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A. BOARD MATTERS

1) Board of Directors

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

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	if nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) ¹	Elected when (Annual /Special Meeting)	No. of years served as director
William T. Belo	ED	N/A	N/A	March 30, 2016		Annual	9 months
Lorraine Belo-Cincochan	ED	N/A	N/A	March 30, 2016		Annual	9 months
Mark Andrew Y. Belo	ED	N/A	N/A	March 30, 2016		Annual	9 months
Careen Y. Belo	ED	N/A	N/A	March 30, 2016		Annual	9 months
Rosemarie B. Ong	ED	N/A	N/A	Sept 13, 2016		Special	3 months
Rolando S. Narciso	ID	N/A	N/A	Sept 13, 2016		Special	3 months
Ricardo S. Pascua	ID	N/A	N/A	Sept 13, 2016		Special	3 months

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

The Company was listed in the Philippine Stock Exchange on March 31, 2017, beyond the period covered by this report. The Company, however, undertakes that it will comply with all of the guidelines prescribed in the Code of Corporate Governance For Publicly Listed Companies.

The Company began instituting the structures necessary to comply with the Code of Corporate Governance for Public Companies in 2016.

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

- (d) Directorship in Other Companies

- (i) Directorship in the Company's Group²

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

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

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.
William T. Belo	Wilcon Corporation	Executive/Chairman
	Anstay Realty & Development Corp.	Non-Executive
	Markeenlo Realty, Inc.	Non-Executive
	Liam Ros Holdings, Inc.	Non-Executive
	Loquor Locutus, Inc.	Non-Executive
	Lentus Lenis Inc.	Non-Executive
	Octacube Inc.	Non-Executive
	Multus Lucrum, Inc.	Non-Executive
Lorraine Belo-Cincochan	Wilcon Corporation	Executive, CFO-Treasurer
	Anstay Realty & Development Corp.	Non-Executive
	Markeenlo Realty, Inc.	Non-Executive
	Liam Ros Holdings, Inc.	Non-Executive
	Loquor Locutus, Inc.	Non-Executive
	Lentus Lenis Inc.	Non-Executive
	Octacube Inc.	Non-Executive
	Multus Lucrum, Inc.	Non Executive
Mark Andrew Y. Belo	Wilcon Corporation	Executive, President-CEO
	Anstay Realty & Development Corp.	Non-Executive
	Markeenlo Realty, Inc.	Non-Executive
	Liam Ros Holdings, Inc.	Non-Executive
	Loquor Locutus, Inc.	Non-Executive
	Lentus Lenis Inc.	Non-Executive
	Octacube Inc.	Non-Executive
	Multus Lucrum, Inc.	Non-Executive
Careen Y. Belo	Wilcon Corporation	Executive
	Anstay Realty & Development	Non-Executive

	Corp.	
	Markeenlo Realty, Inc.	Non-Executive
	Liam Ros Holdings, Inc.	Non-Executive

(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.
Ricardo S. Pascua (Independent Director)	Boulevard Holdings, Inc.	Non-Executive

(iii) Relationship within the Company and its Group

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

Director's Name	Name of the Significant Shareholder	Description of the relationship
William T. Belo	Wilcon Corporation	William T. Belo is the Chairman of Wilcon Corporation.
Mark Andrew Y. Belo	Wilcon Corporation	Mark Andrew Y. Belo is the President-CEO of Wilcon Corporation.
Lorraine Belo-Cincochan	Wilcon Corporation	Lorraine Belo-Cincochan is the Director and Treasurer of Wilcon Corporation.
Careen Y. Belo	Wilcon Corporation	Careen Y. Belo is the Director of Wilcon Corporation.

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

	Guidelines	Maximum Number of Directorship in other companies
Executive Director Non-Executive Director CEO	The Chief Executive Officer ("CEO") and other executive directors may be covered by a lower indicative limit for membership in other boards. A similar limit may apply to independent or non-executive directors who, at the same time, serve as full-time executives in other corporations. In any case, the capacity of the directors to diligently and efficiently	The Board may consider the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock corporations. The optimum number should take into consideration the capacity of a director to diligently and efficiently perform his duties and responsibilities.

	perform their duties and responsibilities to the boards they serve should not be compromised.	
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(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: (as of December 31, 2016)

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
William T. Belo	5,099,997	0	0.19%
Lorraine Belo-Cincochan	5,100,000	0	0.19%
Mark Andrew Y. Belo	5,100,000	0	0.19%
Careen Y. Belo	5,100,000	0	0.19%
Rosemarie B. Ong	1	0	0.00%
Rolando S. Narciso	1	0	0.00%
Ricardo. S. Pascua	1	0	0.00%
TOTAL	20,400,000	0	0.76%

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	William T. Belo
CEO/President	Lorraine Belo-Cincochan

(b) Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	<ol style="list-style-type: none"> Presides all the meetings of the stockholders and the Board and may also call special meetings of the stockholders and the Board in accordance with the By-Laws of the Company. Provides leadership in the Board. The Chairman shall ensure effective functioning of the Board, including maintaining a relationship of trust with board members; Ensures that the Board takes an informed decision. The 	<p>The President, who shall be elected by the Board from among its members, shall be the Chief Executive Officer of the Company.</p> <ol style="list-style-type: none"> He shall, subject to the control of the Board, have direct and immediate supervision over the long term and daily operations and management of the Company and shall execute and administer the administrative and operational policies

	<p>Chairman shall ensure a sound decision making process and he should encourage and promote critical discussions and ensure that dissenting views can be expressed and discussed within the decision-making process.</p> <p>4. Ensures that the meetings of the Board are held in accordance with the Company's By-laws or as the Chairman may deem necessary;</p> <p>5. Supervises 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</p>	<p>approved by the Board.</p> <p>2. He shall also exercise such powers as may be vested upon him by the Board not incompatible with law or the Company's By-laws.</p> <p>3. He may, at his discretion, delegates to a Chief Operating Officer some of his responsibilities subject to such rules and limitations as the Board may prescribe.</p>
Accountabilities	See above	See above
Deliverables	<p>1. Agenda for the meetings</p> <p>Statement of Management's</p> <p>2. Responsibility for audited FS</p> <p>3. Reports required by law</p>	<p>1. Statement of Management's Responsibility for audited FS</p> <p>2. SEC Forms 17-A and 17-Q</p> <p>3. Other reports required by law</p>

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

4) Other Executive, Non-Executive and Independent Directors

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

The Nomination Committee shall provide shareholders with an independent and objective evaluation and assurance that the membership of the Board is competent and will foster the Company's long-term success and secure its competitiveness and review and evaluate the qualifications of all persons nominated as director and other appointments that require Board approval.

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

Qualification for directorship requires that the director proven to possess Integrity/probity, physical/mental fitness, competence, relevant education/financial literacy/training, diligence and knowledge/experience and has a practical understanding of the business

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

	Executive	Non-Executive	Independent Director
Role	A director's office is one of trust and confidence. He shall act in a manner characterized by transparency,	Same	Same

	<p>accountability and fairness, and in the best interest of the Company. He shall exercise leadership, prudence and integrity in directing the Company towards sustained progress.</p> <p>A director shall have the following duties and responsibilities:</p> <ol style="list-style-type: none"> 1. Remain fit and proper for the position for the duration of his term; 2. Conduct fair business transactions with the Company to ensure that his personal interest does not conflict with Board decisions; 3. Act honestly and in good faith, with loyalty and in the best interest of the institution, its stockholders, regardless of the amount of their stockholdings, and other stakeholders such as its depositors, investors, borrowers, other clients and the general public; 4. Devote time and attention necessary to properly discharge their duties and responsibilities; 5. Act judiciously and exercise independent judgment; 6. Contribute significantly to the decision-making process of the Board; 7. Have a working knowledge of the statutory and regulatory requirements affecting the Company, including the content of its Articles of Incorporation and By-laws, the requirements of the SEC and where applicable, 		
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	<p>the requirements of other regulatory agencies;</p> <p>8.Keep himself informed of the industry developments and business trends in order to safeguard the institution's competitiveness; and</p> <p>9.Observe confidentiality.</p>		
Accountabilities	See above	See above	See above
Deliverables	<p>1. Exercises the power of the Board of Directors as stated in the By-laws.</p> <p>2.Executes all resolutions of the Board of Directors</p>	Exercises the power of the Board of Directors as stated in the By-laws.	<p>1. Exercises the power of the Board of Directors as stated in the By-laws.</p> <p>2. Must submit that Possesses all the qualifications and none of the disqualifications of an independent director at the time of his election and/or re-election as an independent director.</p>

