conduct</i></p>	<p><i>The Senior Management who are employees of the Company are subject to the</i></p>	<p><i>The employees of the Company are subject to the Code of Conduct of</i></p>

	<i>of the Company, in addition to the Manual on Corporate Governance and applicable labor rules and policies.</i>	<i>Code of Conduct of the Company, in addition to the Manual on Corporate Governance and applicable rules and policies.</i>	<i>the Company, in addition to the Manual on Corporate Governance and applicable rules and policies.</i>
(h) Disciplinary action	<i>The Code of Conduct provides the procedure under which directors may be subject to disciplinary action. In addition, they may also be subject to criminal prosecution or civil action when warranted under Philippine law.</i>	<i>The Code of Conduct provides the procedure under which Senior Management may be subject to disciplinary action. In addition, they may also be subject to criminal prosecution or civil action when warranted under Philippines law.</i>	<i>The Code of Conduct provides the procedure under which employees may be subject to disciplinary action. In addition, they may also be subject to criminal prosecution or civil action when warranted under Philippine law.</i>
(i) Whistle Blower	<i>The Company has adopted a whistle blower policy.</i>	<i>The Company has adopted a whistle blower policy.</i>	<i>The Company has adopted a whistle blower policy.</i>
(j) Conflict Resolution	<i>The Company's Manual mandates the Board 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 the Company and third parties, including the regulatory authorities.</i>	<i>The Company's Manual mandates the Board 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 the Company and third parties, including the regulatory authorities.</i>	<i>The Company's Manual mandates the Board 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 the Company and third parties, including the regulatory authorities.</i>

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

The Company has its Code of Conduct that has been disseminated to its directors, senior management, consultants and employees.

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

The Company has established a system to ensure proper implementation and compliance monitoring of its code of ethics or conduct, through its Human Resource Department.

Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

Recommendation 8.1 The Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of the company's financial condition, results and business operations.

Supplement to Recommendations 8.1

1. The Company filed the following documents with the Securities and Exchange Commission and disclosed the said documents with the Philippine Stock Exchange –

- | | | |
|--|---|------------------|
| a. 2017 Consolidated Audited Financial Statements | - | 25 April 2018 |
| b. 2017 (Parent) Audited Financial Statements | - | 25 April 2018 |
| c. Quarterly Report for the Period Ended 30 September 2017 | - | 17 November 2017 |
| d. Quarterly Report for the Period Ended 30 June 2017 | - | 11 August 2017 |

e. 2017 Definitive Information Statement	-	10 May 2017
f. Quarterly Report for the Period Ended 31 March 2017	-	09 May 2017
g. 2017 Annual Report	-	18 April 2017

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more (as of 31 December 2017)

Shareholder	Number of Shares	Percent	Beneficial Owner
<i>PCD Nominee Corporation – Filipino/Others</i>	<i>545,692,587</i>	<i>35.9652</i>	<i>N/A</i>
<i>Top Mega Enterprises Limited - Chinese</i>	<i>342,935,951</i>	<i>22.6020</i>	<i>N/A</i>
<i>Velarde, Inc. - Filipino</i>	<i>200,571,550</i>	<i>13.2192</i>	<i>N/A</i>
<i>Emerald Investments, Inc. - Filipino</i>	<i>184,992,156</i>	<i>12.1924</i>	<i>N/A</i>
<i>Food Camp Industries and Marketing, Inc. - Filipino</i>	<i>83,451,555</i>	<i>5.5001</i>	<i>N/A</i>
<i>Joyce Link Holdings Limited – British VI</i>	<i>86,208,552</i>	<i>5.6818</i>	<i>N/A</i>

2. The Company disclosed in its 2017 Annual Report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates.

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	Yes
Dividend policy	Yes
Details of whistle-blowing policy	Yes
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 programs attended by each director/commissioner	<i>Not required to be reported in the Company's Annual Report</i>
Number of board of directors meetings held during the year	No
Attendance details of each director/commissioner in respect of meetings held	No
Details of remuneration of the CEO and each member of the board of directors/commissioners	Yes
Degree of ownership concentration	Yes
Cross-Holdings among company affiliates	Yes

2) External Auditor's fee for 2017

Name of auditor	Audit Fee	Non-audit Fee
<i>SyCip Gorres Velayo & Co.</i>	<i>Php550,000.00</i>	<i>None</i>

Recommendation 8.2

1. The Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three (3) business days.
2. The Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares

within three (3) business days.

Supplement to Recommendation 8.2 The Company discloses the trading of the corporation's shares by directors, officers and controlling shareholders. This includes the disclosure of the purchase of the company's purchase of its shares from the market.

The shareholdings of directors and management are included in the company's 2017 Definitive Information Statement filed with the Securities and Exchange Commission and disclosed with the Philippine Stock Exchange on 10 May 2017.

The list of the company's top 100 shareholders as of 31 December 2017 was disclosed to the Philippine Stock Exchange on 08 January 2018.

The Company's Conglomerate Map was included in its 2017 Definitive Information Statement as well.

