

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

**GENERAL INSTRUCTIONS**

**(A) Use of Form ACGR**

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

**(B) Preparation of Report**

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

**(C) Signature and Filing of the Report**

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


**(D) Filing an Amendment**

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

**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM – ACGR**

**ANNUAL CORPORATE GOVERNANCE REPORT**

1. Report is Filed for the Year **2014**
2. Exact Name of Registrant as Specified in its Charter Metro Global Holdings Corporation
3. Mezzanine Floor, Renaissance Tower, Meralco Ave., Pasig City 1604  
Address of Principal Office Postal Code  

4. SEC Identification Number 9142
5. (SEC Use Only)  
Industry Classification Code
6. BIR Tax Identification Number 000-194-408-000
7. (632) 633-62-05  
Issuer's Telephone number, including area code
8. Fil-Estate Corporation  
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	9
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<b>Actual number of Directors for the year</b>	<b>9</b>
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#### (a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) <sup>1</sup>	Elected when (Annual /Special Meeting)	No. of years served as director
Robert John L. Sobrepeña	ED	FEMI	FEMI	1996	September 13, 2007	Special Meeting	18
Ferdinand T. Santos	ED	FEMI	FEMI	1996	September 13, 2007	Special Meeting	18
Noel M. Cariño	NED	FEMI	FEMI	1996	September 13, 2007	Special Meeting	18
Enrique A. Sobrepeña	NED	FEMI	FEMI	1997	September 13, 2007	Special Meeting	17
Rafael Perez de Tagle, Jr.	ED	FEMI	FEMI	2000	September 13, 2007	Special Meeting	14
Alice Odchigue-Bondoc	ED	FEMI	FEMI	2004	September 13, 2007	Special Meeting	10
Roberto S. Roco	ED	FEMI	FEMI	2004	September 13, 2007	Special Meeting	10
Francisco C. Gonzalez	ID	FEMI	FEMI, no relation	2010	December 3, 2010	Special Meeting	4
<b>Eduardo R. Santos</b>	<b>ID</b>	<b>FEMI</b>	<b>FEMI, no relation</b>	<b>2014</b>	<b>July 4, 4014</b>	<b>Special Meeting</b>	<b>0.5</b>

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

The Company adopted the Self-Rating System on Corporate Governance being implemented by the Securities and Exchange Commission through SEC Memorandum Circular No. 5, Series of 2003 to assess compliance with leading practices on corporate governance. The Compliance Officer meets with the Directors and top-level management from time to time to evaluate compliance with the Company's Manual on Corporate Governance.

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

The Vision and Mission are reviewed by the Board regularly to ensure that corporate business directors, strategies, and objectives are consistent and coherent with the Mission and Vision of the Company.

<sup>1</sup> Reckoned from the election immediately following January 2, 2013.

(d) Directorship in Other Companies

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

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

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Robert John L. Sobrepeña	Fil-Estate Management, Inc., Monumento Rail Transit Corporation, Metro Rail Transit Holdings, Inc., Metro Rail Transit Holdings II, Inc.,	Chairman, ED
Ferdinand T. Santos	Fil-Estate Management, Inc.	President, ED

(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.
Ferdinand T. Santos	Global-Estate Resorts, Inc.	Executive

(iii) Relationship within the Company and its Group

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

Director's Name	Name of the Significant Shareholder	Description of the relationship
Robert John L. Sobrepeña	Fil-Estate Management, Inc.	Chairman
Noel M. Cariño	Fil-Estate Management, Inc.	Vice-Chairman
Atty. Ferdinand T. Santos	Fil-Estate Management, Inc.	President

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

	Guidelines	Maximum Number of Directorships in other companies
Executive Director		
Non-Executive Director		
CEO		

No person shall qualify for nomination or election to the Board of the Director which engage in any business which is in direct competition with or is representative of interests which are directly antagonistic to the line of business or the interests of the corporation.

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

(e) Shareholding in the Company

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

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Robert John L. Sobrepeña	241,000	N/A	0.014%
Ferdinand T. Santos	1,000	N/A	0.000%
Noel M. Cariño	1,506,500	N/A	0.084%
Enrique A. Sobrepeña	1,000	N/A	0.000%
Rafael Perez de Tagle, Jr.	1,000	N/A	0.000%
Francisco C. Gonzalez	1,000	N/A	0.000%
Alice Odchigue-Bondoc	1	N/A	0.000%
Roberto S. Roco	1	N/A	0.000%
<b>Eduardo R. Santos</b>	<b>1</b>	<b>N/A</b>	<b>0.000%</b>
<b>TOTAL</b>	<b>1,751,503</b>		<b>0.098%</b>

2) Chairman and CEO

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

Yes

No

Identify the Chair and CEO:

Chairman of the Board	Robert John L. Sobrepeña
Chief Executive Officer	Robert John L. Sobrepeña