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

Independent director – a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director

- a. Independent Director shall refer to a person who –
- 1) Is not or has not been an officer or employee of the Company, its subsidiaries, if any, or affiliates or related interests during the past three (3) years counted from the date of his election;
 - 2) Is not a director or officer of the related companies of the Company's majority stockholder;
 - 3) Is not a stockholder with shares of stock sufficient to elect one seat in the Board of the Company, or in any of its related companies or of its majority corporate shareholders;
 - 4) Is not a relative within the fourth degree of consanguinity or affinity, legitimate or common-law of any director, officer or a stockholder holding shares of stock sufficient to elect one seat in the board of the Company or any of its related companies;
 - 5) Is not acting as a nominee or representative of any director or substantial shareholder of the Company, any of its related companies or any of its substantial shareholders;
 - 6) Is not retained as professional adviser, consultant, agent or counsel of the Company, any of its related companies or any of its substantial shareholders either in his personal capacity or through his firm; is independent of management and free from any business or other relationship, has not engaged and does not engage in any transaction with the Company or with any of its related companies or with any of its substantial shareholders, whether by himself or with other persons or

through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm's length and could not materially interfere with or influence the exercise of his judgment;

- 7) Apart from his fees and shareholdings, has no business or relationship with the Company which could or could reasonably be perceived to materially interfere with the exercise of his independent judgment in carrying out his responsibilities as a Director.
- 8) Possesses all the qualifications and none of the disqualifications of an independent director at the time of his election and/or re-election as an independent director; and
- 9) Is not a securities broker-dealer.

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

The Company will comply with the term limits for independent directors prescribed under SEC Memorandum Circular No. 4, Series of 2017.

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
Rosy Chua Belo	Director	September 13, 2016	Resignation

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

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

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors	Shall be elected by plurality of vote at the annual meeting of the stockholders for the year at which quorum is present. At each election for directors, every stock holder shall have the right to vote, in person or by proxy, the number of shares owned by him for as many person as there are directors to be elected, or to cumulate his votes by giving one candidate as many votes as the number is shares shall equal, or by distributing such votes as the same principle among any number of candidates.	Holder of at least one (1) share of stock of the Company; At least a college graduate or has at least five (5) years experience in managing the business; At least twenty-five (25) years of age at the time of his election or appointment; Has proven to possess integrity/probity, physical/mental fitness, competence, relevant education/financial literacy/training, diligence and knowledge/experience;

		<p>has a practical understanding of the business;</p> <p>Possesses all the qualifications and none of the disqualifications of a Director at the time of his election or re-election as required under pertinent regulations;</p> <p>A member in good standing in relevant industry, business or professional organizations;</p> <p>Must have attended a special seminar on corporate governance for Board of Directors conducted by an accredited training provider of the SEC.</p>
<p>(ii) Non-Executive Directors</p>	<p>Shall be elected by plurality of vote at the annual meeting of the stockholders for the year at which quorum is present. At each election for directors, every stock holder shall have the right to vote, in person or by proxy, the number of shares owned by him for as many person as there are directors to be elected, or to cumulate his votes by giving one candidate as many votes as the number of shares shall equal, or by distributing such votes as the same principle among any number of candidates.</p>	<p>Holder of at least one (1) share of stock of the Company;</p> <p>At least a college graduate or has at least five (5) years experience in managing the business;</p> <p>At least twenty-five (25) years of age at the time of his election or appointment;</p> <p>Has proven to possess integrity/probity, physical/mental fitness, competence, relevant education/financial literacy/training, diligence and knowledge/experience; has a practical understanding of the business;</p> <p>Possesses all the qualifications and none of the disqualifications of a Director at the time of his election or re-election as required under pertinent regulations;</p> <p>A member in good standing in relevant industry, business or professional organizations;</p> <p>Must have attended a special seminar on corporate governance for Board of Directors conducted by an accredited training provider</p>

		of the SEC.
(iii) Independent Directors	Nomination of Independent Directors shall be conducted by the Nomination Committee. Election of independent director/s shall be made in accordance with standards procedures of the company or its by-laws.	<p>Holder of at least one (1) share of stock of the Company;</p> <p>At least a college graduate or has at least five (5) years experience in managing the business;</p> <p>At least twenty-five (25) years of age at the time of his election or appointment;</p> <p>Has proven to possess integrity/probity, physical/mental fitness, competence, relevant education/financial literacy/training, diligence and knowledge/experience; has a practical understanding of the business;</p> <p>Possesses all the qualifications and none of the disqualifications of a Director at the time of his election or re-election as required under pertinent regulations;</p> <p>A member in good standing in relevant industry, business or professional organizations;</p> <p>Must have attended a special seminar on corporate governance for Board of Directors conducted by an accredited training provider of the SEC.</p>
b. Re-appointment		
(i) Executive Directors	Same process	Same criteria as stated above
(ii) Non-Executive Directors	Same process	Same criteria as stated above
(iii) Independent Directors	Same process	Same criteria as stated above
c. Permanent Disqualification		
(i) Executive Directors	The Board of Directors shall be responsible for determining the existence of the ground for disqualification of the Company's director and for reporting the same.	Those convicted by final judgment or order by a competent judicial or administrative body of offenses involving dishonesty or breach of trust such as, but not limited to, estafa, embezzlement, extortion, forgery, malversation, swindling, theft, robbery,

		<p>falsification, bribery, violation of B.P. Blg. 22, violation of Anti-Graft and Corrupt Practices Act and prohibited acts and transactions under Section 7 of R.A. No. 6713 (Code of Conduct and Ethical Standards for Public Officials and Employees), violation of the Corporation Code, Securities Regulation Code and any other law administered by the SEC and any of its rules and regulations.</p> <p>Those convicted by final judgment or order by a competent judicial or administrative body of any crime that (i) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (ii) 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 (iii) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;</p> <p>Those who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the SEC or any court or administrative body of competent jurisdiction from: (i) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (ii) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (iii) engaging in or continuing any conduct or practice in any of</p>
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		<p>the capacities mentioned in sub-paragraphs (i) and (ii) above, or willfully violating the laws that govern securities and banking activities.</p> <p>The disqualification shall also apply if such person is currently the subject of an order of the SEC or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporate Code, Securities Regulation Code or any other law administered by the SEC or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the SEC or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;</p> <p>Those who has been adjudged by final judgment or order of the SEC, 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 SEC or BSP, or any of its rule, regulation or order;</p> <p>Any person earlier elected as independent director who becomes an officer, employee or consultant of the Company;</p> <p>Those judicially declared insolvent, spendthrift or incapacitated to contract;</p> <p>Any person found guilty by</p>
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		<p>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 sub-paragraphs 1 to 5 above; and</p> <p>Those convicted by final judgment of a court sentencing them to serve a maximum term of imprisonment of 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.</p> <p>Those convicted by final judgment of the court for violation of SEC, BIR, and other government agencies' laws, rules and regulations.</p>
(ii) Non-Executive Directors	<p>The Board of Directors shall be responsible for determining the existence of the ground for disqualification of the Company's director and for reporting the same.</p>	<p>Those convicted by final judgment or order by a competent judicial or administrative body of offenses involving dishonesty or breach of trust such as, but not limited to, estafa, embezzlement, extortion, forgery, malversation, swindling, theft, robbery, falsification, bribery, violation of B.P. Blg. 22, violation of Anti-Graft and Corrupt Practices Act and prohibited acts and transactions under Section 7 of R.A. No. 6713 (Code of Conduct and Ethical Standards for Public Officials and Employees), violation of the Corporation Code, Securities Regulation Code and any other law administered by the SEC and any of its rules and regulations.</p> <p>Those convicted by final judgment or order by a competent judicial or administrative body of any crime that (i) involves the purchase or sale of securities, as defined in the Securities</p>