Recommendation 8.5

1. The Company disclosed its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in its Manual on Corporate Governance.

Recommendation 8.6

1. The Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.

Such material facts or events are disclosed to the Philippine Stock Exchange if these occur.

Recommendation 8.7

1. The Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).
2. The Company's MCG is submitted to the SEC and PSE.
3. The Company's MCG is posted on its company website.

The company's website address is now-corp.com.

Supplement to Recommendation 8.7

1. The Company submitted to the SEC and PSE its 2017 Manual on Corporate Governance on 30 May 2017 to disclose any changes in its corporate governance practices.

Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

Recommendation 9.1

1. The Audit and Risk Management Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of external auditors.

The process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor is included in the company's Manual on Corporate Governance.

Supplement to Recommendation 9.1

The Company has a policy of rotating the external auditor every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Corporation, be changed with the same frequency. The said policy is included in the Company's Manual on Corporate Governance.

Recommendation 9.3

The Company discloses the nature of non-audit services performed by its external auditor in its Annual Report to deal

with potential conflict of interest.

Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

Recommendation 10.1

1. The Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.

The Company's policy on environmental and social issues is included in its Manual on Corporate Governance.

Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

Recommendation 11.1 The Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.

3) Medium of Communication

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

1. E-mails
2. Letters
3. Print or Website Press Releases (www.now-corp.com)
4. SEC and PSE Disclosures

4) Date of release of audited financial report for 2017: 16 April 2018

Supplemental to Principle 11 The Company's website, now-corp.com, discloses up-to-date information on the following –

- a. Financial statements/reports;
- b. Materials provided in briefings to analysts and media;
- c. Downloadable annual report;
- d. Notice of ASM and/or SSM;
- e. Minutes of ASM and/or SSM;
- f. Company's Articles of Incorporation and By-Laws.

5) 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.

Supplement to Recommendations 12.1

The Company shall establish a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.

Recommendation 12.3

1. The Company has a qualified Chief Audit Executive (CAE) appointed by the Board.

The Chief Audit Executive of the Company is Mr. Andre Gian P. Aguirre. His responsibilities as the CAE is enumerated in the Company's Manual on Corporate Governance.

2. The CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.

Cultivating a Synergic Relationship with Shareholders

Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.

Recommendation 13.1

1. The Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.

Article 6 of the Manual on Corporate Governance enumerates the rights of the Company's stockholders.

2. The Board ensures that basic shareholder rights are disclosed on the company's website.

The company's website is now-corp.com.

Supplement to Recommendation 13.1

1. The Company's common share has one vote for one share.
2. The Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.

Recommendation 13.4

1. The Board makes available, at the option of a shareholder, an alternative dispute resolution mechanism to resolve intra-corporate disputes in an amicable and effective manner.

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	<i>The Company shall establish and maintain an alternative dispute resolution system that can amicably settle conflicts or differences between the Company and its stockholders, and the Company and third parties, including the regulatory authorities.</i>
Corporation & Third Parties	<i>Same</i>
Corporation & Regulatory Authorities	<i>Same</i>

Recommendation 13.5

The Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.

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 Investor Relations Office (IRO).

The Marketing Department, headed by a Marketing Manager directly reporting to the President and CEO shall serve as the Company's Investor Relations Office. This department is in charge of press releases, print media, and media briefings. All press releases are reviewed by the President. Press releases are distributed to the personnel internally via email, to the media and other stakeholders through emails, website releases and/or press releases.

Office of the Compliance Officer: The Compliance Officer is in charge of corporate disclosures and shareholder matters. Disclosures and announcements are reviewed and approved by the Chairman and the President.

- 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	<p>a. To foster and maintain a good relationship with shareholders.</p> <p>b. To ensure that shareholders receive relevant, material information on a timely basis</p> <p>c. To ensure investors have a point of contact to provide business information and listen to their feedback about the Company.</p>
(2) Principles	Transparency and fairness in all dealings with investors
(3) Modes of Communications	Emails, letters, print and website releases, timely disclosures to the PSE and SEC
(4) Investor Relations Officer	<p>Juan Miguel H. Lopez (Investor Relations Officer)</p> <p>Unit 5-I, 5th Floor, OPL Building, 100 C. Palanca Street, Legaspi Village, Makati City 1229</p> <p>Email: miguel.lopez@now-corp.com</p> <p>Tel No. 750-0211; Fax No. 750-0461</p>

A representative of the Investor Relations Office was present during the 2017 Annual Stockholders' Meeting held on 01 June 2017.

Supplemental Recommendations to Principle 13

The company's public float or public ownership percentage as of 31 December 2017 is 19.352.

Duties to Stakeholders

Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.

The Company's duties to its stakeholders are discussed in its Manual on Corporate Governance.