(b) Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	The Chairman of the Board establishes operating policies, guides the Board of Directors in formulating Company objectives and assists the Company in developing the means for attaining those objectives. He presides over meetings of the Board of Directors and of stockholders.	The Chief Executive Officer/President administers and directs the day-to-day business affairs of the Company. He represents the Company in all functions and proceedings, and executes, on behalf of the Company, all contracts, agreements and instruments affecting the interests of the Company and requiring the approval of the Board of Directors.
Accountabilities	Ensure that independent Director is elected.	He is directly accountable to the Board of Directors for the overall

		operations of the business, current profitability and long-term growth of the Company.
Deliverables	Presiding Officer annual stockholder's meeting.	Profitability and long term growth of the company.

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

- If any of such positions becomes vacant by reason of death, disqualification or any other cause, the Board of Directors, by majority vote, may elect a successor who shall hold office for the unexpired term. The Board looks for suitable candidates within the organization and has identified candidates who would be qualified and eligible to fill positions that may become vacant.

4) Other Executive, Non-Executive and Independent Directors

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

Yes. The board composed of Directors with diversity of experiences, proven competence and integrity. It is provided in the Corporate Governance manual that a Director of the Company shall possess such qualifications as may be provided in the By-Laws. The nomination committee is responsible for the proper profiling of the skills and competencies of the currently serving directors to maintain a mix of proficient director, each whom is able to add value and bring prudent judgment to bear on the decision-making process.

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

Yes. The company has Non-Executive Directors, who are Independent Directors at the same time, who have experience in the industry the Company belongs to.

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

	Executive	Non-Executive	Independent Director
Role	Represent the management	Represent major shareholder's interest	Provide neutral observations; represent interest of minority shareholders
Accountabilities	Provide the general business directions of the Company	Ensure sustainable growth	Set high standards for best practices
Deliverables	Meet corporate objectives	Monitor Company Progress	Safeguard interest of all shareholders

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

- The Company follows the definition of "independence" under SEC Memorandum Circular No. 16, series of 2002. Thus, an independent director of the Company is a director who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in the Company. An independent director is any person who:



- i. Is not a director or officer or substantial stockholder of the Company or of its related companies or any of its substantial shareholders (other than as an independent director of any of the foregoing);
  - ii. Is not a relative of any director, officer or substantial shareholder of the Company, any of its related companies or any of its substantial shareholders. For this purpose, relatives includes spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
  - iii. Is not acting as a nominee or representative of a substantial shareholder of the Company, any of its related companies or any of its substantial shareholders;
  - iv. Has not been employed in any executive capacity by the Company, any of its related companies or by any of its substantial shareholders within the last five (5) years;
  - v. Is not retained as professional adviser by the Company, any of its related companies or any of its substantial shareholders within the last five (5) years, either personally or through his firm;
  - vi. Has not engaged and does not engage in any transaction with the Company or with any of its related companies or with any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms length and are immaterial or insignificant.
- The Company's current Independent Directors do not have any of the above-mentioned disqualifications.

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's Articles and By-laws and Revised Manual on Corporate Governance does not provide for term limits to Independent Directors.

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
Ruben R. Payumo	Independent Director	August 21, 2013	Death

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

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

Procedure	Process Adopted	Criteria
<b>a. Selection/Appointment</b>		
(i) Executive Directors	Executive Directors are elected during annual shareholders' meetings of the Company.  Nomination of directors for election is conducted by the Nomination Committee at least thirty (30) days prior to the date of the annual stockholders' meeting. The Nomination and Election Committee pre-screens the	Each director must own, in his own right, at least one (1) share of the capital stock of the Company.  He must not be engaged in any business which competes with or is antagonistic to that of the Company. He is considered engaged in such business if he is an officer, manager or controlling