		<p>Regulation Code; (ii) 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 (iii) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;</p> <p>Those who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the SEC or any court or administrative body of competent jurisdiction from: (i) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (ii) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (iii) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (i) and (ii) above, or willfully violating the laws that govern securities and banking activities.</p> <p>The disqualification shall also apply if such person is currently the subject of an order of the SEC or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporate Code, Securities Regulation Code or any other law administered by the SEC or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the SEC or BSP, or has otherwise been</p>
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		<p>restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;</p> <p>Those who has been adjudged by final judgment or order of the SEC, 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 SEC or BSP, or any of its rule, regulation or order;</p> <p>Any person earlier elected as independent director who becomes an officer, employee or consultant of the Company;</p> <p>Those judicially declared insolvent, spendthrift or incapacitated to contract;</p> <p>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 sub-paragraphs 1 to 5 above; and</p> <p>Those convicted by final judgment of a court sentencing them to serve a maximum term of imprisonment of 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.</p> <p>Those convicted by final judgment of the court for</p>
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		violation of SEC, BIR, and other government agencies' laws, rules and regulations.
(iii) Independent Directors	The Board of Directors shall be responsible for determining the existence of the ground for disqualification of the Company's director and for reporting the same.	<p>Those convicted by final judgment or order by a competent judicial or administrative body of offenses involving dishonesty or breach of trust such as, but not limited to, estafa, embezzlement, extortion, forgery, malversation, swindling, theft, robbery, falsification, bribery, violation of B.P. Blg. 22, violation of Anti-Graft and Corrupt Practices Act and prohibited acts and transactions under Section 7 of R.A. No. 6713 (Code of Conduct and Ethical Standards for Public Officials and Employees), violation of the Corporation Code, Securities Regulation Code and any other law administered by the SEC and any of its rules and regulations.</p> <p>Those convicted by final judgment or order by a competent judicial or administrative body of any crime that (i) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (ii) 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 (iii) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;</p> <p>Those who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the SEC or any court or administrative body of competent jurisdiction from:</p>

		<p>(i) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (ii) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (iii) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (i) and (ii) above, or willfully violating the laws that govern securities and banking activities.</p> <p>The disqualification shall also apply if such person is currently the subject of an order of the SEC or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporate Code, Securities Regulation Code or any other law administered by the SEC or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the SEC or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;</p> <p>Those who has been adjudged by final judgment or order of the SEC, 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 SEC</p>
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		<p>or BSP, or any of its rule, regulation or order;</p> <p>Any person earlier elected as independent director who becomes an officer, employee or consultant of the Company;</p> <p>Those judicially declared insolvent, spendthrift or incapacitated to contract;</p> <p>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 sub-paragraphs 1 to 5 above; and</p> <p>Those convicted by final judgment of a court sentencing them to serve a maximum term of imprisonment of 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.</p> <p>Those convicted by final judgment of the court for violation of SEC, BIR, and other government agencies' laws, rules and regulations.</p>
d. Temporary Disqualification		
(i) Executive Directors	Same as above.	<p>Those who refuse to fully disclose the extent of their business interest or any material information when required pursuant to a provision of law or of a circular, memorandum, rule or regulation of the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as the refusal persists;</p> <p>Those who have been absent or who have not participated for whatever reasons in more than fifty percent (50%) of all</p>

		<p>meetings, both regular and special, of the Board of Directors during their incumbency, and directors who failed to physically attend for whatever reasons in at least twenty-five percent (25%) of all board meetings in any year, except when a) a notarized certification executed by the corporate secretary has been submitted attesting that said directors were given the agenda materials prior to the meeting and that their comments/decisions thereon were submitted for deliberation/discussion and were taken up in the actual board meeting, said directors shall be considered present in the board meeting or b) absence is due to illness, death in the immediate family or serious accident. This disqualification applies only for purposes of the immediately succeeding election.</p> <p>Those who are delinquent in the payment of their obligations as defined. This disqualification shall be in effect as long as the delinquency persists;</p> <p>Those who have been convicted by a court for offenses involving dishonesty or breach of trust such as but not limited to estafa, embezzlement, extortion, forgery, malversation, swindling, theft, robbery, falsification, bribery, violation of B.P. Blg. 22, violation of anti-graft and corrupt practices act and prohibited acts and transactions under Sec. 7 of R.A. No. 6713 (Code of Conduct and Ethical Standards for Public Officials and Employees), violation of laws, rules and regulations, or those sentenced to serve a maximum term of imprisonment of more than</p>
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	<p>six (6) years but whose conviction has not yet become final and executory;</p> <p>Those disqualified for failure to observe/discharge their duties and responsibilities prescribed under existing regulations.</p> <p>Those who failed to attend the special seminar on corporate governance for Board conducted or accredited by SEC. This disqualification applies until the director concerned has attended such seminar;</p> <p>Those dismissed/terminated from employment for cause.</p> <p>Those under preventive suspension;</p> <p>Those with derogatory records as certified by, or on the official files of, the judiciary, NBI, Philippine National Police (PNP), quasi judicial bodies, other government agencies, international police, monetary authorities and similar agencies or authorities of foreign countries for irregularities or violations of any law, rules and regulations that would adversely affect the integrity of the director or his ability to discharge his duties. This disqualification applies until they have cleared themselves of the alleged irregularities/violations or after a lapse of five (5) years from the time the complaint, which was the basis of the derogatory record, was initiated;</p> <p>Independent director whose beneficial equity ownership in the Company or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification shall be lifted if the limit is later</p>
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		<p>complied with.</p> <p>A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.</p>
(ii) Non-Executive Directors	Same as above.	<p>Those who refuse to fully disclose the extent of their business interest or any material information when required pursuant to a provision of law or of a circular, memorandum, rule or regulation of the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as the refusal persists;</p> <p>Those who have been absent or who have not participated for whatever reasons in more than fifty percent (50%) of all meetings, both regular and special, of the Board of Directors during their Incumbency, and directors who failed to physically attend for whatever reasons in at least twenty-five percent (25%) of all board meetings in any year, except when a) a notarized certification executed by the corporate secretary has been submitted attesting that said directors were given the agenda materials prior to the meeting and that their comments/decisions thereon were submitted for deliberation/discussion and were taken up in the actual board meeting, said directors shall be considered present in the board meeting or b) absence is due to illness, death in the immediate family or serious accident. This disqualification applies only</p>

		<p>for purposes of the immediately succeeding election.</p> <p>Those who are delinquent in the payment of their obligations as defined. This disqualification shall be in effect as long as the delinquency persists;</p> <p>Those who have been convicted by a court for offenses involving dishonesty or breach of trust such as but not limited to estafa, embezzlement, extortion, forgery, malversation, swindling, theft, robbery, falsification, bribery, violation of B.P. Blg. 22, violation of anti-graft and corrupt practices act and prohibited acts and transactions under Sec. 7 of R.A. No. 6713 (Code of Conduct and Ethical Standards for Public Officials and Employees), violation of laws, rules and regulations, or those sentenced to serve a maximum term of imprisonment of more than six (6) years but whose conviction has not yet become final and executory;</p> <p>Those disqualified for failure to observe/discharge their duties and responsibilities prescribed under existing regulations.</p> <p>Those who failed to attend the special seminar on corporate governance for Board conducted or accredited by SEC. This disqualification applies until the director concerned has attended such seminar;</p> <p>Those dismissed/terminated from employment for cause.</p> <p>Those under preventive suspension;</p> <p>Those with derogatory records as certified by, or on the official files of, the judiciary, NBI, Philippine</p>
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		<p>National Police (PNP), quasi judicial bodies, other government agencies, international police, monetary authorities and similar agencies or authorities of foreign countries for irregularities or violations of any law, rules and regulations that would adversely affect the integrity of the director or his ability to discharge his duties. This disqualification applies until they have cleared themselves of the alleged irregularities/violations or after a lapse of five (5) years from the time the complaint, which was the basis of the derogatory record, was initiated;</p> <p>Independent director whose beneficial equity ownership in the Company or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with.</p> <p>A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.</p>
(iii) Independent Directors	Same as above.	<p>Those who refuse to fully disclose the extent of their business interest or any material information when required pursuant to a provision of law or of a circular, memorandum, rule or regulation of the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as the refusal persists;</p>

