

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is Filed for the Year **2017**
2. Exact Name of Registrant as Specified in its Charter **CONCEPCION INDUSTRIAL CORPORATION**
3. **308 Sen. Gil Puyat Avenue, Makati City, Philippines**
Address of Principal Office **1209**
Postal Code
4. SEC Identification Number **A1997-13456**
5. (SEC Use Only)
Industry Classification Code
6. BIR Tax Identification Number **005-029-401-000**
7. **+632 7721819**
Issuer's Telephone number, including area code
8. **Not Applicable**
Former name or former address, if changed from the last report

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A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	Eight
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Actual number of Directors for the year	Eight
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(a) Composition of the Board FROM LAST YEAR'S AGM

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
Raul Joseph A. Concepcion	Ed	Foresight Realty and Development Corp	Nominations Committee	July 10, 2013	July 13, 2016	Annual Meeting	
Renna C. Hechanova-Angeles	ED	Hy-land Realty and Development Corporation	Nominations Committee	July 10, 2013	July 13, 2016	Annual Meeting	
Raul Anthony A. Concepcion	ED	Foresight Realty and Development Corp	Nominations Committee	July 10, 2013	July 13, 2016	Annual Meeting	
Jose Ma. A. Concepcion III	NED	Horizons Realty, Inc	Nominations Committee	July 10, 2013	July 13, 2016	Annual Meeting	
Ma. Victoria Herminia C. Young	NED	Horizons Realty, Inc	Nominations Committee	July 10, 2013	July 13, 2016	Annual Meeting	
Raissa C. Hechanova-Posadas	NED	Hy-land Realty and Development Corporation	Nominations Committee	July 10, 2013	July 13, 2016	Annual Meeting	
Cesar A. Buenaventura	ID	NA	No relations	July 10, 2013	July 13, 2016	Annual Meeting	More than 3 years
Melito S. Salazar, Jr.	ID	NA	No relations	July 10, 2013	July 13, 2016	Annual Meeting	More than 3 years

- (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.

Concepcion Industrial Corporation (CIC) believes that the key to long-term sustainability and success largely depends on having a good name and solid reputation in the market place. Thus, the business and operations of the Company will be conducted in accordance with the principles and best practices of good corporate governance.

The Board is collectively responsible for the long-term shareholder value of the institution. Its role is to approve, oversee and review the implementation of the Group's business and strategic objectives, enterprise risk strategy and senior management performance to ensure the success of the Group and sustain its industry leading position.

It leads in establishing the tone and practices of good corporate governance at the top. It sets the Group's corporate values and high ethical standards of business conduct for itself and all members of the Group. Through its oversight, monitoring and review functions, the Board ensures that the Group is being run in a sound and prudent manner on a going concern basis in order to fulfil its obligations to all majority and minority shareholders while upholding and protecting the interests of different constituencies. To this end, the board exercises the following:

1. **Oversight and Approval.** It is the duty of the Board to oversee the business affairs of the Company and to exercise sound and objective judgment for its best interest. It relies on the CEO and other senior management in the competent and ethical operation of the Company on a day-to-day basis. Thus, it is the responsibility of the Board to monitor and oversee the performance of senior management in implementing the strategies, policies pertaining to major business activities and enterprise risks throughout the Group. The Board shall ensure that major plans of action, risk policy, annual budgets and business plans, and performance objectives and accountabilities are set to monitor implementation, measure corporate performance and take corrective action as needed pursuant to approved strategic objectives.
2. **High Ethical Standards in Doing Business.** Our corporate governance practice adheres to basic principles of integrity, transparency, fairness, accountability and performance. It is the responsibility of the Board including the officers and staff to follow at all times the established governance policies and practices as these are put in place to protect the Company's reputation, assets and businesses. The Board shall ensure the company's faithful compliance with all applicable laws, regulations and best business practices including the timely and accurate submission of public disclosures, prudential and supervisory reports to the relevant regulatory bodies.
3. **Annual Board and Executive Management Performance Evaluation.** The Board, through the Corporate Governance Committee, shall undertake the evaluation of its performance as a collective body, its Committees and senior management to determine whether they are functioning effectively, pinpoint areas for improvement and ensure that the President is providing effective leadership to the Group. The Committee shall report the results of the self-assessment to the Board. It shall likewise implement a process for the selection of Board members who can add value and meaningfully contribute independent judgment to the formulation of sound corporate strategies and policies.
4. **Directors' Peer Evaluation.** This is intended to encourage improved performance and effectiveness of directors by identifying areas that need improvement. Each director is requested to rate their colleagues on the Board using the prescribed rating scale and questions. The Corporate Governance Committee shall report also the results of the peer evaluations to the Board.
5. **Management Succession Planning.** The Board, in coordination with the Corporate Governance Committee, shall ensure that the Company has in place an appropriate and updated succession planning for key executives to address emergency in the event of extraordinary circumstances and ensure continuity of operations.

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

Every two years.

(d) Directorship in Other Companies

(i) Directorship in the Company's Group²

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

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Raul Joseph A. Concepcion	Concepcion-Carrier Air Conditioning Company	Director (Chairman)
	Foresight Realty and Development Corp.	Director
	Otis E&M Company Philippines Inc.	Director (Chairman)
	Concepcion Midea Inc.	Director (Chairman)
	Concepcion Durables Inc.	Director (Chairman)
Renna C. Hechanova- Angeles	Concepcion Durables, Inc.	Vice Chairman, Director
	Concepcion-Carrier Air Conditioning Company	Director
	Hy-Land Realty & Development Corp.	Director
Raul Anthony A. Concepcion	Foresight Realty and Development Corp.	Director
	Concepcion Midea Inc.	Director
	Concepcion Durables, Inc.	Director
Raissa C. Hechanova-Posadas	Hy-Land Realty & Development Corp.	Director
Jose Ma. A. Concepcion	Horizons Realty, Inc	Director
Ma. Victoria Herminia C. Young	Horizons Realty, Inc	Director
	Concepcion Durables, Inc.	Director

(ii) Directorship in Other Listed Companies

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

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Raissa C. Hechanova-Posadas	RFM Corp	Director
Jose Ma. A. Concepcion	RFM Corp	Chairman

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

Ma. Victoria Herminia C. Young	RFM Corp	Director
Cesar A. Buenaventura	DMCI Holdings, Inc.	Vice Chairman, Non-Executive Director
	Semirara Mining Corporation	Non-Executive Director
	Petroenergy Resources Corporation	Non-Executive Director
	iPeople, Inc.	Non-Executive Director
Melito S. Salazar, Jr.	Phils First Insurance Company	Independent Director

(iii) Relationship within the Company and its Group

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

Director's Name	Name of the Significant Shareholder	Description of the relationship
Raul Joseph A. Concepcion	Foresight Realty And Development Corporation	Director
Jose Ma. A. Concepcion	Horizons Realty, Inc.	Director
Raul Anthony A. Conepcion	Foresight Realty And Development Corporation	Director
Ma. Victoria Herminia A. Concepcion	Horizons Realty, Inc.	Director
Raissa C. Hechanova-Posadas	Hy-land Realty and Development Corp	Director
Renna C. Hechanova-Angeles	Hy-land Realty and Development Corp	Director

(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:

No. A director shall exercise due discretion in accepting and holding directorships outside of Concepcion Industrial Corporation. A director may hold any number of directorships outside of CIC provided that these other positions do not detract from the director's capacity to diligently perform his duties as a director of the company and provided that the director discloses any potential conflict of interest.

(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:

All information as of March 31, 2017:

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Raul Joseph A. Concepcion	Common - 55,000	Common - 762,310	0%
Renna C. Hechanova-Angeles	Common – 2,508,138	None	1%
Raul Anthony A. Concepcion	Common – 341,951	Common (through Micab Resorts & Hotels, Inc.) - 1,571,150	1%

Jose Ma. A. Concepcion III	Common – 12,967	Common (through Triple 8) – 836,867	0%
Ma. Victoria Herminia C. Young	Common - 1	Common (through YC Holdings, Inc.) – 830,250	0%
Raissa C. Hechanova-Posadas	Common – 2,158,858	None	1%
Cesar A. Buenaventura	Common – 2	None	0%
Melito S. Salazar, Jr.	Common – 2	None	0%

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	Raul Joseph A. Concepcion
CEO/President	Raul Joseph A. Concepcion

Among the checks and balances laid down to ensure that the Board gets the benefit of independent views are: (1) the powers and responsibilities of the Chairman and of the CEO are specified and separate in the By-Laws; (2) only three of the eight directors are executive directors and the powers and responsibilities of directors are clearly delineated from the powers and responsibilities of management; (3) two of the eight directors are independent directors. (4) no decision can be made by the Board without a duly constituted quorum

- (b) Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	The role of the Board Chair includes the following:	In fulfilling his executive role, the CEO acts within the delegated authority vested to him by the Board among others the following:
Accountabilities	1. Provide leadership to the board of directors by ensuring effective functioning of the Board, including maintaining a relationship of trust with board members.	1. Lead the senior management team in the day-to-day running of the Group's businesses.
Deliverables	2. Ensure that the board takes an informed decision thru a sound decision making process, encourage and promote critical discussions, ensure dissenting views are expressed and fully considered. 3. Ensure that the meetings of the Board of Directors are held in accordance with the By laws of the Company. 4. Oversee the preparation of the agenda of the meeting of the Board of Directors in coordination with the Corporate Secretary, taking into account the suggestions of the Directors, the	2. Develop and present to the Board the strategy of the Group, medium and long-term plans and recommend annual operating and capital expenditure budgets. 3. Recommend and/ or approve acquisitions, investments, divestments and major contracts in accordance with the authority levels approved by the Board. 4. Report to the Board the monthly actual operating performance of the Group versus approved plans and directions and

	<p>Company President, and other members of the Senior Management.</p> <p>5. Maintain effective lines of communication and information between the Board of Directors and Senior Management of the Company.</p>	<p>to the stockholders the state of affairs of the company for the preceding year at the annual stockholders' meeting.</p> <p>5. In conjunction with the Board Chair, represent the Group to customers, regulators, shareholders, financial industry and the general public.</p> <p>6. Receive instructions from the Board and ensure full compliance.</p> <p>7. Accountable for the performance of the management team.</p>
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3) Explain how the board of directors plan for the succession of the CEO/Managing Director/President and the top key management positions?

