




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

1. Report is Filed for the Year 2016
2. Exact Name of Registrant as Specified in its Charter NOW Corporation
3. Unit 5-I, 5<sup>th</sup> 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)  
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6. BIR Tax Identification Number 004-668-224 
7. +632 750-0211  
Issuer's Telephone number, including area code
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Former name or former address, if changed from the last report

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## A. BOARD MATTERS

### 1) Board of Directors

Number of Directors per Articles of Incorporation	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) <sup>1</sup>	Elected when (Annual /Special Meeting)	No. of years served as director
Thomas G. Aquino	ED		Mel V. Velarde	2 June 2011	02 June 2016	Annual	5
Jose S. Alejandro	ED		Mel V. Velarde	1 September 2005	02 June 2016	Annual	11
Mel V. Velarde	ED		Thomas G. Aquino	1 September 2005	02 June 2016	Annual	11
Vicente Martin W. Araneta III	ED		Mel V. Velarde	13 March 2012	02 June 2016	Annual	5
Gerard Bnn R. Bautista	ED		Mel V. Velarde	07 June 2012	02 June 2016	Annual	4
Ramon Guillermo R. Tuazon	ED		Mel V. Velarde	05 June 2014	02 June 2016		2
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	02 June 2016	Annual	3
Jan-Olov Conny Dolonius	NED		Mel V. Velarde	05 August 2016	05 August 2016	-	<1
Winnita V. Ysog	NED		Mel V. Velarde	02 September 2016	02 September 2016	-	<1
Angeline L. Macasaet	ED		Mel V. Velarde	4 June 2009	02 June 2016	Annual	7

- (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).*

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

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

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.

(d) Directorship in Other Companies

(i) Directorship in the Company's Group<sup>2</sup>

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

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Thomas G. Aquino	Now Telecom Company, Inc.	Director-President
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	Food Camp Industries and Marketing, Inc.	Director
Thomas G. Aquino	i-Professional Search Network, Inc.	Director-Chairman
Mel V. Velarde	Velarde, Inc.	Director-Chairman
Mel V. Velarde	Now Telecom Company, Inc.	Vice Chairman
Mel V. Velarde	Gamboa Holdings, Inc.	Director-Chairman/President
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
Angeline L. Macasaet	Gamboa Holdings Inc.	Director
Angeline L. Macasaet	Food Camp Industries and Marketing, Inc.	Director
Angeline L. Macasaet	i-Resource International Consulting, Inc.	Director
Angeline L. Macasaet	i-Professional Search Network, Inc.	Director

(ii) Directorship in Other Listed Companies

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

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
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

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

Mel V. Velarde	Gamboa Holdings, Inc.	Director-Chairman
Mel V. Velarde	Emerald Investments, Inc.	Director
Mel V. Velarde	Food Camp Industries and Marketing, Inc.	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

- (e) Shareholding in the Company

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company:

Name of Director	Number of Direct shares	Number of Indirect shares Through (name of record owner)	% of Capital Stock
Thomas G. Aquino	1	-	<.01
Mel V. Velarde	10	-	<.01
Jose S. Alejandro	10	-	<.01
Vicente Martin W. Araneta III	1	-	<.01
Gerard Bnn R. Bautista	1	-	<.01
Marlou B. Ubano	1	-	<.01
Ramon Guillermo R. Tuazon	1	-	<.01
Jan-Olov Conny Dolonius	1	-	<.01
Winnita Velarde Ysog	1	-	<.01
Domingo B. Bonifacio	1	-	<.01
Angeline L. Macasaet	1	-	<.01
<b>TOTAL</b>	<b>29</b>		<b>&lt;.01</b>

2) Chairman and CEO

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

Yes  No

Identify the Chair and CEO:

Chairman 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"> <li>1. <i>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></li> <li>2. <i>Guarantees that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;</i></li> <li>3. <i>Facilitates discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors;</i></li> <li>4. <i>Ensures that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;</i></li> <li>5. <i>Assures the availability of proper orientation for first-time directors and continuing training opportunities for all directors;</i></li> <li>6. <i>Makes sure that performance of the Board is evaluated at least once a year and discussed/followed up on.</i></li> <li>7. <i>Ensure that the meetings of the Board are held in accordance with the by-laws or as the Chair may deem necessary;</i></li> <li>8. <i>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></li> <li>9. <i>Maintain qualitative and timely lines of communication and information between the Board and Management.</i></li> </ol>	<p><i>In the Company's By-Laws the President shall exercise the following functions:</i></p> <ol style="list-style-type: none"> <li>1. <i>To preside at the meetings of the Board of Directors and of the stockholders in the absence of the Chairman;</i></li> <li>2. <i>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></li> <li>3. <i>To have general supervision and management of the business affairs and property of the corporation;</i></li> <li>4. <i>To ensure that the administrative and operational policies of the corporation are carried out under his supervision and control;</i></li> <li>5. <i>Subject to guidelines prescribed by law, to appoint, remove, suspend or discipline employees of the corporation, prescribe their duties, and determine their salaries;</i></li> <li>6. <i>To oversee the preparation of the budgets and the statements of accounts of the corporation;</i></li> <li>7. <i>To prepare such statements and reports of the corporation as may be required of him by law;</i></li> <li>8. <i>To represent the corporation at all functions and proceedings;</i></li> <li>9. <i>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></li> <li>10. <i>To make reports to the Board of Directors and stockholders;</i></li> <li>11. <i>To sign certificates of stock;</i></li> <li>12. <i>To perform such other duties as are incident to his office or are entrusted to him by the Board of Directors.</i></li> </ol>
Deliverables	None	<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</i>



operations. The Report is presented during the annual stockholders' meeting.

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

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

4) Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the board? Please explain.

*Yes. The Nomination Committee encourages the stakeholders to nominate as members of the Board, individuals with diverse experience and background.*

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.*

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

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.