		<p>Those who have been absent or who have not participated for whatever reasons in more than fifty percent (50%) of all meetings, both regular and special, of the Board of Directors during their incumbency, and directors who failed to physically attend for whatever reasons in at least twenty-five percent (25%) of all board meetings in any year, except when a) a notarized certification executed by the corporate secretary has been submitted attesting that said directors were given the agenda materials prior to the meeting and that their comments/decisions thereon were submitted for deliberation/discussion and were taken up in the actual board meeting, said directors shall be considered present in the board meeting or b) absence is due to illness, death in the immediate family or serious accident. This disqualification applies only for purposes of the immediately succeeding election.</p> <p>Those who are delinquent in the payment of their obligations as defined. This disqualification shall be in effect as long as the delinquency persists;</p> <p>Those who have been convicted by a court for offenses involving dishonesty or breach of trust such as but not limited to estafa, embezzlement, extortion, forgery, malversation, swindling, theft, robbery, falsification, bribery, violation of B.P. Blg. 22, violation of anti-graft and corrupt practices act and prohibited acts and transactions under Sec. 7 of R.A. No. 6713 (Code of Conduct and Ethical Standards for Public Officials and Employees), violation of</p>
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		<p>laws, rules and regulations, or those sentenced to serve a maximum term of imprisonment of more than six (6) years but whose conviction has not yet become final and executory;</p> <p>Those disqualified for failure to observe/discharge their duties and responsibilities prescribed under existing regulations.</p> <p>Those who failed to attend the special seminar on corporate governance for Board conducted or accredited by SEC. This disqualification applies until the director concerned has attended such seminar;</p> <p>Those dismissed/terminated from employment for cause.</p> <p>Those under preventive suspension;</p> <p>Those with derogatory records as certified by, or on the official files of, the judiciary, NBI, Philippine National Police (PNP), quasi judicial bodies, other government agencies, international police, monetary authorities and similar agencies or authorities of foreign countries for irregularities or violations of any law, rules and regulations that would adversely affect the integrity of the director or his ability to discharge his duties. This disqualification applies until they have cleared themselves of the alleged irregularities/violations or after a lapse of five (5) years from the time the complaint, which was the basis of the derogatory record, was initiated;</p> <p>Independent director whose beneficial equity ownership in the Company or its subsidiaries and affiliates</p>
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		<p>exceeds two percent (2%) of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with.</p> <p>A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.</p>
e. Removal		
(i) Executive Directors	<ol style="list-style-type: none"> 1. Removal must take place either at a regular meeting of the Company or at a special meeting called for that purpose 2. A previous notice should be provided to the stockholders or members of the intention to propose such removal at the meeting; 3. The removal must be by a vote of the stockholder's holding or representing 2/3 of Outstanding Capital Stock; 4. Removal may be with or without cause. Provided, that removal must always be with cause when a Director was elected the minority. 	
(ii) Non-Executive Directors	Same	
(iii) Independent Directors	<p>In case of resignation, disqualification or cessation of independent directorship and only after notice has been made with the Commission within five (5) days from such resignation, disqualification or cessation, the vacancy shall be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum, upon the nomination of the Committee otherwise, said vacancies shall be filled by the stockholders in a regular or special meeting called for that purpose. An independent director so elected to fill a vacancy shall serve only for the unexpired term of his</p>	

	predecessor in office	
f. Re-instatement		
(i) Executive Directors	Same process as stated above for selection/appointment of Executive Directors.	Same criteria as stated above.
(ii) Non-Executive Directors	Same process as stated above for selection/appointment of Non - Executive Directors.	Same criteria as stated above.
(iii) Independent Directors	Same process as stated above for selection/appointment of Independent Directors.	Same criteria as stated above.
g. Suspension		
(i) Executive Directors	Same process as stated above for selection/appointment of Executive Directors.	Same criteria as stated above.
(ii) Non-Executive Directors	Same process as stated above for selection/appointment of Non - Executive Directors.	Same criteria as stated above.
(iii) Independent Directors	Same process as stated above for selection/appointment of Non - Executive Directors.	Same criteria as stated above.

Voting Result of the last Annual General Meeting (as of December 31, 2016)

Name of Director	Votes Received
William T. Belo	WDI's voting result is more than the majority vote.
Lorraine Belo-Cincochan	
Mark Andrew Y. Belo	
Careen Y. Belo	
Rosemarie B. Ong	
Rolando S. Narciso	
Ricardo S. Pascua	

6) Orientation and Education Program

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

For new directors, an orientation shall be conducted by the Company to ensure familiarity with the Company's business and governance processes.

- (b) State any in-house training and external courses attended by Directors and Senior Management³ for the past three (3) years: Corporate Governance Seminar
- (c) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

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

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

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	<p>Directors must never allow themselves to be placed in a position where their personal interests are in conflict (or could be in conflict) with the interests or business of the Company. They must avoid any situation or activity that compromises, or may compromise, their judgment or ability to act in the best interest of the Company.</p> <p>a. It is the duty of a Director to fully disclose to the Board any conflict of interest or presumption thereof involving him/her which could materially impair his/her judgment, exercise of duties and responsibilities and loyalty to the Company.</p> <p>b. It is the duty of a Director to report to the Board any conflict of interest or presumption thereof involving a Director which could materially impair the latter's judgment, exercise of duties and responsibilities and loyalty to the</p>	<p>It is the policy of the Company that employees should make a conscious effort to avoid conflict of interest in situations that his judgment and discretion is not influenced by considerations or personal gain or benefit.</p>	<p>Same with Senior Management</p>

	<p>Company.</p> <p>c. The Director, who is in conflict of interest, should not be counted in determining the existence of a quorum at the Board of Directors' meeting at which the matter is voted upon.</p> <p>d. If the conflict of interest is significant, ongoing and competing with the Company's interest and if it impedes the ability of the Director to carry out his/her duties, the Company has the right to remove the Director from his/her position.</p> <p>Any transaction with conflict of interest requires prior approval of the members of the Board.</p>		
(b) Conduct of Business and Fair Dealings	<p>Employees of the company who are involved or in charge with the approval of procurement or sale of goods and services should make a conscious effort to avoid any conflict of interest in transactions in which they are involved.</p>	Same	Same
(c) Receipt of gifts from third parties	<p>Employees are discouraged from accepting gifts. However tokens of appreciation or those that are small in value are allowed.</p>	Same	Same
(d) Compliance with	The Company sees to it	Same	Same

Laws & Regulations	that all its transactions comply with relevant laws and regulation.		
(e) Respect for Trade Secrets/Use of Non-public Information	The Company has policies that ensure proper and authorized disclosure of confidential information. Disclosures to the public can only be done after disclosure to the SEC and PSE by the Company's authorized officers.	Same	Same
(f) Use of Company Funds, Assets and Information	Company' funds, asset and information shall be used with honesty and shall not be diverted or applied to any other use not intended for its planned purpose.	Same	Same
(g) Employment & Labor Laws & Policies	The Human Resources Department ensures compliance with labor laws and policies	Same	Same
(h) Disciplinary action	Violation of any provisions of company policies or code of business conduct may result to a disciplinary action such suspension, dismissal and reimbursement for any loss. A legal action may also be instituted.	Same	Same
(i) Whistle Blower	Any employee may discuss or disclose in writing any concern on potential violation of the Code of Business Conduct. Reports can be made in writing or by email.	Same	Same
(j) Conflict Resolution	Directors must never allow themselves to be placed in a position where their personal interests are in conflict (or could be in conflict) with the interests or business of the Company. They must avoid any situation or activity that compromises, or may compromise, their	Same	Same