The Board, in coordination with the Corporate Governance Committee, shall ensure that the Company has in place strong human resource development program which includes planning for key executives.

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.

In evaluating the suitability of individual board members, the Board, through the Nominations Committee, should take into account the relevant qualifications of every candidate nominated for election such as among others, physical/mental fitness, relevant educational and professional background, personal track record, diversity of related experience/training, commitment to contribute, willingness to serve and interest to remain engaged and involved. For the re-election of incumbent directors, the Board should also consider the results of the most recent self-assessment of the Board and peer evaluation, director's attendance record in meetings, participation in Board activities and overall contribution to the functioning of the Board.

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

Yes. Mr. Jose Ma. A. Concepcion III is a Director of the Board of the Company. He concurrently serves as the president and CEO of RFM Corporation and chairman of the board of directors of RFM Unilever Ice Cream, Inc. Mr. Concepcion is also the co-chairman of the agri-business and food committee of PCCI. He is likewise a member of various industry associations such as PCCI, Philippine Association of Feed Millers ("PAFMI"), Philippine Association of Flour Millers ("PAFMIL"), Philippine Chamber of Food Manufacturers, Inc. ("PCFM"), Makati Business Club, and Management Association of the Philippines ("MAP"). Mr. Concepcion is active in various socio-civic associations such as the Philippine Center for Entrepreneurship Foundation which he founded, The Search for the Ten Outstanding Students of the Philippines ("TOSP") and Rotary Club of Makati Central. From 2005 to 2010, he was the presidential consultant for entrepreneurship. Presently, Mr. Concepcion holds the following positions in socio-civic associations: vice chairman and trustee of RFM Foundation, Inc., director of the Laura Vicuna Foundation for Street Children, and vice chairman of the Micro Small and Medium Enterprise Development Council ("MSMED"). He holds a B.S. Business Management degree from the De La Salle University.

Ms. Ma. Victoria Herminia C. Young is a Director of the Board of the Company. She is a director as well as the vice-president and general manager of the White King Division of RFM Corporation since 2006. She is also a director and general manager of Interbake Commissary Corporation and president of RFM Foundation, Inc. Ms. Young is likewise a trustee of several charitable organizations such as Soul Mission Organization and Ronald McDonald House of Charities. From 2000-2003, she served as a director of the Assumption Alumnae Association. Ms. Young holds a B.S. Management and Marketing degree from the Assumption College.

Ms. Raissa C. Hechanova-Posadas is a Director of the Board of the Company. She is concurrently a director of RFM Foundation, Inc., advisor to the board of directors of BDO Private Bank, and member of the board of trustees of Knowledge Channel Foundation, Inc. and Nth Millennium Foundation. Prior to joining the Company, Ms. Hechanova-Posadas had 25 years of experience in corporate and investment banking at Citigroup where she held the positions of managing director, head of corporate finance unit, and designated business senior credit officer. In addition, she was a member of the Citi Philippines senior management team for ten years, and of the board of directors of several Citigroup legal vehicles in the country. Ms. Hechanova-Posadas holds a B.A. Applied Economics degree from De La Salle University and a Master of Business Administration degree from IMD International Institute for Management Development (formerly IMEDE).

Mr. Cesar A. Buenaventura is an Independent Director of the Board of the Company. He is also the vice chairman of the board of directors of DMCI Holdings, Inc, AG&P Company of Manila and Montecito Properties, Inc. Mr. Buenaventura likewise holds a directorship position in the boards of Semirara Coal Company, iPeople, Inc., Petronenergy Resources Corp., and Pilipinas Shell Petroleum Corporation. The notable positions he previously held include first Filipino CEO and chairman of the Shell Group of Companies, member of the Monetary Board of the Central Bank of the Philippines, member of the board of regents of the University of the Philippines from 1987 to 1994, member of the board of trustees of the Asian Institute of Management from 1994 to 2007, and president of the Benigno Aquino S. Foundation from 1985 to 2000. Mr. Buenaventura holds a B.S. Civil Engineering from the University of the Philippines and a Master’s degree in Civil Engineering, major in Structures from Lehigh University.

Mr. Melito S. Salazar is an Independent Director of the Board of the Company. He concurrently serves as the chairman of INCITE.Gov, director of the University of St. La Salle Bacolod, director of the Chamber of Commerce of the Philippine Islands, chairman and president of Quickminds Corporation, independent director of Frontier Oil Corporation, vice chairman and independent director of PVB Card Co., chairman and independent director of InterAsia Development Bank, vice president of Manila Bulletin Publishing, and independent director of PhilsFirst Insurance Corporation. Mr. Salazar previously served the government as the governor of the Board of Investments from 1988 to 1995 and its vice chairman and managing head from 1995 to 1999, undersecretary of the DTI, director of the National Power Corporation and of the University of the Philippines Institute of Small Scale Industries, and member of the Monetary Board of the Central Bank of the Philippines. He holds a B.S. Accounting degree and a Masters in Business Administration degree both from the University of the Philippines.

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

	Executive	Non-Executive	Independent Director
Role	A director shall conduct his business transactions with the Company fairly and ensure that personal interest does not bias Board decisions. The basic principle to be observed is that a director shall not use his position to make profit or to acquire benefit or advantage for himself and/or his related interests.		Perform the same roles and deliverables as those given to the executive and non-executive directors. In addition, independent directors serve as chairs of the Corporate Governance and Audit Committee as well as the Compensation and Remuneration Committee.
Deliverables	In addition to the requirements of law and the Company’s Articles of Incorporation and By-Laws, the members of the Board of Directors shall have the following specific duties and responsibilities: <ol style="list-style-type: none"> 1. To remain fit and proper for the position for the duration of his term. 2. To act honestly and in good faith, with loyalty and in the best interest of the Company, its stockholders, regardless of the amount of their stockholdings, and other stakeholders such as the Company’s depositors, investors, borrowers and other clients in the general public. 		

	<p>3. To devote time and attention necessary to properly discharge his duties and responsibilities. A director shall devote sufficient time to familiarize himself with the Company's business. He should be constantly aware of the Company's condition and be knowledgeable enough to contribute meaningfully to the Board's work.</p> <p>4. To act judiciously. Every director shall thoroughly evaluate the issues, ask questions and seek clarifications when necessary.</p> <p>5. To contribute significantly to the decision-making process of the board.</p> <p>6. To exercise independent judgment. A director shall view each problem/situation objectively. When a disagreement with others occurs, he shall carefully evaluate the situation and state his position. Corollary, he shall support plans and ideas that he thinks are beneficial to the Company.</p> <p>7. To have a working knowledge of the statutory and regulatory requirements affecting the Company, including the contents of its Articles of Incorporation and Bylaws, the requirements of the SEC, and where applicable, the requirements of other regulatory agencies.</p> <p>8. To observe confidentiality. A director shall observe the confidentiality of non-public information acquired by reason of his position as director.</p> <p>9. To ensure the continuing soundness, effectiveness and adequacy of the company's control environment.</p>	
Accountabilities	<p>The Board is primarily accountable to the Company's stockholders. It shall provide the stockholders with a balanced and understandable assessment of the Company's performance, position and prospects on a quarterly basis, including interim and other price sensitive public reports, and reports to regulators as required by law.</p> <p>The Board, through the Audit Committee, shall recommend to the stockholders duly accredited external auditor who shall undertake an independent audit and shall provide an objective assurance on the way in which financial statements have been prepared and presented.</p>	

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

In accordance with Sec. 38 of Republic Act 8799 and SRC Rule 38, the Company shall appoint or elect independent directors who are free of material relations with the management, controllers, or others that might reasonably be expected to interfere with the independent exercise of his/her best judgment for the exclusive interest of the Company. An independent director of a company may only serve as such for a total of five (5) consecutive years with a "cooling off" period of 2 years after which, he/she could be elected for another final 5-year term. Selection, nomination and election of independent directors shall be done in accordance with the standard election procedures of the Company's By-Laws and this Code.

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

The Company adheres to SRC Rule 38 wherein the independent director can serve as such for five (5) consecutive years. He or she may be re-elected after the two year cooling-off period and serve for another five (5) consecutive years.