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

(a) Resignation/Death/Removal

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

Name	Position	Date of Cessation	Reason
Marcelito R. Ordonez	Director	08 August 2016	Death

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

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

*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
<b>a. Selection/Appointment</b>		
(i) Executive Directors	<p><b>Regular Process:</b></p> <ol style="list-style-type: none"> <li>The stockholders submit to the Nomination Committee the nominees to the Board for validation.</li> <li>The Nomination Committee prepares a list of nominees to the incumbent board for notation.</li> <li>The Board then submits to the stockholders a final list of nominees for election during the annual stockholders' meeting.</li> </ol> <p><b>Vacancy (as provided under Article III, Section 3, of the By-Laws):</b> 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>	<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.</p>

(ii) Non-Executive Directors	Same	<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	Same	<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>b. Re-appointment</b>		
(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>
<b>c. Permanent Disqualification</b>		
(i) Executive Directors	<p><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> <p><i>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 Nominations 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.</i></p>	<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 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;</i></p> <p><i>(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 sub-</i></p>

paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.

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;

(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, perjury or other fraudulent acts;

(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;

(v) Any person earlier elected as independent director who becomes an officer, employee or consultant of the same corporation;

(vi) Any person judicially declared as insolvent;

(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;

		(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.
(ii) Non-Executive Directors	Same	Same
(iii) Independent Directors	Same	Same
<b>d. Temporary Disqualification</b>		
(i) Executive Directors	<p>The procedure for determining permanent disqualification is followed.</p> <p>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.</p>	<p>The Company's Manual provides the following grounds for the temporary disqualification of a director:</p> <p>(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.</p> <p>(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 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.
<b>e. Removal</b>		
(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</p>	Please see note to the left.

	<i>confidence by the Board, or for commission of wrongful acts or for the omission to take action when required.</i>	
(ii) Non-Executive Directors	<i>The same process for executive directors is followed for non-executive directors.</i>	
(iii) Independent Directors	<i>The same process for executive directors is followed for independent directors.</i>	
<b>f. Re-instatement</b>		
(i) Executive Directors	<i>There is no set procedure for reinstatement of any director. Once removed, reinstatement can only be by election as provided in the Corporation Code.</i>	<i>Not applicable</i>
(ii) Non-Executive Directors	<i>There is no set procedure for reinstatement of any director. Once removed, reinstatement can only be by election as provided in the Corporation Code.</i>	<i>Not applicable</i>
(iii) Independent Directors	<i>There is no set procedure for reinstatement of any director. Once removed, reinstatement can only be by election as provided in the Corporation Code.</i>	<i>Not applicable</i>
<b>g. Suspension</b>		
(i) Executive Directors	<i>There is no set procedure for suspension of any director.</i>	<i>Not applicable</i>
(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 Result of the 2016 Annual Stockholders' Meeting:

Name of Director	Votes Received
Thomas G. Aquino	1,229,517,481
Jose S. Alejandro	1,229,517,481
Mel V. Velarde	1,229,517,481
Marcelito R. Ordonez	1,229,517,481
Vicente Martin W. Araneta III	1,229,517,481
Gerard Bnn R. Bautista	1,229,517,481
Ramon Guillermo R. Tuazon	1,229,517,481
Marlou B. Ubano	1,229,517,481
Eliseo M. Rio, Jr.	1,229,517,481
Amelito V. Velarde	1,229,517,481
Angeline L. Macasaet	1,229,517,481

6) 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 and Senior Management<sup>3</sup> for the past three (3) years:

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Thomas G. Aquino	December 9, 2016	Corporate Governance	ROAM, Inc.
Thomas G. Aquino	November 6, 2015	Corporate Governance	ROAM, Inc.
Thomas G. Aquino	November 7, 2014	Corporate Governance	ROAM, Inc.
Mel V. Velarde	April 13-15, 2015	2015 Broadcast Management Conference	National Association of Broadcasters, USA
Mel V. Velarde	July-August 2015	International Human Rights Law	Oxford, England
Mel V. Velarde	July-August 2014	Digital Choreography, Film Editing and Movie Production	UCLA, 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.
Vicente Martin W. Araneta III	April 1, 2016	Sales and Negotiations	Reuben Pangan
Angeline L. Macasaet	December 2014	Mandatory Continuing Legal Education Compliance V	UP Law Center, Philippines
Ramon R. Tuazon	October 12, 2016	UNESCO Research Agenda on the Safety and Protection of Journalists and Media Workers in the Philippines	UNESCO Office – Jakarta, Indonesia
Ramon R. Tuazon	June 20-22, 2016	Workshop on Public Relations and Engagement with Media for Government Spokespersons	UNESCO Office – Bangkok, Thailand
Ramon R. Tuazon	November 11-13, 2015	38 <sup>th</sup> Session of the UNESCO General Conference	UNESCO Headquarters, Paris
Ramon R. Tuazon	March 27-29, 2015	International Press Institute Word Congress	International Press Institute
Ramon R. Tuazon	August 17-24, 2014	Research Study on Capacity Assessment of Media in Bhutan	International Media Support and Ministry of Information and Communication of Bhutan

## B. CODE OF BUSINESS CONDUCT & ETHICS

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

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	In the Company's Manual on Corporate Governance (the "Revised Manual"), 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	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	Same as for Senior Management.

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

	<p>consider possible conflicts of interest in the determination of the nominees for election to the Board.</p> <p>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.</p>	<p>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.</p> <p>The officers are also encouraged to disclose any potential conflict of interest.</p>	
(b) Conduct of Business and Fair Dealings	<p>In the Company's Manual, a director is mandated to conduct fair business transactions with the Company.</p>	<p>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.</p>	<p>The conduct of business by employees with the Company is not allowed.</p>
(c) Receipt of gifts from third parties	<p>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 of the Philippines. However, Token gifts are deemed acceptable.</p> <p>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.</p>	<p>Same as for Directors.</p>	<p>Same as for Senior Management.</p>
(d) Compliance with Laws & Regulations	<p>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</p>	<p>The Audit Committee is mandated in the Company's Manual on Corporate Governance to coordinate, monitor and facilitate compliance with laws, rules</p>	<p>Same as for Senior Management.</p>