	<p>judgment or ability to act in the best interest of the Company.</p> <p>a. It is the duty of a Director to fully disclose to the Board any conflict of interest or presumption thereof involving him/her which could materially impair his/her judgment, exercise of duties and responsibilities and loyalty to the Company.</p> <p>b. It is the duty of a Director to report to the Board any conflict of interest or presumption thereof involving a Director which could materially impair the latter's judgment, exercise of duties and responsibilities and loyalty to the Company.</p> <p>c. The Director, who is in conflict of interest, should not be counted in determining the existence of a quorum at the Board of Directors' meeting at which the matter is</p>		
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	<p>voted upon.</p> <p>d. If the conflict of interest is significant, ongoing and competing with the Company's interest and if it impedes the ability of the Director to carry out his/her duties, the Company has the right to remove the Director from his/her position.</p> <p>Any transaction with conflict of interest requires prior approval of the members of the Board.</p>		
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- 2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees? Yes
- 3) Discuss how the company implements and monitors compliance with the code of ethics or conduct. Yes
- 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	Wilcon Corporation
(2) Joint Ventures	If any, treated as arm's length transaction
(3) Subsidiaries	N/A
(4) Entities Under Common Control	Treated as arm's length transaction
(5) Substantial Stockholders	Treated as arm's length transaction
(6) Officers including spouse/children/siblings/parents	Treated as arm's length transaction
(7) Directors including spouse/children/siblings/parents	Treated as arm's length transaction
(8) Interlocking director relationship of Board of Directors	In order to safeguard against the excessive concentration of economic power, unfair competitive advantage or conflict of interest situations to the detriment of others through the exercise by the same person or group of persons of undue

	influence over the policy-making and/or management function of similar entities while at the same time allows them to benefit from organizational synergy or economies of scale and effective sharing of managerial and technical expertise, the Board shall formulate and implement policies and procedures that shall govern interlocking directorships within the Company.
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(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	N/A
Name of Officer/s	
Name of Significant Shareholders	

(ii) Mechanism

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

Directors/Officers/Significant Shareholders	
Company	<p>Directors must never allow themselves to be placed in a position where their personal interests are in conflict (or could be in conflict) with the interests or business of the Company. They must avoid any situation or activity that compromises, or may compromise, their judgment or ability to act in the best interest of the Company.</p> <p>a. It is the duty of a Director to fully disclose to the Board any conflict of interest or presumption thereof involving him/her which could materially impair his/her judgment, exercise of duties and responsibilities and loyalty to the Company.</p> <p>b. It is the duty of a Director to report to the Board any conflict of interest or presumption thereof involving a Director which could materially impair the latter's judgment, exercise of duties and responsibilities and loyalty to the Company.</p> <p>c. The Director, who is in conflict of interest, should not be counted in determining the existence of a quorum at the Board of Directors' meeting at which the matter is voted upon.</p> <p>d. If the conflict of interest is significant, ongoing and competing with the Company's interest and if it impedes the ability of the Director to carry out his/her duties, the Company has the right to remove the Director from his/her position.</p> <p>Any transaction with conflict of interest requires prior</p>

	approval of the members of the Board.
Group	Same

5) Family, Commercial and Contractual Relations

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

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
N/A	N/A	N/A

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

Names of Related Significant Shareholders	Type of Relationship	Brief Description
N/A	N/A	N/A

- (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
N/A	N/A	N/A

6) Alternative Dispute Resolution

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

Alternative Dispute Resolution System	
Corporation & Stockholders	The Board shall establish and maintain an alternative dispute resolution system that can amicably settle conflicts of differences.
Corporation & Third Parties	The Company has standard contracts stating that should they have any dispute, controversy or claim arising out of or relating to the any agreements, or the breach, termination or invalidity thereof, parties shall exert effort to amicably settle the same.

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

C. BOARD MEETINGS & ATTENDANCE

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

2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	William T. Belo	March 30, 2016	9	9	100%
Member	Lorraine Belo-Cincochan	March 30, 2016	9	9	100%
Member	Mark Andrew Y. Belo	March 30, 2016	9	9	100%
Member	Careen Y. Belo	March 30, 2016	9	9	100%
Member	Rosemarie B. Ong	Sept 13, 2016	5	5	100%
Independent	Rolando S. Narciso	Sept 13, 2016	4	4	100%
Independent	Ricardo S. Pascua	Sept 13, 2016	4	4	100%

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

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

A majority of the 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.

Independent directors should always attend Board meetings. Unless otherwise provided in the by-laws, their absence shall not affect the quorum requirement. However, the Board may, to promote transparency, require the presence of at least one (1) independent director in all its meetings.

To monitor the Directors' compliance with the attendance requirements, the Company shall submit to the Securities and Exchange Commission (SEC) through SEC Form 17-C or in a separate filing, on or before January 30 of the following year, a sworn certification of the record of attendance of Directors in Board meetings.

5) Access to Information

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

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

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

(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?

- a. The Corporate Secretary shall give due notice and keep the minutes of all meetings of the stockholders of the Company and of the Board. He shall have custody of the Stock Certificate Book, Stock and Transfer Book and the Corporate Seal, prepare ballots for the annual election and keep a complete and up-to-date roll of the stockholders and their addresses.
- b. Gathers and analyzes all documents, records and other information essential to the conduct of his duties and responsibilities to the Company.
- c. Informs the members of the Board, in accordance with the by-laws of the agenda of their meetings and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval.
- d. Attends all Board meetings, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent him from doing so.
- e. Ensures that all Board procedures, rules and regulations are strictly followed by the members.
- f. Submits to the Securities and Exchange Commission, at the end of every fiscal year, an annual sworn certification on the directors' record of attendance in Board meetings.
- g. Performs such duties as are incident to his office and those which may be required of him by the Board of Directors and of the President.

(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	Management should provide the Directors with complete, adequate and timely information about the matters to be taken up in their meetings.
Audit	
Nomination	
Remuneration	
Others (specify)	

6) External Advice

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

Procedures	Details
The Directors in furtherance of their duties and responsibilities, shall have access to independent professional advice at the Company's expense	Same

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
None		

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	Based on the compensation structure and policies of the Company on salary adjustments, promotions and performance assessments.	
(2) Variable remuneration	None	
(3) Per diem allowance	Each Director shall receive a reasonable per diem for his attendance at meetings.	
(4) Bonus	Determined upon achievement of performance based matrix.	
(5) Stock Options and other financial instruments	None	
(6) Others (specify)	Gasoline Allowance	

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	Performance based matrices.		
Non-Executive Directors	Each Director shall receive a reasonable per diem for his attendance at meeting.		

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
N/A	

3) Aggregate Remuneration

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

ACTUAL	Year	Salaries	Bonus	Total
President and Chief Operating Officer and four (4) most highly compensated senior officers. 1.BELO, WILLIAM T. - Chairman & Founder 2.CINCOCHAN, LORRAINE B. - President & CEO 3.ONG, ROSEMARIE B. - SEVP – COO 4.BELO, MARK ANDREW Y. - CFO & Director 5.SOLCO, CAREEN B. - Director	2016	10.04M	1.94M	11.98M
Aggregate compensation paid to all other officers.	2016	13.69M	3.3M	16.99M

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	See above	N/A	N/A
(b) Variable Remuneration	See above	N/A	N/A
(c) Per diem Allowance	See above	N/A	Php 80,000.00
(d) Bonuses	See above	N/A	N/A
(e) Stock Options and/or other financial instruments	N/A	N/A	N/A
(f) Others (Specify)	N/A	N/A	N/A
Total			

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	None	None	None
2) Credit granted	None	None	None
3) Pension Plan/s Contributions	None	None	None
(d) Pension Plans, Obligations incurred	None	None	None
(e) Life Insurance Premium	None	None	None
(f) Hospitalization Plan	None	None	None
(g) Car Plan	None	None	None
(h) Others (Specify)	None	None	None
Total	None	None	None

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	Number of	Number of	Total % from
-----------------	------------------	-----------	-----------	--------------

	Option/Rights/ Warrants	Indirect Option/Rights/ Warrants	Equivalent Shares	Capital Stock
N/A				