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

(a) Resignation/Death/Removal

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

Name	Position	Date of Cessation	Reason
NONE			

(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	A stockholder of the Company or other members of the board may nominate members of the Board of Directors. The Nomination Committee evaluates the nominees and approves a list of nominees eligible to be elected as members of the Board. They shall be appointed during the Annual Stockholders meeting held every 3 rd Wednesday of July.	A director of the Company shall have the following qualifications: 1. Ownership of at least one (1) share of the capital stock of the Company; 2. College degree or its equivalent or adequate competence and understanding of the fundamentals of doing business or sufficient experience and competence in managing a business; 3. Relevant qualifications, such as previous business experience, membership in business or professional organizations; 4. Integrity, probity, diligence and assiduousness in the performance of duties; 5. For independent directors, absence of any interest or relationship with the Company that may hinder independence from the Corporation or Management which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.
(ii) Non-Executive Directors		
(iii) Independent Directors		
b. Re-appointment		
(i) Executive Directors	A stockholder of the Company	A director of the Company

		<p>4. Any person judicially declared to be insolvent;</p> <p>5. Any person finally found guilty by a foreign court or equivalent financial regulatory authority of acts, violation or misconduct listed above;</p> <p>6. Any person convicted by final and executory judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election of appointment;</p> <p>7. Any person engaged in any business which competes with or is antagonistic to that of the Corporation.</p>
d. Temporary Disqualification		
(i) Executive Directors	<p>The Company abides with the rules set forth in its Manual of Corporate Governance, the SEC Code of Corporate Governance and existing laws. The temporary disqualification of the director requires a resolution of a majority of the Board.</p>	<p>1. The following are the grounds for temporary disqualification of incumbent directors: Refusal to fully disclose the extent of his business interest as required under the Securities Regulation Code and Implementing Rules and Regulations.</p> <p>2. Absence or non-participation for whatever reason/s other than illness, death of immediate family or serious accident in more than fifty percent of all board meetings during his incumbency, or any twelve month period during his incumbency.</p> <p>3. Dismissal or termination from directorship in another listed corporation;</p> <p>4. Being under preventive suspension by the Corporation for any reason;</p> <p>5. Conviction that has not yet become final referred to in the grounds for disqualification</p>
(ii) Non-Executive Directors		
(iii) Independent Directors		
e. Removal		
(i) Executive Directors	<p>The removal of directors requires an affirmative vote of</p>	<p>A director may be removed with or without cause with</p>
(ii) Non-Executive Directors		

(iii) Independent Directors	2/3 of the outstanding capital of the Company.	the affirmative vote of shareholders owning 2/3 of outstanding capital stock. However, a director may not be removed without cause if it will deny minority shareholders representation in the Board.
f. Re-instatement		
(i) Executive Directors	A temporary disqualified director shall, within 60 business days from such disqualification, take the appropriate action to remedy or correct the disqualification.	
(ii) Non-Executive Directors		
(iii) Independent Directors		
If the beneficial security ownership of an independent director in the Corporation or in its related companies exceeds 2%, the Corporation shall cease to consider him as an independent director until his beneficial security ownership is reduced to 2% or lower.		
g. Suspension		
(i) Executive Directors	After due notice and hearing, a director who violates the Manual of Corporate Governance will be subjected to the penalties as set forth in the said Manual.	
(ii) Non-Executive Directors		
(iii) Independent Directors		

Voting Result of the last Annual General Meeting July 2016

Name of Director	Votes Received
Raul Joseph A. Concepcion	100% of stockholders and majority of directors
Renna C. Hechanova- Angeles	100% of stockholders and majority of directors
Raul Anthony A. Concepcion	100% of stockholders and majority of directors
Jose Ma. A. Concepcion III	100% of stockholders and majority of directors
Ma. Victoria Herminia C. Young	100% of stockholders and majority of directors
Raissa C. Hechanova-Posadas	100% of stockholders and majority of directors
Cesar A. Buenaventura	100% of stockholders and majority of directors
Melito S. Salazar, Jr.	100% of stockholders and majority of directors

6) Orientation and Education Program

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

The Corporate Secretary briefs each new director of the By-Laws and Manual of Corporate Governance, the schedule of regular meetings of the Board and Board committees, their rights, including access to information and advice, and the procedure and processes for the provision of information to them.

All new directors joining the Board are required to undergo an orientation program within 3 months from date of election or appointment. This is intended to familiarize the new directors on their statutory/fiduciary roles and responsibilities in the Board and Committees, the Company's strategic plans, enterprise risks, group structures, business activities, compliance programs, Code of Business Conduct and Ethics, Policy and Corporate Governance Manual. All directors are also encouraged to participate in continuing education programs at the Company's expense to maintain a current and effective Board.

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

Beginning 2014, the Company has arranged foaan annual corporate governance training sponsored by the Company to allow its directors to comply with the mandatory training requirements of the Securities and Exchange Commission.

- (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			

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	CIC's directors, officers, employees, and representatives must be loyal to the company and deal with suppliers, customers and others in a manner that avoids a conflict between personal interests and those of CIC, or even the appearance of such conflict. All actual, potential or perceived must be declared by the employee concerned as well as those who may be aware of it.		
(b) Conduct of Business and Fair Dealings	All employees deal fairly with our suppliers and partners. They seek long-lasting business relationships, without discrimination or deception.		
(c) Receipt of gifts from third parties	Business gifts that are customary and reasonable in frequency and value are generally permitted. A gift is never permitted if intended in exchange for favorable treatment or if prohibited by the policies of the Company and the third party.		
(d) Compliance with Laws & Regulations	We will abide by the national and local laws where we operate. If a conflict arises with respect to laws applicable, the Legal Department must be consulted. We will not knowingly facilitate illegal conduct or fraud by others, regardless of local norms.		
(e) Respect for Trade Secrets/Use of Non-public Information	CIC's directors, officers, employees and representatives must maintain the confidentiality of material, non-public information (i.e., information not disclosed by CIC and which a reasonable investor would consider important in making an investment decision). Such information will be disclosed only through designated spokespersons, who typically would be the most senior CIC officers. CIC's directors, officers, employees and representatives (and their immediate family members) must not buy, sell or otherwise trade securities while aware of material, non-public information.		
(f) Use of Company	All employees use our tangible assets (such as facilities, money, equipment, and		

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

Funds, Assets and Information	<p>information technology systems) and intangible assets (such as intellectual property, trade secrets, invention disclosures, sensitive business and technical information, computer programs, and business and manufacturing know-how) properly and only as authorized by management.</p> <p>CIC expects its employees not to use company assets for personal gain. All business transactions must be authorized by management in accordance with authority matrices and established processes for internal review and approval.</p>
(g) Employment & Labor Laws & Policies	<p>The Company treats employees fairly and use employment practices based on equal opportunity for all and respects employees' privacy and treat them with dignity and respect.</p> <p>The Company is committed to providing safe and healthy working conditions and an atmosphere of open communication for all our employees. We are committed to providing employees a workplace that is free from known safety and health hazards, and a work environment free from discrimination, harassment, or personal behavior not conducive to a productive work climate.</p> <p>We respect the privacy of our employees. We will comply with all applicable laws in the collection, use, or disclosure employee personal information.</p>
(h) Disciplinary action	Violation of any provision of this Code, or such policies, guidelines and supplements shall be subject to appropriate disciplinary measures, including severance.
(i) Whistle Blower	We provide and maintain communication channels that encourage self-expression and open discussion relative to employee opinions and concerns, including the eDialog Program and the annual Employee Engagement Survey.
(j) Conflict Resolution	The Company adheres to the ideals of justice and fairness in its business and in all its dealings with its Employees. . If a conflict arises the Business Practices Officer, Compliance and the Legal Department are consulted as appropriate.

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.

To implement and monitor compliance with its code of conduct, the Company:

- communicates the code to all existing and new employees and directors
- makes the code available on the company intranet for ease of access
- requires all parties to declare annually that they have been made familiar with and have complied with the code of ethics or conduct, specifically on the provisions of conflict of interest and insider trading
- investigates reported violations of the code and impose sanctions for violations determined after investigation.
- provides an avenue for employees to report any knowledge of violations with the protection of confidentiality and anonymity.

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	All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables. An assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	Annual disclosure of business interests and adherence to CIC's Insider Trading Policy to uphold transparency and practice corporate governance.
(7) Directors including spouse/children/siblings/parents	
(8) Interlocking director relationship of Board of Directors	

(b) Conflict of Interest

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

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

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	N.A.
Name of Officer/s	N.A.
Name of Significant Shareholders	N.A.

(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>The Company's Human Resources Manual of Policies and Procedures, the Employee Handbook, and Code of Conduct applies to directors, officers and employees. They provide principles, guidelines and standards by which officers are expected to conduct themselves.</p> <p>Employees and officers are required to submit Annual Disclosure of business interests and adherence to the company's Insider Trading Policy to uphold transparency and practice corporate governance.</p> <p>If a director has an interest in a matter under consideration by the board, then the director is not allowed to participate in those discussions and the board should follow any further appropriate processes. Individual directors should be conscious of shareholder and public perceptions and seek to avoid situations where there might be an appearance of conflict of interest.</p> <p>Independent directors are aware of the shareholders' and public's perceptions and they are guided to avoid situations</p>

	where there could be an appearance of conflict of interest.
Group	Each company in the Group has its Manual of Policies and Procedures and Code of conduct which applies to officers and employees.

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
None		

- (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
None		

- (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
None that the Company is aware of		

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	<p>The Company has no record of conflicts or differences with its stockholders, regulatory authorities and other third parties.</p> <p>However, it is the policy of the Company to resolve disputes or differences with stockholders, regulatory authorities and other third parties, if and when such disputes or differences arise, through mutual consultation or negotiation, mediation or arbitration.</p>
Corporation & Third Parties	
Corporation & Regulatory Authorities	

C. BOARD MEETINGS & ATTENDANCE

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

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

Yes

2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Raul Joseph A. Concepcion	July 13, 2016	4	4	100%
Member	Renna C. Hechanova- Angeles	July 13, 2016	4	4	100%
Member	Raul Anthony A. Concepcion	July 13, 2016	4	4	100%
Member	Jose Ma. A. Concepcion III	July 13, 2016	4	2	50%
Member	Ma. Victoria Herminia C. Young	July 13, 2016	4	4	100%
Member	Raissa C. Hechanova-Posadas	July 13, 2016	4	3	75%
Independent	Cesar A. Buenaventura	July 13, 2016	4	4	100%
Independent	Melito S. Salazar, Jr.	July 13, 2016	4	4	%

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

No.

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

Yes. A quorum of directors is required to attend in person for the annual stockholders meeting. The physical presence of directors in meetings of the Board Committees on which they serve is encouraged. They are expected to prepare diligently for the meetings to evaluate and add value to the items presented, actively participate and contribute meaningfully to the discussions of the Board.

For scheduled and special Board meetings, attendance through video or teleconference is allowed. An independent director shall always be in attendance. However, the absence of an independent director may not affect the quorum requirements.