	<p>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.</p>	<p>and regulations.</p>	
<p>(e) Respect for Trade Secrets/Use of Non-public Information</p>	<p>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.</p>	<p>Same as for Directors.</p>	<p>Same as for Senior Management.</p>
<p>(f) Use of Company Funds, Assets and Information</p>	<p>Strictly prohibited if for personal use or use of personal business.</p>	<p>Strictly prohibited if for personal use or use of personal business.</p>	<p>Strictly prohibited if for personal use or use of personal business.</p>
<p>(g) Employment &amp; Labor Laws &amp; Policies</p>	<p>Directors who occupy management positions observe the Code of Conduct of the Company, in addition to the Manual on Corporate Governance and applicable labor rules and policies.</p>	<p>The Senior Management who are employees of the Company are subject to .</p>	<p>The Company currently has no employees in its manpower complement.</p>
<p>(h) Disciplinary action</p>	<p>The Code of Conduct provides the procedure under which directors may be subject to disciplinary action. In addition, they may be also subject to criminal prosecution or civil action when warranted under Philippine law.</p>	<p>They may be subject to criminal prosecution or civil action when warranted under Philippine law.</p>	<p>The Code of Conduct provides the procedure under which employees may be subject to disciplinary action. In addition, they may be also subject to criminal prosecution or civil action when warranted under Philippine law.</p>
<p>(i) Whistle Blower</p>	<p>The Company has adopted a whistle blower policy.</p>	<p>The Company has adopted a whistle blower policy.</p>	<p>The Company has adopted a whistle blower policy.</p>

(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>
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- 2) 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.*

- 3) 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.*

- 4) Related Party Transactions

- (a) Policies and Procedures

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

Related Party Transactions	Policies and Procedures
(1) Parent Company	<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>

- (b) Conflict of Interest

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

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

Details of Conflict of Interest (Actual or Probable)	
Name of Director/s	<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	<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> <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>
Group	<i>Same as above.</i>

5) Family, Commercial and Contractual Relations

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

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

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

6) Alternative Dispute Resolution

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

Alternative Dispute Resolution System	
Corporation & Stockholders	<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>

C. BOARD MEETINGS & ATTENDANCE

1) 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, starting every March of the year.*

<sup>4</sup> Family relationship up to the fourth civil degree either by consanguinity or affinity.

2) Attendance of Directors (for 2016)

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Thomas G. Aquino	02 June 2016	6	6	100
Vice-Chairman	Jose S. Alejandro	02 June 2016	6	6	100
President and CEO	Mel V. Velarde	02 June 2016	6	6	100
Member	Vicente Martin W. Araneta III	02 June 2016	6	6	100
Member	Gerard Bnn R. Bautista	02 June 2016	6	6	100
Member	Ramon Guillermo R. Tuazon	02 June 2016	6	4	66.66
Independent	Marlou B. Ubano	02 June 2016	6	6	83.33
Member	Jan-Olov Conny Dolonius	05 August 2016	3	3	100
Member	Winnita V. Ysog	02 September 2016	2	2	100
Member - Corporate Secretary	Angeline L. Macasaet	02 June 2016	6	6	100

- 3) 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.*

- 4) 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.*

- 5) Access to Information

- (a) How many days in advance are board papers<sup>5</sup> 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 week before the scheduled meeting.*

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

*Yes.*

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

*The Corporate Secretary has the following responsibilities –*

*1. He/She shall be the custodian of and shall maintain the corporate books and record and shall be the recorder of the Company's formal actions and transactions;*

*2. Assists the Chairman in the preparation of the board agenda;*

*3. Facilitates training of directors and keeping the directors updated regarding any relevant statutory and regulatory changes;*

<sup>5</sup> Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

4. Assists 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 assisting the chairs of the Board and its committees to set agendas for those meetings;
5. Safekeeps and preserves the integrity of the minutes of the meetings of the Board and its committees, as well as other official records of the Corporation;
6. Keeps abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of the corporation, and advises the Board and the Chairman on all relevant issues as they arise;
7. Works fairly and objectively with the Board, Management and stockholders and contributes to the flow of information between the Board and management, the Board and its committees, and the Board and its stakeholders, including shareholders;
8. Advises on the establishment of board committees and their terms of reference;
9. Informs 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 ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
10. Attends all board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent her from doing so;
11. Performs required administrative functions;
12. Oversees the drafting of the By-Laws and ensures that they conform with regulatory requirements; and
13. Performs such other duties and responsibilities as may be provided by the SEC.

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

(e) Committee Procedures

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

Yes  No

Committee	Details of the procedures
Executive	N/A
Audit	The directors may request for any Company information at any time from the Corporate Secretary or the concerned officers.
Nomination	The directors may request for any Company information at any time from the Corporate Secretary or the concerned officers.
Compensation	The directors may request for any Company information at any time from the Corporate Secretary or the concerned officers.
Others (Management)	The directors may request for any Company information at any time from the Corporate Secretary or the concerned officers.

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

<i>engagement of any such external advisory services is approved by the Board.</i>	
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7) Change/s in existing policies

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

Existing Policies	Changes	Reason
<i>None</i>		

**D. REMUNERATION MATTERS**

1) Remuneration Process

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

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	<i>The Company's Manual provides that the Compensation Committee shall designate the amount of remuneration of the corporate officers, taking into consideration the experience and the duties of such officer, to be ratified by the Board.</i>	<i>The President/CEO determines the remuneration, subject to review by the Compensation Committee in the exercise of its oversight function, and 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	<i>The remuneration of executive directors must be competitive to attract and retain highly competent members.  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</i>	<i>Fixed remuneration, and fixed per diem for attendance at each meeting</i>	<i>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.</i>

	Company during the preceding year.  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.		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.
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 2016)

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	12,393,177.43	0	0
(b) Variable Remuneration	0	0	0
(c) Per diem Allowance	120,000	250,000	40,000
(d) Bonuses	0	0	0
(e) Stock Options and/or other financial instruments	0	0	0
(f) Others (Specify)	0	0	0
<b>Total</b>	<b>12,513,177.43</b>	<b>250,000</b>	<b>40,000</b>

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	93,788.80	0	0
(g) Car Plan	0	0	0
(h) Others (Specify)	0	0	0
<b>Total</b>	<b>93,788.80</b>	<b>0</b>	<b>0</b>

4) Stock Rights, Options and Warrants

(a) Board of Directors

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

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock
None	-	-	-	-

(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
The Personnel Incentive Program has been discontinued.	Not applicable	Not applicable.