(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
None		

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
None	

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	Executive Director (ED)	Non-Executive Director (NED)	Independent Director (ID)	Committee Charter	Functions	Key Responsibilities	Power
Executive	5						
				<ol style="list-style-type: none"> 1. Approve and/or implement any or all corporate acts within the competence of the Board except those acts expressly reserved by the Corporation Code for the Board of Directors. 2. Review and approve Company-wide credit sales strategy, profile and performance. 3. Approve the credit risk taking-activities of the Company based on the regulations of established approving authorities and review and endorse credit-granting activities. 4. Advise and assist the officers of the Company in all matters concerning its interest and the management of its business. 5. Whenever the Board is not in session, to 			

				exercise all the powers of the Board which may be delegated to it by the Board of Directors.
Audit	1		2	<ol style="list-style-type: none"> 1. Provide oversight of management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company. This function shall include regular receipt from management of information on risk exposures and risk management activities; 2. Perform oversight functions over the Company's internal and external auditors. It should ensure that the internal and external auditors act independently from each other and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions; 3. Review the annual internal audit plan to ensure its conformity with the objectives of the Company. The plan shall include the audit scope, resources and budget necessary to implement it; 4. Prior to the commencement of an audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts; 5. Organize an internal audit department, and consider, when necessary and desirable, the appointment of an independent internal auditor and the terms and conditions of its engagement and removal; 6. Monitor and evaluate the adequacy and effectiveness of the Company's internal control system including financial reporting control and information technology security; 7. Review the reports submitted by the internal and external auditors; 8. Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters: any change(s) in accounting policies and practices; major judgment areas; significant adjustments resulting from the audit; going concern assumptions; compliance with accounting standards; and compliance with tax, legal and regulatory requirements; 9. Coordinate, monitor and facilitate compliance

				<p>with laws, rules and regulations;</p> <p>10. Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fee paid to the external auditor in relation to its significance to the total annual income of the external auditor and to the Company's overall consultancy expenses. The Audit Committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Company's annual report; and</p> <p>11. Establish and identify the reporting line of the Company's internal auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee.</p> <p>The Audit Committee shall ensure that, in the performance of the work of the internal auditor, he shall be free from interference by outside parties.</p>
Nomination	2		1	<p>1. Provide shareholders with an independent and objective evaluation and assurance that the membership of the Board is competent and will foster the Company's long-term success and secure its competitiveness;</p> <p>2. Review and evaluate the qualifications of all persons nominated as director and other appointments that require Board approval;</p> <p>3. Such other powers and functions provided for in the Company's By-laws and applicable regulations of the Securities and Exchange Commission.</p>
Remuneration	2		1	<p>1. ensure that the compensation policies and practices are consistent with the corporate culture, strategy and business environment under which the Company operates;</p> <p>2. recommend a formal and transparent framework of remuneration and evaluation for the members of the Board and the Company's key executives to enable the directors and officers to run the Company;</p> <p>3. evaluate and recommend to the Board incentives and other equity-based plans designed to attract and retain qualified and competent individuals.</p>
Others (specify)				

2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	William T. Belo	Sept 16, 2016				3 months
Member (ED)	Lorraine Belo-Cincochan	Sept 16, 2016				3 months
Member (ED)	Mark Andrew Y. Belo	Sept 16, 2016				3 months
Member (ED)	Careen Y. Belo	Sept 16, 2016				3 months
Member (ED)	Rosemarie B. Ong	Sept 16, 2016				3 months

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Ricardo S. Pascua	Sept 16, 2016				3 months
Member (ED)	Lorraine Belo-Cincochan	Sept 16, 2016				3 months
Member (NED)						
Member (ID)	Rolando S. Narciso	April 12, 2017				
Member						

Disclose the profile or qualifications of the Audit Committee members.

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

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	William T. Belo	Sept 16, 2016				3 months
Member (ED)	Lorraine Belo-Cincochan	Sept 16, 2016				3 months
Member (NED)						
Member (ID)	Ricardo S. Pascua	Sept 16, 2016				3 months
Member						

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Lorraine Belo-Cincochan	Sept 16, 2016				3 months

Member (ED)	Mark Andrew Y. Belo	Sept 16, 2016				3 months
Member (NED)						
Member (ID)	Rolando S. Narciso	Sept 16, 2016				3 months
Member						

(e) Others (Specify)

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

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

3) Changes in Committee Members

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

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

4) Work Done and Issues Addressed

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

Name of Committee	Work Done	Issues Addressed
Executive	N/A	
Audit		
Nomination		
Remuneration		
Others (specify)		

5) Committee Program

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

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

F. RISK MANAGEMENT SYSTEM

The Company is in the process of formally setting up its risk management board committee and update its risk management policy and systems for the approval of the Board of Directors. The Company was listed in the Philippine Stock Exchange on March 31, 2017, beyond the period covered by this report. The Company, however, undertakes that it will comply with all of the guidelines prescribed in the Code of Corporate Governance For Publicly Listed Companies.

For 2016, the company's risk management system was covered by Internal Audit and Control and in the board level by the Audit Committee.

1) Disclose the following:

(a) Overall risk management philosophy of the company;

The risk management philosophy the Company is anchored on strong corporate governance structures, responsive risk management process and adherence to the principles of ownership and accountability.

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

The Company's Board of Directors through the Audit Committee periodically reviews the key risk areas and risk management and internal audit and control processes. The Board has deemed the risk management and internal audit and control systems to be adequate.

(c) Period covered by the review;

The review covered the period from April 1 to December 31, 2016

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

The Company's risk management systems are reviewed together with the internal controls regularly in committee and board meetings.

(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
Credit Risk	Credit risk is the risk that the Company will incur a loss because its counterparties fail to discharge their contractual obligations. Receivables are monitored on an on-going basis with the result that	The general objective of the Company's risk management policy and system is to minimize the exposure of the Company to the risks associated with the conduct of its business such that its growth objectives are

	the Company's exposure to possible losses is not significant.	achieved.
Liquidity Risk	Liquidity risk is the risk that the Company will not be able to settle its obligations when these fall due. The Company monitors and maintains a level of cash deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.	
Interest Rate Risk	Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest rate risk) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates.	

(b) Group

Not applicable

(c) Minority Shareholders

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

Risk to Minority Shareholders	
Yet to be done	

3) Control System Set Up

(a) Company

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

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

(b) Group

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

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

(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
Yet to be done		

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 Company's internal control system covers all the policies and procedures, systems and processes that ensure the effectiveness and efficiency of the Company's operations, reliability of its financial reporting and compliance with laws and regulation. Everyone in the organization has responsibility for internal control. Management owns the internal control system and is responsible for establishing sound internal control policies and procedures. Management is accountable to the Board of Directors who provides governance, guidance, and oversight. Internal auditors play an important role in evaluating the effectiveness of control systems, and contribute to ongoing effectiveness by providing recommendations.

(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 of Directors, through the Audit Committee, has reviewed the internal control system of the Company based on the assessments completed and reported by the internal and external auditors. The Board found the internal control system to be effective.

(c) Period covered by the review;

For the period April 1 to December 31, 2016

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

The Company's internal controls are reviewed continuously throughout the year by the Internal Auditor. Audit reports are issued to the Audit Committee upon completion of the audit. Significant findings and issues are taken up in the quarterly meetings of the Audit Committee.

The directors' criteria for assessing the effectiveness of the internal control system include:

1. Control Environment-the tone of the top and ethical behavior culture in the Company.
2. Risk Assessment-the identification and analysis of relevant risks to the achievement of objectives, forming a basis for how the risks should be managed and provide reasonable assurance that risks are reduced to an acceptable level.
3. Information and Communication-systems or processes that support the identification, capture, and exchange of accurate and complete information.
4. Control Activities- policies and procedures, international standards and industry best practices to ensure compliance with laws, regulations, supervisory requirements, and relevant internal policies.
5. Monitoring-processes used to regularly assess the continuing quality of internal control and risk management activities.

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

Not applicable. Review was conducted during the period.