The stakeholders may voice their concerns and/or complaints for possible violation of their rights to the Company's Corporate Secretary, Atty. Angeline L. Macasaet –

Tel. No.: +632 750-0211

E-Mail: angeline.macasaet@now-corp.com

ROLE OF STAKEHOLDERS

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

	Policy	Activities
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Customers' welfare	<i>The Company's thrust is fair and transparent dealings with customers.</i>	<i>Representatives of the Company and the customer meet regularly to review any on-going projects to ensure customer satisfaction.</i>
Supplier/contractor selection practice	<i>The Company shall deal only with committed, reliable, reputable, competent and qualified suppliers and service providers. To provide a check and balance in the selection process, final</i>	<i>After canvassing by the Company's personnel for a contractor or supplier which will best meet the budget or other requirements of the Company, the head of the department which will transact with the</i>
	<i>approval rests with the Chief Financial Officer and the President.</i>	<i>particular contractor or supplier, will recommend at least (two) 2 suppliers or contractors for approval of the Chief Financial Officer and the President.</i>
Environmentally friendly value-chain	<i>The Company is committed to protecting and if possible, enhancing the environment.</i>	<i>As far as practicable, paperless inter-office communication is implemented and inter-office communication is conducted via electronic communication.</i>
Community interaction	<i>Good community interaction is an essential element for the successful operation of the Company especially for its social media services.</i>	<i>Comments from the community may be coursed through the Company's website, or by email to the address published in the website.</i>
Anti-corruption programmes and procedures	<i>The Company directors, officers, and personnel are mandated to not make, offer, or authorize any payment, gift, promise, or other advantage, whether directly or through any other person or entity, to or for the use or benefit of any public official or any political party or political party official or candidate for office, where such payment, gift, promise or advantage would violate applicable laws of the Philippines.</i>	<i>The Company does not approve any request for payments, gifts or any other advantage to or for the use or benefit of any public official or any political party or political party official or candidate for office, where such payment, gift, promise or advantage would violate applicable laws of the Philippines.</i>
Safeguarding creditors' rights	<i>The Company honors its financial commitments.</i>	<i>Loan agreements are signed and promissory notes are issued to creditors.</i>

Additional Recommendations to Principle 14

1. The Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.
2. The Company respects intellectual property rights.

Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.

Recommendation 15.1 The Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.

Performance-enhancing mechanisms for employee participation.

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

The company provides a competitive range of benefits in order to promote the health and general well-being of its employees. The company offers insurance and other above-industry standard benefits such as transportation allowance, bonuses, and other incentives.

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

The Company provides health and life insurance benefits to all its employees.

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

The Company's Human Resource Department offers Job Orientation and On-Boarding seminars to all newly-hired employees.

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

The Company's reward policy is based on the Company's profitability and performance.

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

The Company requires that its directors, offices, management, and employees conduct themselves with a high standard of corporate conduct appropriate to the Company's standing in the corporate and business industry.

The Company promotes discipline in the organization by taking corrective action as may be needed for the protection of all employees and clients, Company's properties and interests.

This policy was established to ensure fair and consistent treatment and constructive actions for any erring employee.

The Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.

The Company's whistle-blowing policy is included in its 2017 Annual Report.

The Board supervises and ensures the enforcement of the whistleblowing framework.

Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

Recommendation 16.1 The Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.

The said policy is stated in Article 12 of the Company's Manual on Corporate Governance.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

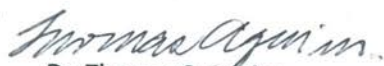
At the moment, the Company does not have a separate corporate responsibility (CR) report/section or sustainability report/section due to limited staff and resources but intends to cover this subject in the future.

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

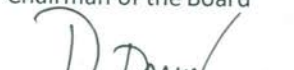
Initiative	Beneficiary
<i>Provide free live road traffic video streaming via mobile and tablet devices in cooperation with MMDA</i>	<i>General public (motorists and commuters in Metro Manila)</i>

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report for 2017 is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati this ____ day of May 2018.

SIGNATURES



Dr. Thomas G. Aquino
Chairman of the Board



Mr. Domingo B. Bonifacio
Independent Director



Atty. Miguel Antonio S. Regal
Compliance Officer



Mr. Mel V. Velarde
President/Chief Executive Officer



Atty. Marlou B. Ubano
Independent Director



Atty. Angeline L. Macasaet
Corporate Secretary

MAY 30 2018

SUBSCRIBED AND SWORN to before me this ____ day of May 2018, affiants exhibiting to me their government-issued identification evidence of identity, as follows:

NAMES

Dr. Thomas G. Aquino
Mel V. Velarde
Domingo B. Bonifacio
Marlou B. Ubano
Miguel Antonio S. Regal
Angeline L. Macasaet


Competent Evidence of Identity

TIN No. 121-905-565-000
Philippines Passport No. EC0179707
US Passport No. 530504322
PhilHealth Card No. 19-051020427-5-
DL No. NO4-06-909920
Philippine Passport No. P3600193A

Expiry Date

30 January 2019
11 June 2025
10 October 2022
05 July 2022

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Page No.: 60;
Book No.: 121;
Series of 2018.



ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2018
IBP No. 656155-Lifetime Member
MCLE Compliance No. V-0006934
Appointment No. M-104 (2017-2018)
PTR No. 6607879 Jan. 3, 2018
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City