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
Thomas G. Aquino	6,176,177.43
Mel V. Velarde	
Angeline L. Macasaet	
Kristian Noel A. Pura	
Maria Nenita G. Libid	

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	N/A						



Audit and Risk	0	2	1	Audit and Risk Committee Charter	The primary responsibility of the Committee is oversight.	It's key responsibilities are with respect to: 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	1	1	1	Nomination Committee Charter	Reviews and evaluates qualifications of all persons nominated to the Board and other appointments that require Board approval	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. other relevant laws or rules of the Securities and Exchange Commission; 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 environment	1. Establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors, if any, & officers; 2. 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	May disallow any director to decide his or her own remuneration

						<p>participate in any such plans and the amount of their respective participation;</p> <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>	
Others (Management)	3	0	0	Management Committee	Takes charge of the day to day operations	1. Appoint and remove	Removal of Company

Committee)				Charter	of the Company		any officers of the Company, except the President, Treasurer and Corporate Secretary;	officers, except the President, Treasurer and Corporate Secretary
							<p>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 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</p>	

							transaction between the Company and any SH.	
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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: NOT APPLICABLE

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

### (b) Audit and Risk Committee

Office	Name	Date of Last Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairperson (ID)	Marlou B. Ubano	05 August 2016	2	2	100	3 years
Member (NED)	Ramon Guillermo R. Tuazon	05 August 2016	2	2	100	3 years
Member (NED)	Gerard Bnn R. Bautista	05 August 2016	2	2	100	3 years

Disclose the profile or qualifications of the Audit Committee members.

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

**Marlou Buenafe Ubano**, 44 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.

**Gerard Bnn R. Bautista**, age 53 Filipino, Director, is also currently the Chairman of the University of Baguio Foundation. He is a partner in BNN Bautista Associates, an Architecture & Planning firm established in 1969, and the President of Eduplan Philippines, Inc., a leading educational pre-need insurance company. He is a Charter Member of the Rotary Club of Makati, Greenbelt. He is also currently 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, the Porsche Club of the Philippines, and the Rockwell Club, Baguio Country Club. He served as President of the Makati Jaycees. He obtained his Bachelor of Science in Architecture in the University of the Philippines. In 1987, he obtained post graduate studies in Information Technology for Architects in the Ateneo de Manila University. In 2002, he obtained post graduate studies in Financial Forecasting in the Center for Research and Communications in Mandaluyong. Likewise, in 2002, he obtained post graduate studies in Finance for Senior Executives in the Asian Institute of Management in Makati City. He also obtained post graduate studies in Actual Planning and in School Planning and Design in Harvard University in Cambridge, Massachusetts.

**Ramon Guillermo R. Tuazon**, age 58, 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 was chairman of the Philippines Commission on Higher Education (CHED) Technical Committee for Communication (TCC) and was a member of the CHED Technical Panel for Social Sciences and Communication. He is also a member of the CHED NCR Regional Quality Assurance Team (RQAT). He has served UNESCO in various capacities including Media Development Specialist for UNESCO Myanmar (November 2012-January 2014). Mr. Tuazon served as consultant/team leader to over 30 public information and communication programs and projects. He also participated in 15 international and about 40 national research projects in diverse areas such as mass media, communication, formal and non-formal education, literacy, children's rights, judicial reform and rule of law, etc. He has provided research and consultancy services in other countries including Maldives, Lao PDR, Myanmar, Bhutan, Indonesia, and France. 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. Mr. Tuazon completed his Master in Communication Management from the AIJC and Bachelor of Science in Commerce from University of Santo Tomas where he also took graduate work in advertising.

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

*The Audit 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.*

(c) Nomination and Election Committee

Office	Name	Date of Last Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Vicente Martin W. Araneta III	05 August 2016	2	2	100	3 years
Member	Jose S. Alejandro	05 August 2016	2	2	100	3 years
Member (ID)	Marlou B. Ubano	05 August 2016	2	2	100	2 years

(d) Compensation Committee

Office	Name	Date of Last Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Thomas G. Aquino	05 August 2016	1	1	0	5 years
Member (NED)	Marcelito R. Ordoñez	05 August 2016	1	1	0	3 years
Member (ID)	Eliseo M. Rio, jr.	05 August 2016	1	1	0	2 years

(e) Others (Management Committee):

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

Office	Name	Date	Last	of	No.	of	No.	of	%	Length	of
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		Appointment	Meetings Held	Meetings Attended		Service in the Committee
Chairman	Mel V. Velarde	05 August 2016	12	12	100	5 years
Member (ED)	Thomas G. Aquino	05 August 2016	12	12	100	5 years
Member (ED)	Angeline L. Macasaet	05 August 2016	12	12	100	5 years

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	None	-
Audit	None	-
Nomination	None	-
Compensation	None	-
Others (Management)	None	-

4) Work Done and Issues Addressed:

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

Name of Committee	Work Done	Issues Addressed
Executive	Not applicable	
Audit	Reviewed and evaluated the financial statements and the findings of the external auditors; Drafted and approved the Audit and Risk Committee Charter	No significant issues arose
Nomination	Reviewed and evaluated the qualifications of nominees to the Board and nominees to positions requiring Board approval; Reviewed and approved the Nomination Committee Charter	No significant issues arose
Compensation	Reviewed and evaluated the compensation of the directors and Management; Reviewed and approved the Compensation Committee Charter	No significant issues arose
Management	Directed the day to day operations of the company; Reviewed and approved the Management Committee Charter	No significant issues arose
Others (specify)	Not applicable	

5) Committee Program

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

Name of Committee	Planned Programs	Issues to be Addressed
Executive	Not applicable	
Audit	Set up the Internal Audit Department and appoint the Chief Internal Auditor	Establish and identify the structure of the Internal Audit Department, with the Chief Internal Auditor reporting directly to the Committee functionally
Nomination	Review and evaluation of the qualifications of nominees to the Board and nominees to positions requiring Board approval	Qualifications or disqualifications, if any, of nominees to the Board and nominees to positions requiring Board approval
Compensation	Review and evaluation of directors' per diem and remuneration of senior management and other consultants of the Company.	To determine remuneration sufficient to attract and retain the services of qualified and competent directors and senior officers needed to run the Company successfully

## F. 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; and

*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 3<sup>rd</sup> 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 3<sup>rd</sup> 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</i>	<i>To minimize the Company's exposure to unreliable 3<sup>rd</sup> party service providers</i>

	<p><i>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></p>	
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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.