5) Access to Information

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

The board materials for the board of directors' meetings are being distributed to the directors at least two days before the meeting.

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

Yes.

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

The Corporate Secretary is an officer of the Company and shall be a Filipino citizen. He shall work and deal fairly and objectively with all the constituencies of the Company, namely, the Board, management, stockholders and other stakeholders. He must have the legal skills of a chief legal officer, if he is not the

general counsel. He should also have adequate administrative skills and the interpersonal skills of a human resources officer. The duties and responsibilities of the Corporate Secretary shall be the following:

1. Issue advance notice of meetings and agenda, as well as to keep the minutes of all meetings of the stockholders of the Company and of the Board of Directors.
2. Keep custody of the Stock Certificate Book, Stock and Transfer Book, the Corporate Seal, and other records, papers and documents of the Company.
3. Prepare ballots for the annual election of directors, and keep a complete and up to-date roll of the stockholders and their addresses.
4. Submit to the Securities and Exchange Commission at the end of the Company's fiscal year an annual certification on the attendance of the directors during the Board meetings.
5. Ensure that Board procedures are being followed and the applicable rules and regulations are complied with.
6. Attend all Board meetings.

Yes, the role of the Corporate Secretary includes assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc.

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

Yes. The Corporate Secretary possesses organizational and interpersonal skills, and the legal skills of a chief legal officer. He also has financial and accounting knowledge.

- (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	1. The Office of the Corporate Secretary sends the board materials at least 2 days before the scheduled meeting. 2. The board materials provide supporting information for matters for approval of the directors during the meeting. 3. The Company meets with the independent directors, non-executive directors and executive directors, individually or in groups, as may be necessary for management to keep the directors informed and to seek guidance.
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:

The General Counsel and Corporate Secretary of the Company attend to the directors' concerns. When necessary, the General Counsel and Corporate Secretary may recommend to the directors to seek for an advice from third parties

The Audit committee holds its meetings twice a year and invites the external auditor to report on the audit program as well as the results of the audit.

- 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	Approved by the Board of Directors upon the recommendation of the Compensation and Remuneration Committee of the Board.	The Company adopts a performance-based variable pay program aligned with business strategy.
(2) Variable remuneration	Approved by the Board of Directors upon the recommendation of the Compensation and Remuneration Committee of the Board.	The Company adopts a performance-based variable pay program aligned with business strategy.
(3) Per diem allowance	In the conduct of business abroad, per diem allowance is provided to reimburse miscellaneous expenses like airport fees, travel tax, taxi fare, laundry and phone allowance.	
(4) Bonus	Approved by the Board of Directors upon the recommendation of the Compensation and Remuneration Committee of the Board.	The Company adopts a performance-based variable pay program aligned with business strategy.
(5) Stock Options and other financial instruments	N.A.	
(6) Others (specify)	N.A.	N.A.

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	Each director shall be entitled to receive from the Corporation, pursuant to a	(1) Per diem for Board meetings – P60,000 annually (2) Per diem for	The Board of Directors upon recommendation of the Compensation and
Non-Executive Directors			

	<p>resolution of the Board of directors, fees and other compensation for his services as director. The Board of Directors shall have the sole authority to determine the amount, form and structure of the fees and other compensation of the directors. The Compensation Committee shall have the responsibility of recommending to the Board of Directors the fees and other compensation for directors. In discharging this duty, the committee shall be guided by the objective of ensuring that the level of compensation should fairly pay directors for work required in a company of the Corporation's size and scope.</p>	<p>Committee meetings – P20,000 (3) Audit Committee chairman gets a monthly fee of P25,000 (4) Discretionary Board bonus based on overall Company performance</p>	<p>Remuneration Committee shall have the sole authority to determine the amount, form and structure of the fees and other compensation of the directors. In no case shall the total yearly compensation of directors exceed one percent (2%) of the net income after tax of the Corporation during the preceding year.</p>
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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.

Yes.

3) Aggregate Remuneration

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

The following table identifies and summarizes the aggregate compensation of the Company's CEO and the four most highly compensated executive officers of the Company in 2014, 2015, 2016 and 2017 (forecast):

Year	Total ⁽¹⁾
	(₱ in millions)

	Year	Total ⁽¹⁾ (£ in millions)
CEO and the most highly compensated officers named above	2014	94.3
	2015	110.3
	2016	127.2
	2017 (est.)	148.0
Aggregate compensation paid to all officers and Directors as a group unnamed..	2014	116.6
	2015	161.3
	2016	174.8

Note:

⁽¹⁾ includes salary, bonuses and other income.

Standard Arrangements

Other than payment of reasonable per diem for Board meetings and committee participation as approved by the Board, there are no standard arrangements pursuant to which directors of the Company are compensated, or were compensated, directly or indirectly.

Other Arrangements

There are no other standard arrangements pursuant to which any director of the Company was compensated except for the Chairman for the Audit and Governance Committee who is paid a reasonable monthly allowance as approved by the Board.

1) Stock Rights, Options and Warrants

(a) Board of Directors

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

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

No rights and warrants were given to directors with their position as director of the company. Non-executive and Independent Directors do not receive any compensation as director other than the retainer fee and per diem as set forth above.

(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		

2) 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
Rafael C. Hechanova Jr	PHP 91 million (2016)
Rajan Komarasu	
Ma. Victoria A. Betita	
Harold Pernikar	
Alex Villanueva	

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

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

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	4				<p>The Executive Committee is empowered, when the Board is not in session, to exercise the powers of the Board in the management of the business and affairs of the Corporation except with respect to the approval of any action mentioned in the By-laws or for which stockholders' approval is also required; and such other acts expressly reserved by the Philippine Corporation Code to the Board. The Executive Committee meets as often as it may be necessary to address all matters referred to it.</p> <p>The Executive Committee shall be composed of the President, Chairman and CEO and the Treasurer and the Managing Directors of its subsidiaries, each of whom shall all be a Director of the Company. The Board shall have the power at any time to remove and replace the members of, and fill vacancies, in the Executive Committee.</p>		

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Audit		2	1		<ol style="list-style-type: none"> 1. Check all financial reports against its compliance with both the internal financial management handbook and pertinent accounting standards, including regulatory requirements; 2. Perform oversight financial management functions specially in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management; 3. Set up internal audit department and consider the appointment of the Chief Audit Executive; establish and identify the reporting line of the chief audit executives so that the reporting levels allow the internal audit activity to fulfill its responsibilities; 4. Ensure that internal auditors have free and full access to all the Corporation's records, properties and personnel relevant to and required by its function and that the internal audit activity shall be free from interference in determining its scope, performing its work and communicating its results; 5. Provide oversight of the Corporation's internal and external auditors; 6. Pre- approve all audit plans, scope and frequency before the conduct of external audit; 7. Discuss with the external audit before the audit commences the nature and scope of the audit and ensure cooperation where more than one audit firm is needed; 8. Elevate to international standards the accounting and auditing processes, practices and methodologies; 9. Develop a transparent financial management system that will ensure the integrity of internal control activities throughout the Corporation through a procedures and policies handbook that will be used by the entire organization; 10. Receive and reviews reports of internal and external auditors and regulatory agencies; 11. Review the quarterly, half-year and full year financial statements before submission to the Board; 12. Recommend and review the appointment of external auditors and their remuneration; 13. Review and approve the proportion of 		

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
					audit versus non-audit work both in relation to their significance to the auditor and in relation to the Corporation's total expenditure on consultancy, to ensure that non-audit work will not be in conflict with the audit functions of the external auditor.		
Nomination	2		1		<ol style="list-style-type: none"> 1. Install and maintain a process to ensure that all directors to be nominated for election at the next Annual Stockholders' Meeting have the qualifications and none of the disqualifications as a director; 2. Encourage the selection of a mix of competent directors, each of whom can add value and create independent judgment as to the formulation of sound corporate strategies and policies; and 3. Review and evaluate the qualifications of all persons nominated to positions in the Corporation which require appointment by the Board. 		
Remuneration		1	2		<ol style="list-style-type: none"> 1. Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation's culture, strategy and control environment; 2. Designate the amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the Corporation successfully; 3. Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which among others compel all officers to declare under the penalty of perjury all their existing business interest or shareholdings that may directly or indirectly conflict in their performance of duties once hired; 4. Disallow any director to decide his own remuneration during his incumbent term; 5. Provide in the Corporation's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and the ensuing year; 6. Review the existing Human Resources Development or Personnel Handbook, to 		

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
					strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts; 7. In the absence of a Personnel Handbook, cause the development of such covering the same parameters of governance stated above.		
Others (specify)	None						

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	Raul Joseph A. Concepcion	July 13, 2016	1	1	100%	1 year
Member	Renna C. Hechanova-Angeles	July 13, 2016	1	1	100%	1 year
Member	Raul Anthony A. Concepcion	July 13, 2016	1	1	100%	1 year

The actions of the Executive Committee may also be taken by written consent (in physical, electronic or digital format) by majority of the members when deemed necessary or desirable by the Committee or its Chairman.

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Melito S. Salazar, Jr.	July 13, 2016	2	2	100%	1 year
Member	Raissa C. Hechanova-Posadas	July 13, 2016	2	2	100%	1 year
Member	Ma. Victoria Herminia C. Young	July 13, 2016	2	2	100%	1 year

Disclose the profile or qualifications of the Corporate Governance and Audit Committee members.

Melito S. Salazar, Filipino, 64, is an Independent Director of the Board of the Company. He concurrently serves as the chairman of INCITE.Gov, director of the University of St. La Salle Bacolod, director of the Chamber of Commerce of the Philippine Islands, chairman and president of Quickminds Corporation, independent director of Frontier Oil Corporation, vice chairman and independent director of PVB Card Co., chairman and independent director of InterAsia Development Bank, vice president of Manila Bulletin Publishing, and independent director of PhilsFirst Insurance Corporation. Mr. Salazar previously served the government as the governor of the Board of Investments from 1988 to 1995 and its vice chairman and managing head from 1995 to 1999, undersecretary of the DTI, director of the National Power Corporation and of the University of the Philippines Institute of Small Scale Industries, and member of the Monetary Board of

the Central Bank of the Philippines. He holds a B.S. Accounting degree and a Masters in Business Administration degree both from the University of the Philippines.