	<p>nominees and prepares a final list of candidates for directors. This final list will be made available to the SEC and to all stockholders through the filing and distribution of the information statement or proxy statement.</p>	<p>person of or the owner (either of record or as a beneficiary) of 10% or more of any outstanding class of shares of any corporation engaged in a business which the Board of Directors, by a majority vote, determines to be competitive or antagonistic to that of the Company, or a nominee thereof, unless such corporation is a parent, subsidiary or affiliate of the Company.</p>
(ii) Non-Executive Directors	<p>Non-Executive Directors are elected during annual shareholders' meetings of the Companies.</p> <p>Nomination of directors for election is conducted by the Nomination Committee at least thirty (30) days prior to the date of the annual stockholders' meeting. The Nomination and Election Committee pre-screens the nominees and prepares a final list of candidates for directors. This final list will be made available to the SEC and to all stockholders through the filing and distribution of the information statement or proxy statement.</p>	<p>Each director must own, in his own right, at least one (1) share of the capital stock of the Company.</p> <p>He must not be engaged in any business which competes with or is antagonistic to that of the Company. He is considered engaged in such business if he is an officer, manager or controlling person of or the owner (either of record or as a beneficiary) of 10% or more of any outstanding class of shares of any corporation engaged in a business which the Board of Directors, by a majority vote, determines to be competitive or antagonistic to that of the Company, or a nominee thereof, unless such corporation is a parent, subsidiary or affiliate of the Company.</p>
(iii) Independent Directors	<p>Independent Directors are elected during annual shareholders' meetings of the Companies.</p> <p>Nomination of directors for election is conducted by the Nomination Committee at least thirty (30) days prior to the date of the annual stockholders' meeting. The Nomination and Election Committee pre-screens the nominees and prepares a final list of candidates for directors, specifying the nominated</p>	<p>Each director must own, in his own right, at least one (1) share of the capital stock of the Company.</p> <p>He must not be engaged in any business which competes with or is antagonistic to that of the Company. He is considered engaged in such business if he is an officer, manager or controlling person of or the owner (either of record or as a beneficiary) of 10% or more of any outstanding class of</p>

	Independent Directors. This final list will be made available to the SEC and to all stockholders through the filing and distribution of the information statement or proxy statement.	shares of any corporation engaged in a business which the Board of Directors, by a majority vote, determines to be competitive or antagonistic to that of the Company, or a nominee thereof, unless such corporation is a parent, subsidiary or affiliate of the Company.
<b>b. Re-appointment</b>		
(i) Executive Directors	Election at Annual/Special Stockholders' Meeting and to hold office until a new director is elected and qualified	Each director must own, in his own right, at least one (1) share of the capital stock of the Company
(ii) Non-Executive Directors	Election at Annual/Special Stockholders' Meeting and to hold office until a new director is elected and qualified	Each director must own, in his own right, at least one (1) share of the capital stock of the Company
(iii) Independent Directors	Election at Annual/Special Stockholders' Meeting and to hold office until a new director is elected and qualified	Each director must own, in his own right, at least one (1) share of the capital stock of the Company
<b>c. Permanent Disqualification</b>		
(i) Executive Directors	Adoption and Implementation of Section 5.2.7 of the Manual on Corporate Governance (Manual) stating disqualifications from being directors of the Corporation	Grounds for Permanent disqualification are provided for in Section 5.2.7 of the Manual
(ii) Non-Executive Directors	Adoption and Implementation of Section 5.2.7 of the Manual on Corporate Governance (Manual) stating disqualifications from being directors of the Corporation	Grounds for Permanent disqualification are provided for in Section 5.2.7 of the Manual
(iii) Independent Directors	Adoption and Implementation of Section 5.2.7 of the Manual on Corporate Governance (Manual) stating disqualifications from being directors of the Corporation	Grounds for Permanent disqualification are provided for in Section 5.2.7 of the Manual
<b>d. Temporary Disqualification</b>		
(i) Executive Directors	Temporary disqualification is the discretion of the Board and requires a resolution of a majority of the Board	Grounds for temporary disqualification are provided for in Section 5.2.7 of the Manual
(ii) Non-Executive Directors	Temporary disqualification is the discretion of the Board and requires a resolution of a majority of the Board	Grounds for temporary disqualification are provided for in Section 5.2.7 of the Manual
(iii) Independent Directors	Temporary disqualification is the discretion of the Board and requires a resolution of a majority of the Board	Grounds for temporary disqualification are provided for in Section 5.2.7 of the Manual.

<b>e. Removal</b>		
(i) Executive Directors	Occurrence of grounds for permanent disqualification as board of director	Grounds for temporary disqualification are provided for in Section 5.2.7 of the Manual.
(ii) Non-Executive Directors	Occurrence of grounds for permanent disqualification as board of director	Grounds for temporary disqualification are provided for in Section 5.2.7 of the Manual.
(iii) Independent Directors	Occurrence of grounds for permanent disqualification as board of director	Grounds for temporary disqualification are provided for in Section 5.2.7 of the Manual.
<b>f. Re-instatement</b>		
(i) Executive Directors	Requires a resolution of a majority of the Board	Grounds for Temporary disqualification as member of the Board ceases to exist
(ii) Non-Executive Directors	Requires a resolution of a majority of the Board	Grounds for Temporary disqualification as member of the Board ceases to exist
(iii) Independent Directors	Requires a resolution of a majority of the Board	Grounds for Temporary disqualification as member of the Board ceases to exist
<b>g. Suspension</b>		
(i) Executive Directors	Requires a resolution of a majority of the Board	Same grounds for temporary disqualification of director as provided for in Section 5.2.7 of the Manual
(ii) Non-Executive Directors	Requires a resolution of a majority of the Board	Requires a resolution of a majority of the Board
(iii) Independent Directors	Requires a resolution of a majority of the Board	Requires a resolution of a majority of the Board