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
Internal audit's role is to provide an independent and objective assurance and consulting services within the Company, designed to add value and improve the operations.	Scope of internal audit includes the examination and evaluation of the management, controls, and processes.	In-house	Orestes Cruz	To maintain its independence, Internal Audit reports functionally to the Board of Directors, through the Audit Committee, and administratively to the President and Chief Executive Officer or her designate. Reports are issued to management and the Audit Committee upon completion of the audit reviews. Significant findings and issues are taken up in the Quarterly meetings of the Audit Committee.

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

Yes. As indicated in the Audit Committee Charter and the Internal Audit Charter, the Audit Committee is responsible for the setting up of the Internal Audit Department, including the qualification criteria and appointment of the Chief Audit Executive or the head of the internal audit department. The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties. Moreover, the Committee having appointed the Chief Audit Executive, also approves his/her replacement, re-assignment, or dismissal. The Committee also reviews and approves any outsourcing

of the internal audit function.

- (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 Chief Audit Executive reports directly to the Board of Directors through the Audit Committee and has direct access to all members of the Audit Committee. The internal audit function as empowered by the Audit Committee Charter and the Internal Audit Charter has free access to all records, properties and personnel.

- (d) Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them.

Name of Audit Staff	Reason
Christian Castillo	Transferred to Accounting Department
Ma. Lourdes Panguito	Work opportunity abroad

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

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

Progress Against Plans	On-going
Issues ⁶	No significant issues that would put the Company at major risk.
Findings ⁷	No significant findings that would put the Company at major risk.
Examination Trends	No significant examination trends were noted.

[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
Risk-based audit planning will be adopted to enhance the prioritization of audit activity and to ensure alignment of audit activity with the Company's goal.	Implemented

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

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

Audit process will be streamlined to improve turn-around-time of audit projects.	Implemented
Continuous auditing aided by technology will be established in identified areas.	Implemented

(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
The auditor's report directly to the Board of Directors through the Audit Committee and are not involved in the day to day operation of the Company.	There are no independence concerns involving financial analyst, investment banks and rating agencies as there are no material public information being disclosed ahead to any group other than what is disclosed publicly to the regulators within the prescribed time period for reporting.		
Independence and Conflict of Interest Policy			

(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.

Compliance with the principles of good governance is one of the objectives of the Board of Directors. To assist the Board in achieving this purpose, the Board has designated a Compliance Officer, who reports to the Chairman, who shall be responsible for monitoring the actual compliance of the Company with the provisions and requirements of good governance, identifying and monitoring control compliance risks, determining violations, and recommending penalties for such infringements for further review and approval of the Board, among others.

The Chairman of the Board of Directors, the Chief Executive Officer and the Compliance Officer will attest the Company's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue.

H. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' welfare	The company has customer relations guidelines, policies and procedures to ensure the protection and safety of the company's welfare.	Customers are very-well informed of the guidelines, policies and procedures ensuring their welfare and protection.
Supplier/contractor selection practice	The company has a policy of screening its supplier to ensure that they are qualified to meet the needs and requirements of the Company.	Supplies undergo screening and orientation.

Environmentally friendly value-chain	The company is compliant with government mandated policies on the environment	Company strictly complies with government mandated policies on the environment
Community interaction	The Company has various programs that focus on uplifting the socio-economic condition of the country	The Company coordinates and partners with organizations that gives scholarship and educational facilities to communities in need.
Anti-corruption programmes and procedures?	The company has anti-corruption policies and procedures.	The company conducts seminars and training to ensure that employees are well-informed of its anti-corruption policies and procedures.
Safeguarding creditors' rights	The company ensures the rights of its creditors by faithfully complying with its obligations to them and providing the information they need.	Open and regular communication and discussions with the creditors.

2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?
None

3) Performance-enhancing mechanisms for employee participation.

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

The Company complies with the safety, health and welfare standard, policies and procedures mandated by the Department of Labor and Employment.

The Company has the following policies:

Drug-Free Workplace – the company shall establish and implement policies and programs concerning drug abuse prevention, treatment and rehabilitation in accordance with the existing laws and regulations of the government.

Occupational Safety and Health Policy – The Company is committed to provide a safe work place, safe equipment, proper materials, establish and enforce safe methods and practices at all times.

Anti-Sexual Harassment Policies and Procedures – The Company shall not tolerate any behavior that amounts to sexual harassment and any officer or employee found to have committed sexual harassment shall be subjected to disciplinary action, up to and including dismissal.

Smoke-Free Workplace – The Company shall establish a smoke-free workplace policy awareness programs. This shall be part of the orientation conducted for newly-hired employees. A “no-smoking” sign shall be conspicuously displayed at floor areas designated as “no-smoking are.”

Workplace Policy and Program on Tuberculosis (TB) Prevention and Control – The Company's TB Program shall be managed by its health and safety committee. This is to address the stigma attached to TB and to ensure that the worker's right against discrimination, brought by the disease is protected and to facilitate free access to anti-TB medicines of affected employees through referrals.

Company and Government Mandated Leaves – This shall prescribe the policies regarding leave benefits of the employees provided by the Company and mandated by law.

Retirement Program – The Company has a retirement program for qualified employees of the Company.

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

The Company has a fitness gym to ensure a healthy balance between work and life of its employees.

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

The Company aims to foster a strong sense of responsibility in a motivating environment to enhance its employees' incentives and loyalty. The Company conducts various trainings for different levels of staff, including trainings tailored to specific job duty, such as trainings on product knowledge for sales personnel. Staff remuneration typically comprises basic salaries and overtime allowance.

The Company has put in place a Leadership Enhancement and Development (LEAD) Program for all Managers and Supervisors conducted by external consultant. The LEAD Program is designed to equip managers and supervisors with leadership and management skills towards peak performance.

The Company also implements a Career Management Program (CMP) in order to ensure the continuous supply of competent key officers within the organization. This enables employees to realize their career aspirations through career development plans and interventions. To support the company's expansion plans this program was created identifying the critical posts or positions in every branch and the selection of high potential candidates. The candidates are placed in the career management pipeline for future needs of the company. This program also allows for lateral transfers for employees who wish to learn new skills in other departments.

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

The Company has policies on annual merit increase, promotion and salary adjustments based on the employee's performance assessments.

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.

Employees can submit their complaints to the officer of the Human Resources Department. Complaints can be made in writing or by email.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
Wilcon Corporation	2,680,317,916	99.06%	

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
William T. Belo	5,099,997		0.19%
Lorraine Belo- Cincochan	5,100,000		0.19%
Mark Andrew Y. Belo	5,100,000		0.19%
Careen Y. Belo	5,100,000		0.19%
Rosemarie B. Ong	1		0.00%
TOTAL			

2) Does the Annual Report disclose the following:

The Company was listed with the Philippine Stock Exchange on March 31, 2017, beyond the period covered by this

report. The Company, however, undertakes that it will comply with all of the guidelines prescribed in the Code of Corporate Governance For Publicly Listed Companies.

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

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

3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
Reyes Tacandong & Co.	₱3,400,000.00	

4) Medium of Communication

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

1. Company website
2. Electronic and regular mail
3. Telecommunications/facsimile
4. Hard copies of documents

5) Date of release of audited financial report: The Audited Financial Statement for fiscal year ended December 31, 2015 was submitted to the Securities and Exchange Commission on April 22, 2016.

6) Company Website

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

The Company was listed with the Philippine Stock Exchange on March 31, 2017, beyond the period covered by this report. The Company, however, undertakes that it will comply with all of the guidelines prescribed in the Code of Corporate Governance For Publicly Listed Companies.

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

Shareholding structure	
Group corporate structure	
Downloadable annual report	
Notice of AGM and/or EGM	
Company's constitution (company's by-laws, memorandum and articles of association)	

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

7) Disclosure of RPT

RPT	Relationship	Nature	Value
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Please refer to Note 4 of the Notes to the Audited Financial Statement as of December 31, 2015.