Raissa C. Hechanova-Posadas, Filipino, 53, is a Director of the Board of the Company. She is concurrently a director of RFM Foundation, Inc., advisor to the board of directors of BDO Private Bank, and member of the board of trustees of Knowledge Channel Foundation, Inc. and Nth Millennium Foundation. Prior to joining the Company, Ms. Hechanova-Posadas had 25 years of experience in corporate and investment banking at Citigroup where she held the positions of managing director, head of corporate finance unit, and designated business senior credit officer. In addition, she was a member of the Citi Philippines senior management team for ten years, and of the board of directors of several Citigroup legal vehicles in the country. Ms. Hechanova-Posadas holds a B.A. Applied Economics degree from De La Salle University and a Master of Business Administration degree from IMD International Institute for Management Development (formerly IMEDE).

Ma. Victoria Herminia C. Young, Filipino, 54, is a Director of the Board of the Company. She is a director as well as the vice-president and general manager of the White King Division of RFM Corporation since 2006. She is also a director and general manager of Interbake Commissary Corporation and president of RFM Foundation, Inc. Ms. Young is likewise a trustee of several charitable organizations such as Soul Mission Organization and Ronald McDonald House of Charities. From 2000-2003, she served as a director of the Assumption Alumnae Association. Ms. Young holds a B.S. Management and Marketing degree from the Assumption College.

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

1. Review the performance and recommend the appointment, retention or discharge of the Independent Auditors, including the fixing of their remuneration to the Board of Directors. In case of resignation or cessation from service of an independent auditor, ensure that there is a process for reporting in the annual and current reports the reason for cessation from service, and the date thereof, of an independent auditor.

A preliminary copy of the said report shall be given by the corporation to the independent auditor before its submission.

2. Ensure the rotation of the lead engagement partner at least once every five (5) years and consider whether there should be a regular rotation of the audit firm itself.

3. Review and pre-approve the Independent Auditor's plans and ascertain the basis for their risk assessment and financial statement materiality, including the scope and frequency of the audit.

In this regard, the Committee shall discuss with the Independent Auditors, before the audit commences, the nature and scope of the audit, and ensure cooperation when more than one professional service firm is needed.

4. Monitor the coordination of efforts between the external and internal auditors. The Committee shall ensure that the internal and external auditors act independently from each other.

5. Review of the reports of the Independent Auditors, where applicable, and ensure that management is taking appropriate corrective actions in a timely manner, including addressing control, governance, and compliance issues.

6. Conduct a separate meeting in executive session, with the external auditors to discuss any matter that the committee or auditors believe should be discussed privately, including the results of the audit, year-end financial statements, the quality of management, financial and accounting controls.

7. Review and approve the proportion of audit versus non-audit work both in relation to their significance to the auditor and in relation to the Corporation's year-end financial statements, and total expenditure on consultancy, to ensure that non-audit work will not be in conflict with the audit functions of the independent auditor. The amount of both audit and non-audit work of independent auditors shall be disclosed in the annual report.

8. Ensure that the independent auditor has unrestricted access to all records, properties and personnel to enable performance of the required audit.

9. Review with the independent auditor any problems or difficulties, including any restrictions on the scope of the independent auditor's activities or on access to requested information and any significant disagreements with management. The review may also include discussion of any proposed accounting adjustments that were "passed" or not recorded.

10. Review of the independent auditor's evaluation of internal accounting controls. Independent auditors shall provide feedback to the Corporate Governance and Audit Committee on their observations of internal control weaknesses arising from statutory financial audits. Independent auditors should highlight findings which are disputed by Management or where Management has not agreed to implement remedial actions that would rectify the identified weaknesses.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Raul Joseph A. Concepcion	July 13, 2016	1	1	100%	1 year
Member	Renna C. Hechanova-Angeles	July 13, 2016	1	1	100%	1 year
Member	Cesar A. Buenaventura	July 13, 2016	1	1	100%	1 year

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Cesar A. Buenaventura	July 13, 2016				1 year
Member	Jose Ma. A. Concepcion III	July 13, 2016				1 year
Member	Melito S. Salazar, Jr.	July 13, 2016				1 year

3) Changes in Committee Members

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

Name of Committee	Name	Reason
Executive	None	
Audit	None	
Nomination	None	
Remuneration	None	

4) Work Done and Issues Addressed

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

Name of Committee	Work Done	Issues Addressed
Executive	Approved and implemented the 2016 Business Plan and budget.	
Corporate Governance and Audit	Recommended approval of the Audited FS for full year 2015; appointment of external auditor and review of audit programs; review of implementation of the Code of Ethics.	
Nomination	Confirm the nomination of existing board	
Remuneration	Decision on Board and CEO remunerations	

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	<p>The Executive Committee is empowered, when the Board is not in session, to exercise the powers of the Board in the management of the business and affairs of the Corporation except with respect to the approval of any action mentioned in the By-laws or for which stockholders' approval is also required; and such other acts expressly reserved by the Philippine Corporation Code to the Board. The Executive Committee meets as often as it may be necessary to address all matters referred to it.</p> <p>The Executive Committee shall be composed of the President, Chairman and CEO and the Treasurer and the Managing Directors of its subsidiaries, each of whom shall all be a Director of the Company. The Board shall have the power at any time to remove and replace the members of, and fill vacancies, in the Executive Committee.</p>	
Corporate Governance and Audit	<p>The Corporate Governance and Audit Committee play a dual role. In general, it leads the Company in defining corporate governance policies and attaining best practices while overseeing the implementation of the Company's compliance program, money laundering prevention program and ensuring that regulatory compliance issues are resolved expeditiously.</p> <p>As an Audit Committee, it shall have the following functions:</p> <ul style="list-style-type: none"> (a) check all financial reports against compliance with the internal financial management handbook, pertinent accounting standards and regulatory requirements; (b) perform oversight financial management functions, specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management; (c) pre-approve all audit plans, scope and frequency at least one (1) month before the conduct of an external audit; (d) perform direct interface functions with the internal and external auditors of the Corporation; (e) elevate to international standards the accounting and audit processes, practices and methodologies of the corporation; and (f) develop a transparent financial management system that 	

	<p>will ensure the integrity of internal control activities throughout the Corporation.</p> <p>As a Corporate Governance Committee, this Committee is responsible for the periodic administration of performance evaluation of the Board and its committees. It conducts an annual self-evaluation of its performance in accordance with the criteria provided in the 2009 SEC Code of Corporate Governance.</p> <p>The Corporate Governance and Audit Committee, consisting of three (3) members, including at least one (1) independent director. Each member of the audit committee shall have adequate understanding at least or competence at most of the Corporation's financial management systems and environment. The Corporate Governance and Audit Committee shall meet at a minimum at least two (2) times a year.</p>
Nomination	<p>The nomination committee shall be composed of at least three (3) members, one of whom shall be an independent director. The nomination committee shall have the following functions: (a) formulate screening policies to enable the committee to effectively review the qualification of the nominees for independent directors; and (b) conduct nominations for independent directors prior to the stockholders' meeting in accordance with the procedures set forth in Rule 38 of the Amended Implementing Rules and Regulations of the Securities Regulation Code, as the same may be amended from time to time.</p>
Compensation and Remuneration	<p>The Compensation Committee provides oversight on directors' compensation and remuneration of senior management and other key personnel, ensuring that compensation scheme is consistent with the Company's culture and strategy, effectively aligned with prudent risk taking and commensurate with corporate and individual performance. It also ensures consistency of the compensation policies and practices across the Group. <u>The compensation and remuneration</u> committee shall have the following functions:</p> <ul style="list-style-type: none"> (a) establish a formal and transparent procedure for developing policies on executive remuneration and for fixing the remuneration packages of corporate officers and directors; and provide oversight over remuneration of senior management and other key personnel, ensuring that compensation is consistent with the Corporation's culture, strategy and control environment; (b) designate the amount of remuneration of directors and officers, which shall be in a sufficient level to attract and retain directors and officers, who are needed to run the Corporation successfully; (c) develop a form on full business interest disclosure as part of the pre-employment requirements for all incoming officers, which among others, compel all officers to declare, under the penalty of perjury, all their existing business interests or shareholdings that may directly or indirectly conflict in the performance of their duties once hired; (d) disallow any director to decide his or her own remuneration; (e) provide in the Corporation's annual reports information and proxy statement, a clear, concise, and understandable disclosure of compensation of its executive officers for the previous fiscal year and the ensuing year; and (f) review of the human resources development or personnel

	<p>handbook, if any, to strengthen provisions dealing with conflict of interest, salaries and benefit policies, promotion and career advancement directives, and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts, or in the absence of such human resources development of personnel handbook, cause the development of such, covering the same parameters of governance as stated above.</p> <p>The Compensation Committee comprises three members including at least one (1) independent director. The Compensation Committee shall meet a minimum of at least two times a year and provides overall direction on the compensation and benefits strategy of the Company.</p>
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F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company:

The Company exists to provide value for its stakeholders. It faces a wide range of risks, including risks associated with legal requirements, financial exposures, operational challenges, corporate strategy, and protection of the Corporation’s reputation. Among these broad categories, risks include the adequacy of tangible and intangible assets, the adequacy of human resources, arrangements with customers, arrangements with suppliers, market conditions, the overall economic and political climate, and the impact of disruptive events, such as natural disasters or political upheaval. These enterprise risks will be identified and managed by operating management and by the individual operating companies. The Company shall institute a Group-wide enterprise risk assessment which will be reviewed annually by the CEO and presented to the Board of Directors.