<b>Risk to Minority Shareholders</b>
<p><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></p>
<p><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 by the controlling shareholders' of their 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></p>

3) Control System Set Up

(a) Company

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

<b>Risk Exposure</b>	<b>Risk Assessment (Monitoring and Measurement Process)</b>	<b>Risk Management and Control (Structures, Procedures, Actions Taken)</b>
<i>Competition</i>	<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>
<i>Third Party Services</i>	<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>
<i>Internet</i>	<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>

(b) 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.*

(c) Committee



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

Committee/Unit	Control Mechanism	Details of its Functions
Management Committee	Regular review of Company activities	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
Audit and Risk Committee	Regular review of risk policies and management	<p>Common recurring activities of the Committee:</p> <p><b>A. Financial Reporting and Disclosures</b></p> <ol style="list-style-type: none"> <li>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</li> <li>2. The Committee shall review and identify material errors and fraud, and ensure establishment of measures for sufficient risk control.</li> <li>3. The Committee shall review unusual or complex transactions including all related party transactions.</li> <li>4. The Committee shall review and determine, with management and the external auditors and approve the impact of new accounting standards and interpretations.</li> <li>5. The Committee shall communicate with legal counsel on litigation, claims, contingencies or other significant legal issues that impact the financial statements.</li> <li>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.</li> <li>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.</li> <li>8. The Committee shall assess the correspondence between the Company and regulators regarding financial filings and disclosures.</li> </ol> <p><b>B. Risk Management and Internal Controls</b></p> <ol style="list-style-type: none"> <li>1. The Committee shall obtain Management's assurance on the state of internal controls.</li> <li>2. The Committee shall review internal auditors' evaluation of internal controls.</li> <li>3. The Committee shall evaluate the internal control issues raised by external auditors and assess the control environment, including IT systems and functions.</li> <li>4. The Committee shall set a framework for fraud prevention and detection, including the establishment of the whistle-blower program.</li> <li>5. The Committee shall deliberate on findings of weakness in controls and reporting process.</li> <li>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.</li> <li>7. The Committee shall prepare and implement a Business Continuity Plan.</li> <li>8. The Committee shall also promote risk awareness in the Company.</li> </ol> <p><b>C. Management and Internal Audit</b></p> <ol style="list-style-type: none"> <li>1. The Committee shall evaluate Management's compliance with the Code of Conduct.</li> <li>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.</li> <li>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.</li> <li>4. The Committee shall ensure compliance by the Internal Audit Department with International Standards on the Professional Practice of Internal Auditing.</li> <li>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</li> </ol>

		<p>approve the extent and scope of the internal audit work, ensuring that the audit resources are reasonably allocated to the areas of highest risk.</p> <p>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.</p> <p>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> <p><b>D. External Audit</b></p> <p>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.</p> <p>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.</p> <p>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.</p> <p>4. The Committee shall evaluate and understand agreements between the external auditor and Management.</p> <p>5. The Committee shall also ensure that Management is taking appropriate corrective actions on the findings of the external auditors in a timely manner.</p> <p>6. The Committee shall ensure Management's competence regarding financial reporting responsibilities including aggressiveness and reasonableness of decisions.</p> <p>7. The Committee shall ensure that Management shall timely and completely communicate with 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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## G. INTERNAL AUDIT AND CONTROL

### 1) Internal Control System

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

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

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

- (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 designed to add value and improve the Company's operations.</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 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>	<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 Committee directly.</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 committee?

*Not applicable.*

- (c) Discuss the internal auditor's reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel?

*The heads of the different departments have access to the Board and the Audit and Risk 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.

<b>Progress Against Plans</b>	<i>The Company comprehensively reviews and implements the established audit plan based on a scheduled timeline.</i>
<b>Issues<sup>6</sup></b>	<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>
<b>Findings<sup>7</sup></b>	<i>There are no significant findings.</i>
<b>Examination Trends</b>	<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.]

(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
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<sup>6</sup> "Issues" are compliance matters that arise from adopting different interpretations.

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

<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>
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(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 Revised 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.*

#### H. ROLE OF STAKEHOLDERS

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

	<b>Policy</b>	<b>Activities</b>
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 approval rests with the Chief Financial Officer and the President.</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 particular contractor or supplier, will recommend at least 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>

2) 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.*

3) Performance-enhancing mechanisms for employee participation.

*Not applicable, since the Company has less than three employees. Its manpower complement is composed of consultants.*

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

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

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

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

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

*Not applicable, since the Company has no employees. Its manpower complement is composed of consultants.*

#### I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

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

Shareholder	Number of Shares	Percent	Beneficial Owner
<i>PCD Nominee Corporation – Filipino/Others</i>	<i>485,302,985</i>	<i>31.9851</i>	<i>N/A</i>
<i>Top Mega Enterprises Limited - Chinese</i>	<i>367,935,951</i>	<i>24.2497</i>	<i>N/A</i>
<i>Emerald Investments, Inc. - Filipino</i>	<i>209,395,185</i>	<i>13.8007</i>	<i>N/A</i>
<i>Velarde, Inc. - Filipino</i>	<i>200,571,550</i>	<i>13.2192</i>	<i>N/A</i>
<i>Food Camp Industries and Marketing, Inc. - Filipino</i>	<i>91,726,743</i>	<i>6.0455</i>	<i>N/A</i>
<i>Joyce Link Holdings, Limited – British VI</i>	<i>86,458,552</i>	<i>5.6983</i>	<i>N/A</i>