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

J. RIGHTS OF STOCKHOLDERS

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

(a) Quorum

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

Quorum Required	In all regular or special meeting of stockholders, a majority of the outstanding capital stock must be present or represented in order to constitute a quorum.
-----------------	--

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	N/A
Description	At all meetings of stockholders, a stockholder may vote in person or by proxy executed in writing by the stockholders or his duly authorized attorney-in -fact. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Secretary. All proxies must be in the hands of the secretary not later than five (5) days before the time set for the meeting. Such proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary at least one(1) day prior to a scheduled meeting or by their personal presence at the meeting. The decision of the secretary on the validity of proxies shall be final and binding until set aside by a court of competent jurisdiction.

(c) Stockholders' Rights

List any Stockholders' Rights concerning Annual/Special Stockholders' Meeting that differ from those laid

down in the Corporation Code.

Stockholders' Rights under The Corporation Code	Stockholders' Rights not in The Corporation Code
In accordance with the provisions stated in the Corporation Code.	In accordance with the provisions stated in the Corporation Code.

Dividends

Declaration Date	Record Date	Payment Date
The Company has not declared any dividends as of December 31, 2016.		

(d) Stockholders' Participation

- 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
They are given the opportunity to ask questions or raise their concerns during the stockholders' meeting.	The Corporate Secretary shall inform the members of the Board, in accordance with the by-laws of the agenda of their meetings and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval.

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

The Company complies with the Corporation Code on the abovementioned matters.

- 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?
 - Date of sending out notices: March 15, 2016
 - Date of the Annual/Special Stockholders' Meeting: March 30, 2016
- State, if any, questions and answers during the Annual/Special Stockholders' Meeting. Usual questions pertaining to the election of directors.
- Result of Annual/Special Stockholders' Meeting's Resolutions

Resolution	Approving	Dissenting	Abstaining
Election of Board of Directors	More than a majority vote	N/A	Less than 1 %

Election of external auditor	More than a majority vote	N/A	Less than 1 %
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6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions: Submitted to the Securities and Exchange Commission.

(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	William T. Belo Rosy Chua Belo Lorraine Belo-Cincochan Mark Andrew Y. Belo Careen Y. Belo	March 30, 2016	At all meetings of stockholders, a stockholder may vote in person or by proxy executed in writing by the stockholders or his duly authorized attorney-in-fact. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Secretary. All proxies must be in the hands of the secretary not later than five (5) days before the time set for the meeting. Such proxies filed with the Secretary may	100%	0	100%

			<p>be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary at least one(1) day prior to a scheduled meeting or by their personal presence at the meeting. The decision of the secretary on the validity of proxies shall be final and binding until set aside by a court of competent jurisdiction.</p>			
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- (ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs?
- (iii) Do the company's common shares carry one vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares. Yes

(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	<p>At all meetings of stockholders, a stockholder may vote in person or by proxy executed in writing by the stockholders or his duly authorized attorney-in -fact. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Secretary.</p> <p>All proxies must be in the hands of the secretary not later than five (5) days before the time set for the meeting. Such proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary at least one (1) day prior to a scheduled meeting or by their personal presence at the meeting. The decision of the secretary on the validity of proxies shall be final and binding until set aside by a court of competent jurisdiction.</p>
Notary	Not required

Submission of Proxy	See above
Several Proxies	
Validity of Proxy	See above
Proxies executed abroad	Not applicable
Invalidated Proxy	
Validation of Proxy	See above
Violation of Proxy	See above

(h) Sending of Notices

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

Policies	Procedure
At least 2 weeks prior to the date of the meeting to each stockholder of record at his last known post office address. The notice shall state the place, date and hour of the meeting and the purpose or purposes for which the meeting is called.	Personal delivery or by mailing, facsimile, digital or electronic communication or publication in a newspaper of national circulation

(i) Definitive Information Statements and Management Report:

The Company was listed with the Philippine Stock Exchange on March 31, 2017, beyond the period covered by this report. The Company, however, undertakes that it will comply with all of the guidelines prescribed in the Code of Corporate Governance For Publicly Listed Companies.

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	:
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	
State whether CD format or hard copies were distributed	
If yes, indicate whether 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
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Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	Yes
The auditors to be appointed or re-appointed.	Yes
An explanation of the dividend policy, if any dividend is to be declared.	N/A
The amount payable for final dividends.	N/A
Documents required for proxy vote.	The company does not solicit proxy votes.

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 Board commits to respect the rights of the stockholders in accordance with its Articles of Incorporation, By laws and Corporation Code.	Implemented

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

K. INVESTORS RELATIONS PROGRAM

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

The Company's internal communications are carried through an email blast platform and managed mainly by the Human Resources and Administration departments. All company announcements and information are confidential to the specific recipients and should not be shared to external parties unless with clearance from the proper approving authorities.

Official statements and releases to the media and public disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange are similarly cleared by the appropriate approving authorities prior to release by the designated spokespersons or the Investor Relations or Corporate Secretary's office.

2) Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.

	Details
(1) Objectives	The Investor Relations program of the Company aims to effectively provide its stakeholders and the general public information that are timely, relevant, appropriate and accurate.
(2) Principles	The Company adheres to the principles of transparency and fairness in disseminating information to its stakeholders and the general public.
(3) Modes of Communications	As of the period covered by this report: Disclosures to the PSE and website Subsequently, the Company plans to utilize available channels of

	communication such as its website, disclosures to the PSE, one-on-ones and teleconferences with investors, briefings and the annual stockholder meeting, among others.
(4) Investors Relations Officer	As of the period covered by this report: Madonna Minimo As of March 1, 2017: Mary Jean Alger 63 2 634-8387 loc 1040 jean_alger.iro@wilcon.com.ph

- 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.

For the period covered by this report, the Company is still in the process of completing all the mandates embodied in the Code of Corporate Governance for Publicly Listed Companies.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiative	Beneficiary
Wilcon Run for Environment	La Mesa Ecopark
Donated to Red Cross	Red Cross beneficiaries

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

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

Assessment is yet to be done.


N. INTERNAL BREACHES AND SANCTIONS

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


Violations	Sanctions
The Chief Compliance Officer shall be responsible for determining violation/s of any of the provisions of this Manual, through notice and hearing, and shall recommend to the Chairman of the Board, through the Corporate Governance and Compliance Committee, the imposable penalty for approval.	
a. First violation – the subject person shall be reprimanded.	
b. Second violation – suspension from office shall be imposed. The duration of the suspension shall depend on the gravity of the violation.	
c. Third violation – the maximum penalty of removal from office shall be imposed	


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

SIGNATURES


 William T. Belo
 Chairman of the Board


 Lorraine Belo-Cincochan
 Chief Executive Officer


 Ricardo S. Pascua
 Independent Director

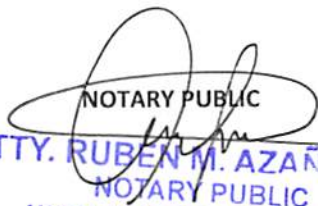

 Rolando S. Narciso
 Independent Director


 Grace A. Tiong
 Compliance Officer

26 APR 2017

SUBSCRIBED AND SWORN to before me this _____ day of _____ 20___, affiant(s) exhibiting to me their _____, as follows:

NAME	PASSPORT NO.	DATE OF ISSUE	PLACE OF ISSUE
William T. Belo	EC4204794	19 May 2015	DFA NCR CENTRAL
Lorraine Belo-Cincochan	EC7174249	21 March 2016	DFA Manila
Ricardo S. Pascua	EC1641923	15 July 2014	DFA Manila
Rolando S. Narciso	EB9034928	31 August 2013	DFA Manila
Grace A. Tiong	EC0577080	17 March 2014	DFA NCR CENTRAL


 NOTARY PUBLIC
 ATTY. RUBEN M. AZAÑES, JR.
 NOTARY PUBLIC
 UNTIL DECEMBER 31, 2017
 PTR No. 3802443, 01-03-2017
 Roll of Attorney's No. 46427
 IBP No. 0998567-Q.C. Chapter
 Admin. Matter No. NP-291
 MCLE No. 0022246
 TIN No. 140-394-336
 (PRBS) Camp Crame, Quezon City

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