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

The Company currently has a Risk Management and Assurance team as well as Legal and Governance Team that implements various programs to assess and address the risk management capability of the Company through design effectiveness as well as controls reviews. The results and highlighted risks are reported to the Corporate Governance and Audit Committee of the Board.

(c) Period covered by the review;

The results and highlighted risks are reported to the Corporate Governance and Audit Committee of the Board twice a year covering the period following the most recent committee meeting.

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

The results and highlighted risks are reported to the Corporate Governance and Audit Committee of the Board twice a year covering the period following the most recent committee meeting.

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

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
Strategic	The Company believes that risk management is critical to long-term value creation. Companies shall proactively handle its risks and use the management of these risks as a tool to further enhance shareholder value through greater competitiveness and an improved capacity to take risks.	Enterprise Risk Management will provide the solid platform that will enable each of the Companies in the Concepcion Group to achieve the following objectives: <ul style="list-style-type: none"> To establish sustainable competitive advantage To pursue strategic growth opportunities with greater speed, skill and confidence
Operational	By embedding the risk management process into the day-to-day line of operations, each Company fosters a culture of risk management and enables sound decision-making at every level of the organization.	<ul style="list-style-type: none"> To balance risk and reward Eliminate and/or minimize operational loss To optimize risk management cost
Governance and Internal Controls	Risk management is a fundamental element of effective corporate governance and an integral part of sound management practice in each operating entity.	To implement sound and effective corporate governance model and internal control mechanisms to achieve the goals and objectives of the Company and manage the consequences of a crisis situation.
Financial	Management believes that the key to managing financial risk is transparency and accuracy.	To implement a timely and effective financial reporting process that accurately reflects the financial state of each of the Companies.

(b) Group

Give a general description of the Group's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Strategic	The Group believes that risk management is critical to long-term value creation. Concepcion shall proactively handle its risks and use the management of these risks as a tool to further enhance shareholder value through greater competitiveness and an improved capacity to take risks.	Enterprise Risk Management will provide the solid platform that will enable the Concepcion Group to achieve the following objectives: <ul style="list-style-type: none"> To establish sustainable competitive advantage To pursue strategic growth opportunities with greater speed, skill and confidence
Operational	By embedding the risk management process into the day-to-day line of operations, the Concepcion Group fosters a culture of risk management and enables sound decision-making at every level of the organization.	<ul style="list-style-type: none"> To balance risk and reward Eliminate and/or minimize operational loss To optimize risk management cost
Governance and Internal Controls	Risk management is a fundamental element of effective corporate governance and an	To implement sound and effective corporate governance model and internal control mechanisms to achieve the goals

	integral part of sound management practice in Concepcion.	and objectives of the Company and manage the consequences of a crisis situation.
Financial	Management believes that the key to managing financial risk is transparency and accuracy.	To implement a timely and effective financial reporting process that accurately reflects the financial state of the Concepcion Group.

(c) Minority Shareholders

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

Risk to Minority Shareholders
There may be inter-company transactions, but there are measures in place to avoid abuse. The Company strictly monitors the related party transactions of the Company.

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)
Strategic	<ul style="list-style-type: none"> Structured and periodic strategic planning process and portfolio strategy review Monitoring of achievement of strategic targets Continuous monitoring of existing, as well as of new and emerging, risks 	<ul style="list-style-type: none"> Investment in processes and technologies are made to support the requirements of new businesses Rigorous reviews including resource allocation and strategy Portfolio and strategic initiatives visibility and discussions at regular Excoms and strategic business reviews
Operational	<ul style="list-style-type: none"> Business planning and budgeting Monitoring of actual results vs. objectives Identified key risk indicators and metrics to measure the effectiveness of the risk mitigation strategies 	<ul style="list-style-type: none"> Regular review of financial and operations metrics and reporting to senior management, and management and board committees Monthly and annual portfolio analysis/review Policies are regularly reviewed and updated to remain relevant
Talent/Knowledge Management	<ul style="list-style-type: none"> Regular discussions among the Strategic HR Groups on initiatives and staffing needs including timing Regular talent reviews 	<ul style="list-style-type: none"> Organizational structure, leadership and talent management, and development programs are reviewed regularly to respond to the changing needs, new business models and strategies Development of succession planning
Governance and Internal Controls	<ul style="list-style-type: none"> Annual risk assessment and regular reporting to the 	<ul style="list-style-type: none"> Compliance with the mandates of the Company's Manual on

	<p>Governance and Audit Committee</p> <ul style="list-style-type: none"> • Periodic review of internal controls 	<p>Corporate Governance for the Board of Directors to ensure the presence of organizational and procedural controls supported by an effective management information system and risk management reporting system.</p> <ul style="list-style-type: none"> • Compliance with laws and regulations • Regular benchmarking with industry best practices and development of continuous improvement program to strengthen the Company's practices and policies
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(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)
Strategic	<ul style="list-style-type: none"> • Structured strategic planning process • Discussions on new business development, strategy execution, and synergy initiatives happen at various levels in the organization including at Management and Board oversight committees. 	<ul style="list-style-type: none"> • Adopt a disciplined approach in investment evaluation and decision process • Continue to evaluate the risks and opportunities in relation to both the company's business portfolio and the integration to existing business operations • Formal/institutionalized process and improving discipline in investment and divestment decisions
Operational	<ul style="list-style-type: none"> • Business planning and budgeting • Regular management meetings and performance review process 	<ul style="list-style-type: none"> • Regular review of financial and operations metrics and reporting to senior management, and management and board committees • Monitoring of actual results vs. objectives
Talent/Knowledge Management	<ul style="list-style-type: none"> • Regular discussions among the Strategic HR Groups on initiatives and staffing needs including timing • Monitoring attrition rates in the group • Results of employee satisfaction surveys 	<ul style="list-style-type: none"> • Annual talent review process for all subsidiaries • Development of a succession plan • Implementation of service level agreements (SLAs) on hiring • Implementation of employee engagement and retention programs
Governance and Internal Controls	<ul style="list-style-type: none"> • Regular benchmarking with industry best practices • Periodic review of internal controls 	<ul style="list-style-type: none"> • Institutionalize good governance and sound internal controls for all companies in the group • Ensuring the Board and all its committees have approved Charters • Adopting and conducting good

		<p>governance and internal controls assessment checklist</p> <ul style="list-style-type: none"> • Development of continuous improvement program to strengthen the Group's practices and policies
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(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
Executive Committee (ExCom)	<ul style="list-style-type: none"> • Corporate governance control and mechanisms • Supports the Board of Directors in the review and approval of resolutions that drive business strategy and operations of the company 	<p>The Executive Committee, in accordance with the authority granted by the Board, or during the absence of the Board, shall act by majority vote of all its members on such specific matters within the competence of the Board of Directors as may from time to time be delegated to the Executive Committee in accordance with the Corporation's By-Laws, except with respect to --</p> <ol style="list-style-type: none"> approval of any action for which shareholders' approval is also required; the filling of vacancies on the Board or in the Executive Committee; the amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable; the distribution of cash dividends; the exercise of powers delegated by the Board exclusively to other
Committee/Unit	Control Mechanism	Details of its Functions
		committees, if any.
Corporate Governance and Audit Committee	<ul style="list-style-type: none"> • Corporate governance control and mechanisms • Oversees the internal control, internal auditors, external auditors, financial reporting, and risk management processes of the company for the Board. 	<p>The Corporate Governance and Audit Committee provides assistance to the Board of Directors in fulfilling their oversight responsibility to the shareholders relating to:</p> <ul style="list-style-type: none"> • the integrity of the Company's financial statements and the financial reporting process; • the appointment, remuneration, qualifications,

		<p>independence and performance of the independent external auditors and the integrity of the audit process as a whole;</p> <ul style="list-style-type: none"> • the effectiveness of the systems of internal control and the risk management process; • the performance and leadership of the internal audit function; • the company's compliance with applicable legal, regulatory and corporate governance requirements; and • the preparation of year-end report of the Committee for approval of the Board and to be included in the annual report.
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G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

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

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

Internal Control System is the framework under which internal controls are developed and implemented (alone or in concert with other policies or procedures) to manage and control a particular risk or business activity, or combination of risks or business activities, to which the corporation is exposed.

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

The statement of the directors on the effectiveness of the company's internal control system is embodied in the recommendation made by the Corporate Governance and Audit Committee to the Board of Directors during the submission of and approval of the Audited Financial Statements for Full year 2015/16.

(c) Period covered by the review;

For the year ended December 31, 2015.

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

Twice a year

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

Not applicable

2) Internal Audit -

(a) Role, Scope and Internal Audit Function

The Company under the Risk Management Assurance team retains an independent audit function, through which the Company’s Board, senior management, and stockholders may be provided with reasonable assurance that its key organizational and procedural controls are effective, appropriate, and complied with. The role of the Internal Auditor includes the following:

1. Develop and implement an effective annual internal audit program to be approved by the Audit Committee that covers the entire operations of the company including subsidiaries and affiliates.
2. Submit to the Audit Committee an annual report on the performance of Internal Audit activities, responsibilities, and performance relative to the audit plans and strategies as approved by the Committee including significant risk exposures, control issues and such matters as may be needed or requested by Board of Directors and senior management.
3. Conduct independent assessment of adequacy and effectiveness of management and IT control frameworks, risk management and governance processes of all units of the company including subsidiaries and affiliates.
4. Monitor the resolution of internal control weaknesses noted during the examination with the end view of mitigating risks and strengthening the control environment.
5. Examine and analyze the organizational structure, checks and balances, methods of operations and use of human and physical resources to reveal defects in order to prevent fraud or irregularities.
6. Certify that the conduct of auditing activities is in accordance with the International Standards on the Professional Practice of Internal Auditing.