2) Does the Annual Report disclose the following:

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	Yes
Dividend policy	Yes
Details of whistle-blowing policy	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/commissioners meetings held during the year	No

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

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

*The number of directors meetings and attendance details of each director are separately disclosed annually through an advisement letter to the SEC and PSE.*

*The Company has an existing whistle-blowing policy.*

3) External Auditor's fee for 2016

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

4) 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](http://www.now-corp.com))
4. SEC and PSE Disclosures

5) Date of release of audited financial report for 2016: 12 April 2017

6) Company Website

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

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

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

7) Disclosure of RPT

Category	Transaction amount	Due from related parties	Trade and other receivables	Due to related parties	Trade and other payables	Advances to affiliates	Terms	Conditions
<i>Shareholders</i>								
Velarde, Inc.								
Advances	2015	P- 73,626,954	P- -	P- 68,322,816	P- -	P- -	On demand	Unsecured
		170,709,048	-	223,458,035	-	-	On demand	Unsecured
		45,143,729	-	394,167,083	-	-	On demand	Unsecured
Management fee		240,000	1,440,000	-	-	-	On demand	Unsecured, no impairment
		240,000	1,200,000	-	-	-	On demand	Unsecured, no impairment
		240,000	960,000	-	-	-	On demand	Unsecured, no impairment
Interest		-	-	-	59,903,586	-	On demand	Unsecured
		-	-	-	59,903,586	-	On demand	Unsecured
		17,756,021	-	-	59,903,586	-	On demand	Unsecured
Advances		-	-	-	-	-	On demand	Unsecured
		-	-	95,536	2,035,055	-	On demand	Unsecured
		-	-	95,536	2,035,055	-	On demand	Unsecured
Advances		-	-	-	-	-	On demand	Unsecured, no impairment
		-	-	40,848	-	-	On demand	Unsecured, no impairment
		-	-	40,848	-	-	On demand	Unsecured, no impairment
		-	-	40,848	-	-	On demand	Unsecured, no impairment
Leases		-	-	-	-	-	On demand	Unsecured
		-	-	2,902,918	-	-	On demand	Unsecured
		-	-	2,902,918	-	-	On demand	Unsecured
		-	-	2,902,918	-	-	On demand	Unsecured
<i>Affiliates</i>								
NOW Telecom								
Advances		2,704,687	51,346,501	878,208	-	-	On demand	Unsecured, no impairment
		7,816,287	31,408,455	749,806	-	-	On demand	Unsecured, no impairment
		5,320,038	23,720,567	621,407	-	-	On demand	Unsecured, no impairment
Services		7,500,000	8,400,000	-	-	-	On demand	Unsecured, no impairment
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Advances		P- 204,708	P- -	P- -	P- -	P- -	On demand	Unsecured
		2,160	-	-	-	-	On demand	Unsecured
		-	-	202,548	-	-	On demand	Unsecured



Category	Transaction amount	Due from related parties	Trade and other receivables	Due to related parties	Trade and other payables	Advances to affiliates	Terms	Conditions
Outside Services	50,716,312	-	-	-	15,450,244	-	On demand	Unsecured
	46,656,791	-	-	-	19,719,161	-	On demand	Unsecured
	44,796,755	-	-	-	26,207,689	-	On demand	Unsecured
IBI Advances	-	15,567,752	-	-	-	-	Due within 5 years	Unsecured, no impairment
	-	15,567,752	-	-	-	-	Due within 5 years	Unsecured, no impairment
	-	15,567,752	-	-	-	-	On demand	Unsecured, no impairment
Interest	467,033	11,462,959	-	-	-	-	Due within 5 years	Unsecured, no impairment
	467,033	10,995,926	-	-	-	-	Due within 5 years	Unsecured, no impairment
	467,033	10,528,893	-	-	-	-	On demand	Unsecured, no impairment
Asian Institute of Journalism and Communication	1,039	471,061	-	-	-	-	On demand	Unsecured, no impairment
	2,661	470,022	-	-	-	-	On demand	Unsecured, no impairment
	233,228	472,683	-	-	-	-	On demand	Unsecured, no impairment
Paradiso Verde, Inc.	-	-	-	-	3,358,462	-	On demand	Unsecured
Advances	-	-	-	-	3,358,462	-	On demand	Unsecured
	-	-	-	7,940,563	-	-	-	Unsecured
Services	-	-	-	605,212	-	-	On demand	Unsecured, no impairment
	368,195	-	-	605,212	-	-	On demand	Unsecured, no impairment
	973,407	-	-	973,407	-	-	On demand	Unsecured, no impairment
Porteon Loans	P-	P2,160,300	P-	P-	P-	P-	On demand	Unsecured, no impairment
	-	2,160,300	-	-	-	-	On demand	Unsecured, no impairment
	-	2,160,300	-	-	-	-	On demand	Unsecured, no impairment
Newsnet Advances	4,669,416	10,736,960	-	-	-	-	On-demand	Unsecured, no impairment
	947,948	6,067,544	-	-	-	-	On-demand	Unsecured, no impairment