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

Yes

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

The Board shall constitute an Internal Audit team to carry out the audit function, and shall require it to report to the Audit Committee that will allow the internal audit function to fulfill its responsibilities without impediment

(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
None	

(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	Audit plans are on track as of 3/2017
Issues⁶	Reported to the audit committee; no critical issues identified
Findings⁷	NA
Examination Trends	NA

[The relationship among progress, plans, issues and findings should be viewed as an internal control review

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.

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
Finance Manual	Finance policies under review
Treasury Manual	NA
Information Technology Manual	ICT policies under review
Human Resources Manual	HR policies under review

(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):

NA

(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.

On June 2013, the Company submitted to the SEC the certification on the compliance with revised manual of corporate governance for the year 2012. The certification was signed by the Company’s Compliance Officer and the CEO.

H. ROLE OF STAKEHOLDERS

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

	Policy
Customers	The Company will provide high quality and value, competitive prices, and honest transactions to those who use our products and services. We will deal lawfully and ethically with our customers.
Employees	The Company treat employees fairly and use employment practices based on equal opportunity for all. We will respect employees’ privacy and treat them with dignity and respect. We are committed to providing safe and healthy working conditions and an atmosphere of open communication for all our employees.
Suppliers and Partners	The Company will deal fairly with our suppliers and partners. We will seek long-lasting business relationships, without discrimination or deception.

Shareowners	The Company will work to provide a superior return to our shareowners. We will safeguard the value of their investment through the prudent use and protection of corporate resources, and by observing the highest standards of legal and ethical conduct in all our business dealings.
Competitors	The Company will compete vigorously, independently and fairly, basing our efforts on the merits of our competitive offerings.
Communities	The Company will be a responsible corporate citizen of the communities in which we operate. We will abide by all national and local laws, and we will strive to improve the well-being of our communities through the protection of natural resources, through the encouragement of employee participation in civic and charitable affairs, and through corporate philanthropy.

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

Yes, the Company intends to publish a Corporate Social Responsibility Report in its Annual Report.

3) Performance-enhancing mechanisms for employee participation.

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

The Company will constantly pursue the objective of ensuring that its workplace is safe from hazards, its employees are injury free, its products and services are safe, and its commitment to and record in protecting the natural environment are unmatched. Environment, health and safety ("EH&S") are integral components of all business processes that impact the products, services, and operations of the Group.

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

The Company regards occupational health and safety as one of its most important corporate and social responsibilities and it is the Company's corporate policy to comply with existing environmental laws and regulations. The Company maintains various environmental protection systems and conducts regular trainings on environment, health and safety. In particular, CCAC implements a Hazard Identification Risk Assessment and Control ("HIRAC") system in conjunction with its Environment, Health and Safety Manual on matters such as electrical safety, working at heights, and use of power industrial vehicles, to ensure that all potential hazards and risks in the workplace are addressed. In addition, since the Company's operations are subject to a broad range of health, safety and environmental laws and regulations, the Company formed an oversight committee with member representatives from all departments to review, discuss and develop goals surrounding health, safety and environmental compliance and awareness.

The Company has dedicated teams who conduct an annual mandatory session on health, safety and the environment for all of its employees, particularly for site employees and technicians in the field. The Company promotes employee health through various initiatives such as annual physical examinations and clinics. Factory, office and site management audits, incident investigations and program evaluations are all performed regularly to ensure compliance with the highest standards of safety.

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

Various training and development programs are made available to Concepcion employees. From the beginning of their career in Concepcion, they are provided with core programs to assist them in their on-boarding and to allow them to become fully integrated into the organization.

Employees have continuous access to both technical training programs and soft skills programs and are encouraged to actively participate training that will be helpful in growing their functional expertise and in making them more effective in their day-to-day work.

A major focus has been on leadership development not only within Concepcion but across its group of companies. The aim has been to develop a deeper leadership bench across the conglomerate by strengthening the general management skills at the executive and middle management levels.

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

None.

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.

CIC's Board of Directors has adopted and the Company actively implements a code of ethics (the "Code"). A Business Practices Officer has been specifically appointed as part of the Code and, together with the Company's Human Resources Manager, is jointly responsible for implementing the Code. Implementation and enforcement activities include:

- An annual conflict of interest survey requiring each employee to declare known conflicts of interest; and
- An annual mandatory ethics training program

The Code also features a "dialogue" program that allows employees and third parties to raise concerns while safeguarding anonymity.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

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

Shareholder	Number of Shares	Percent	Beneficial Owner
Foresight Realty & Development Corp. (Formerly Concepcion Holdings, Inc)	77,343,175	22.8%	Same as Shareholder
Horizons Realty, Inc.	77,120,855	22.7%	Same as Shareholder
Hy-land Realty and Development	75,813,564	22.3%	Same as Shareholder
PCD Nominee Corporation	30,935,137	9.1%	
PCD Nominee Corporation	78,369,213	23.1%	

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Raul Joseph A. Concepcion	Common - 55,000	Common (various) -762,310	0%
Renna C. Hechanova-Angeles	Common – 2,508,138	None	1%
Raul Anthony A. Concepcion	Common – 341,951	Common (through Micab Resorts & Hotels, Inc.) - 1,571,150	0%
Jose Ma. A. Concepcion III	Common – 12,967	Common (through Triple 8) – 836,867	0%
Ma. Victoria Herminia C. Young	Common - 1	Common (through YC Holdings, Inc.) – 830,250	0%
Raissa C. Hechanova-Posadas	Common – 2,158,858	None	1%

Cesar A. Buenaventura	Common - 2	None	0%
Melito S. Salazar	Common - 2	None	0%
Rafael C. Hechanova, Jr.	Common – 2,359,238	Common (various) – 385,800	1%
Ma. Victoria A. Betita	26,420	None	0%
Rajan Komarasu	39,000	None	0%
Harold T. Pernikar	1,300	None	0%
Philip Trapaga	4,550	None	0%
Alexander Villanueva	13,000	None	0%
TOTAL	7,520,427	4,044,517	3%

2) Does the Annual Report disclose the following:

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

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

3) External Auditor's fee

The aggregate fees billed for each of the last fiscal year for professional services rendered by, Isla Lipana & Co.,

NATURE OF AUDIT	FIRM	CIC	CCAC	CDI	COPI	CMIP	CBSI	TOTAL
Dec. 31, 2016 External Audit	PWC	764	906	764	721	470	325	3,950
Internal Audit Planning and Scoping	P&A	1,550						1,550
Impairment of Goodwill and Valuation of Intangible Assets report	P&A	574						574
Tax Consultancy	Valdez		300					300
Tax Consultancy	SGV		535					535

TOTAL	2,888	1,742	764	721	470	325	6,910
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the Group's external auditors are summarized as follows:

4) Medium of Communication

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

Concepcion employs the following modes of communication for disseminating corporate developments and financial and operational results on a regular basis to its stakeholders:

- a. Structured and unstructured corporate disclosures
- b. Company website
- c. Analysts' briefings
- d. Press releases
- e. Press briefings
- f. One-on-one meetings between company officers and analysts/institutional investors
- g. Annual report
- h. International and local investor conferences
- i. International non-deal roadshows
- j. Stockholders' meeting
- k. Conference calls
- l. Email alerts

5) Date of release of audited financial report: April 8, 2016

6) Company Website

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

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

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

7) Disclosure of RPT

In the ordinary course of business, the Group transacts with its related parties.

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

The Company and its subsidiaries observe the following:

- Each business unit which may be a related party has corporate governance policy that ensures propriety of business conduct. The representation of minority stakeholders and other stakeholders in the Board of Directors and various Board Committees form part of the corporate governance. The Board of Directors and committees review the critical and key operating areas.
- Each business unit which may be a related party has its own set of management team responsible in achieving their respective overall operating goals.
- All transactions with related parties are on arms-length basis.

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	Majority of the outstanding capital stock must be present or represented in order to constitute a quorum, unless otherwise provided by law.
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(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	Open votation, verbally on the floor or in writing
Description	<p>In all items for approval in Annual Stockholders' Meeting, each voting share of stock entitles its registered owner to one vote.</p> <p>In the election of directors, each holder of voting shares may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many nominees as he shall see fit, provided that the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the total number of directors to be elected.</p> <p>Voting will be by acclamation or by ballot and will be counted by shares and not per capita. For the purpose of electing directors, voting will be by ballot only if demanded by a stockholder, if there are more nominees than the number of directors to be elected and if it is necessary to determine the winning nominees. The external auditor of the Company, Isla Lipana & Co., will validate the ballots.</p>

(c) Stockholders' Rights

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

Stockholders' Rights under The Corporation Code	Stockholders' Rights <u>not</u> in The Corporation Code
Voting Right	None
Pre-emptive Right	
Right of Inspection	
Right to Information	
Pre-emptive Right	

Dividends

Declaration Date	Record Date	Payment Date
April 08, 2016	April 22, 2016	May 18, 2016

(d) Stockholders' Participation

1. State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.

The agenda for the Annual Stockholders' Meeting, the detailed Definitive Information Statement and the unbundled proxy form are distributed to the stockholders on record 15 business days prior to the meeting to enable the stockholders to study and understand every agenda item of the meeting. During the annual stockholders' meeting, the Chairman of the Board encourages the stockholders to ask questions for each agenda or matters for approval during the meeting. The question and answer portion is documented in the minutes of the meeting.

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

The Company calls for a regular or special stockholders' meeting to propose to the stockholders the actions listed above. The details of the proposed actions are presented in the Definitive Information Statement which is made available to the stockholders. During the meeting, the Company's board and/or management present the proposed actions and encourage stockholders to ask questions. The affirmative vote of stockholders representing at least 2/3 of the issued and outstanding capital stock of the Company is required for the approval of the above items.

3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up?

Yes, the last public Annual Shareholder's Meeting will be on the third Wednesday of July 2016.

- a. Date of sending out notices: June 13, 2016
 - b. Date of the Annual/Special Stockholders' Meeting: July 13, 2016
4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting.

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

Resolution	Approving	Dissenting	Abstaining

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

(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

The last first public Annual Shareholder's Meeting will be on the third Wednesday of July 2016.

(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	Raul Joseph A. Concepcion	July 13, 2016	Poll	-	-	8
	Renna C. Hechanova-Angeles			-	-	
	Raul Anthony A. Concepcion			-	-	
	Jose Ma. A. Concepcion III			-	-	
	Ma. Victoria Herminia C. Young			-	-	
	Raissa C. Hechanova-Posadas			-	-	
	Cesar A. Buenaventura			-	-	
	Melito S. Salazar, Jr.			-	-	
Special	Raul Joseph A. Concepcion	July 13, 2016	Poll	-	-	7
	Renna C. Hechanova-Angeles			-	-	
	Raul Anthony A. Concepcion			-	-	
	Ma. Victoria			-	-	

	Herminia C. Young				
	Raissa C. Hechanova-Posadas			-	-
	Cesar A. Buenaventura			-	-
	Melito S. Salazar, Jr.			-	-

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

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

(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	Proxies shall be in writing, signed by the stockholder or his duly authorized representative and filed before the scheduled meeting with the Corporate Secretary.
Notary	Not required
Submission of Proxy	The stockholder may deliver in person or by mail his or her proxy forms directly to the Corporation through the Office of the Corporate Secretary not later than seven (7) business days prior to the meeting.
Several Proxies	Where a proxy is given to two or more persons in the alternative in one instrument, the proxy designated as an alternate can only act as proxy in the event of non-attendance of the other designated person. If the stockholder designates several proxies, the number of shares of stock to be represented by each proxy will be specifically indicated in the proxy form. Where the same stockholder gives two or more proxy forms, the latest one given is to be deemed to revoke all former proxies.
Validity of Proxy	The duly accomplished proxy form should be submitted to the Office of the Corporate Secretary not later than seven (7) business days prior to the date of the annual stockholders' meeting. Unless provided in the proxy, it will be valid only for the meeting for which it is intended. No proxy will be valid and effective for a period longer than five (5) years.
Proxies executed abroad	Proxies executed abroad should be authenticated by the Philippine Embassy or Consular Office.
Invalidated Proxy	Proxies submitted should be in accordance with the existing laws, rules and regulations of the Securities and Exchange Commission. Proxy forms received after the prescribed date of submission shall be invalid.
Validation of Proxy	The validation of proxy shall be conducted by the Proxy Validation Committee at least five (5) business days prior to the date of the stockholders' meeting.

Violation of Proxy	No person making a solicitation shall solicit any undated or post-dated proxy or any proxy which provides that it shall be deemed to be dated as of any date subsequent to the date on which it is signed by the security holder. No security broker shall give any proxy, consent or authorization, in respect of any security carried for the account of a customer, to a person other than the customer, without the express written authorization of such customer.
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(h) Sending of Notices

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

Policies	Procedure
In accordance with the company's By-laws and applicable rules, written notice of the time, date, place, and purposes of the meeting shall be sent to all stockholders as of the record date for the annual/special stockholders' meeting.	The Company abides by its policies in sending out of notices of Annual/Special Stockholders' Meeting.
The notice of the annual/special stockholders' meeting shall be sent to the stockholders at least 15 business days before the meeting.	
The notice of the meeting shall be deemed to have been given at the time when delivered personally or deposited in the post office, or sent electronically or by e-mail.	
The Corporation shall give the notice and provide electronically only to stockholders who have consented to receive notices by e-mail or electronic transmission.	

(i) Definitive Information Statements and Management Report

The first public Annual Shareholder's Meeting will be on the third Wednesday of July 2014.

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	NA
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	NA
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	NA
State whether CD format or hard copies were distributed	Hard copies
If yes, indicate whether requesting stockholders were provided hard copies	Yes

(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.	Yes
The amount payable for final dividends.	Yes
Documents required for proxy vote.	Yes

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

2) Treatment of Minority Stockholders

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

The Board of Directors shall be committed to respect the following rights of the minority stockholders:

1. Voting Rights.

- a. Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.
- b. Cumulative voting shall be used in the election of directors.
- c. A director shall not be removed without cause if it will deny minority shareholders representation in the Board.

2. Power of Inspection

All shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code, and shall be furnished with annual reports, financial statements, without costs or restrictions.

3. Right to Information

- a. The shareholders shall be provided, upon request with information about the Company's directors and officers, their holdings of the Company's shares, and dealings with the Company.
- b. The minority shareholders shall have access to any information relating to matters for which the management is accountable.
- c. The minority shareholders shall be granted the right to propose items in the agenda of the meeting provided the items is for legitimate business purposes.

4. Right to Dividends

- a. Shareholders shall have the right to receive dividends subject to the discretion of the Board of Directors.
- b. The Company shall be compelled to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital except;

When such retention is clearly necessary under special circumstances obtaining in the Company, such as a need for special reserves for possible contingencies.

When justified by definite corporate expansion projects or programs approved by the Board.

Dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to all stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with law."

5. Appraisal Right

The shareholders shall have appraisal right or the right to dissent and demand payment for the fair value of their shares in the manner provided for under Section 82 of the Corporation Code.

- a. In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares or of authorizing preferences in any respect superior to those of outstanding shares of any class.
- b. In case of the disposition of all or substantially all of the corporate property and assets as provided for in the Corporation Code.

c. In case of sale, lease, exchange, transfer, mortgage, pledge or other merger or consolidation or the extension or shortening the term of corporate existence.

B. The Board of Directors shall be transparent and fair in the conduct of the annual and special stockholders' meetings.

1. The stockholders shall be encouraged to attend personally or by proxy such meetings of the stockholders.
2. The rights of the stockholders shall be promoted and impediments to the exercise of those rights shall be removed. An adequate avenue shall be provided for the stockholders to seek timely redress for breach of such rights.
3. Appropriate steps shall be taken to remove excessive or unnecessary costs and other administrative impediments to the stockholders' participation in meetings whether in person or by proxy.
4. Accurate and timely information shall be made available to the stockholders to enable them to make sound judgment on all matters brought to their attention for consideration or approval.

An Annual Stockholders' Meeting will be held on the 4th Friday of June every year. If this is a legal holiday, the Annual Stockholders' Meeting will be held on the business day immediately following.

(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.

Concepcion's external and internal communications programs are handled by both the Corporate Communications and Investor Relations units. Major company announcements are reviewed and approved by the Chairman and Chief Executive Officer, Chief Finance and Information Officer.

The company's communication policies are reviewed in conjunction with enterprise risk management reviews or as needed or required.

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

	Details
(1) Objectives	<p>The company's investor communications program is aimed at promoting greater understanding among the investing public of the company's investment proposition, its performance targets and strategies, and its long-term value creation objectives.</p> <p>Through its Investor Relations Unit under the Chief Finance and Information Officer, information requirements of the investing public and minority shareholders are fully disclosed to the Philippine Stock Exchange on time, as well as through quarterly briefings, annual reports, stockholders' meetings, one-on-one meetings, conference calls, roadshows, investor conferences, website, email alerts and conference calls.</p> <p>The Investor Relations Unit also provides feedback to company management of perspectives and views of the investing public on the company and its stated goals/strategies.</p>
(2) Principles	<p>Concepcion's investor relations program is guided by the principles of full disclosure, transparency and fairness. The company also implements uniform disclosure standards across</p>

	all stakeholders (whether minority, retail, institutional, local or foreign shareholders). Ayala also practices proper internal checks across all communications and ensures these do not compromise competitive information.
(3) Modes of Communications	<p>Concepcion employs the following modes of communications for its stakeholders:</p> <ol style="list-style-type: none"> 1. Structured and unstructured corporate disclosures 2. Company website 3. Analysts' briefings 4. Press releases 5. Press briefings 6. One-on-one meetings between company officers and analysts/institutional investors 7. Annual report 8. International and local investor conferences 9. International non-deal roadshows 10. Stockholders' meeting 11. Conference calls 12. Email alerts
(4) Investors Relations Officer	<p>Ms. Grace Z. Velasco Vice President, Investor Relations and Corporate Planning Tel: (+632) 850-1367 loc. 461 Fax: (+632) 809-9998 Mobile (+63)917 544-0344 Corporate Email: grace.velasco@cic.ph</p>

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

All such decisions are presented to the Board for approval.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiative	Beneficiary
Condura Skyway Marathon	Beneficiary of proceeds are the Hero Foundation
Redcross Bloodletting Drive	Philippine Red Cross
Tree Planting Activity	Municipality of Muntinlupa

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.

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
First Violation	Reprimand.
Second Violation	Suspension from office. The duration shall be at the reasonable discretion of the Board, depending on the

	gravity of the violation.
Third Violation	Removal from office.

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

~~Manila City~~ on APR 10 2017

SIGNATURES



RAUL JOSEPH A. CONCEPCION

Chairman of the Board/Chief Executive Officer



RENNA C. HECHANOVA-ANGELES

Director



RAUL ANTHONY A. CONCEPCION

Director



MA VICTORIA A. BETITA

Chief Finance and Information Officer/
Compliance Officer

SUBSCRIBED AND SWORN to before me this APR 10 2017 day of APR 10 2017, affiant(s) exhibiting to me their _____, as follows:

Name	ID/Passport No.	Date of Issue	Place of Issue
Raul Joseph A. Concepcion	EB8873159	August 7, 2013	DFA, Manila
Raul Anthony A. Concepcion	EC4174496	May 14, 2015	DFA, Manila
Renna C. Hechanova-Angeles	EB9246621	September 27, 2013	DFA, Manila
Ma. Victoria A. Betita	EC3895361	April 10, 2015	DFA, Manila

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Issued on 01-03-2017
IBP Lifetime Member # 1010785-11-06-15
Pasay City
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Until December 31, 2017
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