Category	Transaction amount	Due from related parties	Trade and other receivables	Due to related parties	Trade and other payables	Advances to affiliates	Terms	Conditions
	5,119,596	5,119,596	-	-	-	-	-	-
Services	15,450,000	-	28,504,000	-	-	-	On-demand	Unsecured, no impairment
	10,000,000	-	11,200,000	-	-	-	On-demand	Unsecured, no impairment
	-	-	-	-	-	-	-	-
Advances	1,177,121	6,177,301	-	-	-	-	On-demand	Unsecured, no impairment
	180	5,000,180	-	-	-	-	On-demand	Unsecured, no impairment
	5,000,000	5,000,000	-	-	-	-	-	-
Services	15,450,000	-	28,504,000	-	-	-	On-demand	Unsecured, no impairment
	10,000,000	-	11,200,000	-	-	-	-	Unsecured, no impairment
	-	-	-	-	-	-	-	-
Loans	-	-	2,211,771	-	-	-	On demand	Unsecured, no impairment
	-	-	2,211,771	-	-	-	On demand	Unsecured, no impairment
	-	-	2,211,771	-	-	-	On demand	Unsecured, no impairment
Interest	-	156,000	-	-	-	-	On demand	Unsecured, no impairment
	-	156,000	-	-	-	-	On demand	Unsecured, no impairment
	-	156,000	-	-	-	-	On demand	Unsecured, no impairment
Advances	-	-	-	-	-	9,248,449	On demand	Unsecured, no impairment
	-	-	-	-	-	9,248,449	On demand	Unsecured, no impairment
	-	-	-	-	-	9,248,449	On demand	Unsecured, no impairment
Advances	-	-	-	-	-	14,344,369	On demand	Unsecured, no impairment
	-	-	-	-	-	14,344,369	On demand	Unsecured, no impairment
	-	-	-	-	-	14,344,369	On demand	Unsecured, no impairment
Advances	P-	P720	P-	P-	P-	P-	On demand	Unsecured, no impairment
	-	720	-	-	-	-	On demand	Unsecured, no impairment
	-	-	-	-	-	-	-	-
Lease	930,313	-	-	4,806,612	-	-	On demand	Unsecured
	930,313	-	-	3,876,300	-	-	On demand	Unsecured
	930,313	-	-	2,945,987	-	-	On demand	Unsecured

Associate	Category	Transaction amount	Due from related parties	Trade and other receivables	Due to related parties	Trade and other payables	Advances to affiliates	Terms	Conditions
Softweb	Advances	-	487,344	2,380,860	4,816	-	-	On demand	Unsecured
		1,389,259	2,163,820	2,380,860	6,390,573	-	5,000,000	On demand	Unsecured
		4,403,554	8,239,341	2,380,860	1,704,311	-	5,000,000	On demand	Unsecured
	Loans	-	714,000	-	-	-	-	On demand	Unsecured, no impairment
		-	714,000	-	-	-	-	On demand	Unsecured, no impairment
		-	714,000	-	-	-	-	On demand	Unsecured, no impairment
	Sales	5,412,232	-	16,401,451	-	-	-	On demand	Unsecured, no impairment
		12,088,054	-	22,493,064	-	-	-	On demand	Unsecured, no impairment
		2,792,846	-	14,101,882	-	-	-	On demand	Unsecured, no impairment
	Management fee	-	-	15,590,000	-	-	-	On demand	Unsecured, no impairment
		-	-	15,590,000	-	-	-	On demand	Unsecured, no impairment
		4,800,000	-	15,590,000	-	-	-	On demand	Unsecured, no impairment
			<b>P99,526,454</b>	<b>P103,432,082</b>	<b>P77,520,582</b>	<b>P78,712,292</b>	<b>P23,592,818</b>		
			P74,950,275	P66,275,695	P238,078,380	P85,016,264	P28,592,818		
			P71,922,528	P35,244,513	P411,351,212	P88,146,330	P28,592,818		

Summary of related party transactions affecting consolidated statements of income:

Related parties	Category	Revenues	Cost of sales and services	General and administrative expenses
Velarde Inc.	Management Fee	<b>₱240,000</b>	<b>₱-</b>	<b>₱-</b>
		240,000	-	-
		240,000	-	-
	Interest	-	-	-
		-	-	-
		-	-	17,756,021
NOW Telecom	Services	<b>7,500,000</b>	-	-
		-	-	-
		-	-	-
	Cost of data services	-	<b>779,715</b>	-
		-	-	-
		-	-	-
Newsnet	Services	<b>15,450,000</b>	-	-
		-	-	-
		-	-	-
	Cost of data services	-	<b>1,696,912</b>	-
		-	-	-
		-	-	-
GHT	Services	<b>15,450,000</b>	-	-
		-	-	-
		-	-	-
IBI	Interest	<b>467,033</b>	-	-
		-	-	-
		-	-	-
KPSC	Outside services	-	<b>43,226,619</b>	<b>7,489,693</b>
		-	40,054,599	6,602,192
		-	41,662,334	3,134,421
Softweb	Sales	<b>5,412,232</b>	-	-
		12,088,054	-	-
		2,792,846	-	-
	Management fee	-	-	-
		-	-	-
		<b>4,800,000</b>	-	-
I-College	Lease	-	-	<b>930,313</b>
		-	-	930,313
		-	-	930,313
		<b>₱44,519,265</b>	<b>₱45,703,246</b>	<b>₱8,420,006</b>
		<b>₱12,328,054</b>	<b>₱40,054,599</b>	<b>₱7,532,505</b>
		<b>₱7,832,846</b>	<b>₱41,662,334</b>	<b>₱21,820,755</b>

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.*

**J. RIGHTS OF STOCKHOLDERS**

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

(a) Quorum

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

<b>Quorum Required</b>	<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.

<b>System Used</b>	Cumulative Voting
<b>Description</b>	<p><b>For election of directors:</b></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><b>All other matters:</b></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.

<b>Stockholders' Rights under The Corporation Code</b>	<b>Stockholders' Rights <u>not</u> in The Corporation Code</b>
	<i>Under the Company's Revised 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

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

(d) Stockholders' Participation

1. State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in

the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.

Measures Adopted	Communication Procedure
<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 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 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 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 Special Stockholders' Meeting, various stockholders present engaged in a discussion with the Company's officers and members present in the matter of the increase in authorized capital stock that will be implemented by the Company. All stockholders present understood the necessity of raising capital for the Company and that the increase in authorized capital will provide the Company with funding to further strengthen its business.*
5. Result of Annual/Special Stockholders' Meeting's Resolutions

A. Annual Stockholders' Meeting (02 June 2016)

Resolution	Approving	Dissenting	Abstaining
<i>The following were elected as Directors – Thomas G. Aquino Mel V. Velarde Jose S. Alejandro</i>	<i>1,229,517,481</i>	<i>0</i>	<i>0</i>

<i>Marcelito R. Ordoñez Gerard Bnn R. Bautista Vicente Martin W. Araneta III Ramon Guillermo R. Tuazon Mariou B. Ubano, as independent director Eliseo M. Rio, Jr. (Ret.), as independent director Amelito V. Velarde Atty. Angeline L. Macasaet</i>			
<i>Approval of the Minutes of the Annual Stockholders' Meeting held on 04 June 2015</i>	1,229,517,481	0	0
<i>Approval of the 2016 Annual Report and 2015 Audited Financial Statements</i>	1,229,517,481	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>	1,229,517,481	0	0
<i>Approval of the Amendment of the Seventh Article of Incorporation (Increase of the Authorized Capital Stock from Php2.120B to Php3.0B; Conversion of Advances/Loan to Equity of a Shareholder; in the Amount of Php264M; Listing of Additional Shares Out of the Increase</i>	1,229,517,481	0	0
<i>Approval of the waiver by a majority vote representing the outstanding shares held by the minority shareholders present of the conduct of a rights or public offering of the shares to be subscribed by Velarde, Inc.</i>	1,229,517,481	0	0

B. Special Stockholders' Meeting (08 November 2016)

Resolution	Approving	Dissenting	Abstaining
<i>Approval of the Minutes of the Annual Stockholders' Meeting held on 02 June 2016</i>	1,195,518,979	0	0
<i>Approval of the Amendment to the Seventh Article of Incorporation (creation of 60M Redeemable, Convertible, Non-Participating, and Non-Voting Preferred Shares with or without Detachable Warrants with a par value of One Peso (Php1.00) per share</i>	1,195,518,979	0	0
<i>Approval of the Listing of 60M Redeemable, Convertible, Non- Participating, and Non-Voting Preferred Shares with or without Detachable Warrants with a par value of One Peso (Php1.00) per share</i>	1,195,518,979	0	0

Approval of issuance and public offering of 60M Redeemable, Convertible, Non-Participating, and Non-Voting Preferred Shares with or without Detachable Warrants with a par value of One Peso (Php1.00) per share	1,195,518,979	0	0
Shareholders granted the authority to the Board of Directors to determine: (1) whether the issuance of the Preferred Shares shall be with or without warrants; (2) the actual number of warrants to be issued in connection thereto, which shall in no case be more than two (2) times the total number of Preferred Shares to be issued; (3) the total number of underlying common shares to be issued in connection with such warrant, which shall in no case be more than the number of warrants to be issued; and (4) to determine all other terms and conditions of the warrant including the strike price.	1,195,518,979	0	0

6. Date of publishing of the result of the votes taken during the most recent AGM 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.*

(e) Modifications

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

Modifications	Reason for Modification
None	

(f) Stockholders' Attendance

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

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	Thomas G. Aquino Mel V. Velarde Jose S. Alejandro Vicente Martin W. Araneta III Gerard Bnn R. Bautista Eliseo M. Rio, Jr. Marlou BV. Ubano Amelito V. Velarde Angeline L. Macasaet	02 June 2016	By show of hands	2.1978	78.8365	81.0344



Special	<i>Thomas G. Aquino          Jose S. Alejandro          Mel V. Velarde          Vicente Martin W. Araneta III          Gerard Bnn R. Bautista          Ramon Guillermo R. Tuazon          Marlou B. Ubano          Jan-Olov Conny Dolonius          Winnita V. Ysog          Angeline L. Macasaet</i>	08 November 2016	By show of hands	0.3610	78.4326	78.7936
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(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. The Company has only one class of shares.*

(g) Proxy Voting Policies

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

	Company's Policies
Execution and acceptance of proxies	<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>

(h) 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>

(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	Annual Stockholders' Meeting: 12 May 2016 Special Stockholders' Meeting: 14 October 2016
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	Annual Stockholders' Meeting: 12 May 2016 Special Stockholders' Meeting: 14 October 2016
State whether CD format or hard copies were distributed	Hard copies were distributed.
If yes, indicate whether requesting stockholders were provided hard copies	Hard copies were also available both during the Annual Stockholders' Meeting and Special Stockholders' Meeting. Requesting stockholders were provided hard copies.

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

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

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

2) Treatment of Minority Stockholders

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

Policies	Implementation
The Company respects the right of minority shareholders to vote on all matters that require their consent or approval.	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.
The Company respects the right of minority shareholders to inspect corporate books and records.	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.

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

Yes, as discussed above.

### C. INVESTORS RELATIONS PROGRAM

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

*The Marketing Department, headed by a Marketing Manager directly reporting to the President and CEO: 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 also the Corporate Information Officer and Corporate Secretary. 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>Kristian Noel A. Pura (Acting Investor Relations Officer)</p> <p>Unit 5-1, 5<sup>th</sup> Floor, OPL Building, 100 C. Palanca Street</p> <p>Legaspi Village, Makati City 1229</p> <p>Email: kristian.pura@now-corp.com</p> <p>Tel No. 750-0211; Fax No. 750-0461</p>

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

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

*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.*

### D. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

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

**E. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL**

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

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

**F. INTERNAL BREACHES AND SANCTIONS**

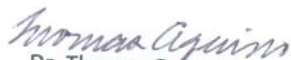
Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees

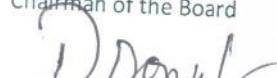
*At the level of directors and senior officers, the Board will evaluate possible violation and if after a fair consideration of the facts it is established that there was in fact a violation, the Board will determine sanctions on a case to case basis.*

Violations	Sanctions
Please see answer above.	

Pursuant to the requirement of the Securities and Exchange Commission, this Consolidated Annual Corporate Governance Report for 2016 is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati this \_\_\_ day of May 2017.

**SIGNATURES**

  
**Dr. Thomas G. Aquino**  
 Chairman of the Board

  
**Domingo B. Bonifacio**  
 Independent Director

  
**Mr. Mel V. Velarde**  
 President/Chief Executive Officer

  
**Atty. Marloa B. Ubano**  
 Independent Director

  
**Angeline L. Macasaet**  
 Compliance Officer