#### Voting Result of the last Annual General Meeting

Name of Director	Votes Received
Robert John L. Sobrepeña	757,859,900 shares or 75.90%
Ferdinand T. Santos	757,859,900 shares or 75.90%
Noel M. Cariño	757,859,900 shares or 75.90%
Enrique A. Sobrepeña	757,859,900 shares or 75.90%
Rafael Perez de Tagle, Jr.	757,859,900 shares or 75.90%
Francisco C. Gonzalez	Elected by majority of the Board to fill in a vacancy
Alice Odchigue-Bondoc	757,859,900 shares or 75.90%
Roberto S. Roco	757,859,900 shares or 75.90%

#### 6) Orientation and Education Program

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

The Compliance Officer requires its Director and top level management to attend seminar on Good Corporate Governance.

State any in-house training and external courses attended by Directors and Senior Management<sup>3</sup> for the past three (3) years:

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Robert John L. Sobrepeña	November 20, 2014	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors
Atty. Ferdinand T. Santos	February 28, 2014	Corporate Governance & Risk Management (For Public Listed Companies)	Ateneo de Manila University
Atty. Enrique A. Sobrepeña	November 20, 2014	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors
Noel M. Cariño	November 20, 2014	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors
Rafael R. Perez de Tagle	November 20, 2014	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors
Francisco C. Gonzalez	November 20, 2014	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors
Eduardo R. Santos	August 15, 2014	Corporate Governance Seminar	SGV
Alice O. Bondoc	August 15, 2014	Corporate Governance Seminar	SGV
	April 2, 2014	Asean Corporate Governance Scorecard Workshop for PLCs	Institute of Corporate Directors
Roberto S. Roco	August 15, 2014	Corporate Governance Seminar	SGV
Ramon G. Jimenez	August 15, 2014	Corporate Governance Seminar	SGV
	April 2, 2014	Asean Corporate Governance Scorecard Workshop for PLCs	Institute of Corporate Directors
	January 29, 2014	2014 Tax and Corporate Updates	KPMG and Manabat San Agustin & Co.
Solita S. Alcantara	August 15, 2014	Corporate Governance Seminar	SGV
	April 2, 2014	Asean Corporate Governance Scorecard Workshop for PLCs	Institute of Corporate Directors
	January 29, 2014	2014 Tax and Corporate Updates	KPMG and Manabat San Agustin & Co.

(b) 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
Robert John L. Sobrepeña	November 20, 2014	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors
Atty. Ferdinand T. Santos	February 28, 2014	Corporate Governance & Risk Management (For Public Listed Companies)	Ateneo de Manila University
Atty. Enrique A. Sobrepeña	November 20, 2014	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors
Noel M. Cariño	November 20, 2014	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors
Rafael R. Perez de Tagle	November 20, 2014	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors

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

Francisco C. Gonzalez	November 20, 2014	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors
Eduardo R. Santos	August 15, 2014	Corporate Governance Seminar	SGV
Alice O. Bondoc	August 15, 2014	Corporate Governance Seminar	SGV
	April 2, 2014	Asean Corporate Governance Scorecard Workshop for PLCs	Institute of Corporate Directors
Roberto S. Roco	August 15, 2014	Corporate Governance Seminar	SGV

## 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:

As a good corporate citizen, the Company has always endeavored to conduct its business in a manner conforming to the highest ethical standards. The company's reputation for unquestionable integrity is its most valuable asset in its relationships with its customers, employees, shareholders, and the communities in which its branches and projects are located.

The following statement of business principles has been prepared to guide the future conduct of company activities in an ethical and legal manner. It is not intended to supply answers for every business activity; rather, it is an effort to reiterate the continuing policies of the corporation on ethical business behavior, which must be observed by all Directors, Senior management, employees and representatives throughout the world. It is essential that all employees and representative conform to these principles as they perform their activities on behalf the Company.

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	Directors are responsible for avoiding situations that present or create the appearance of a potential conflict between their interests and those of the Company. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, should be disclosed promptly to the Chair of the Committee on Directors or the Corporate Secretary.	To avoid conflict of interest, the Senior Management are prohibited from (a) taking for themselves personally opportunities that are properly within the scope of the Company's activities; (b) using corporate property, information or position for personal gain; or (c) competing with the Company.	Fil-estate expects that employees will perform their duties conscientiously, honestly, and in accordance with the best interests of the company. Employees must not use their position or the knowledge gained as a result of their position for private or personal advantage.
(b) Conduct of Business and Fair Dealings	Directors must deal fairly with the Company's employees, customers, suppliers and competitors. No Director may take unfair advantage of the Company's employees, customers, suppliers, or competitors through manipulation, concealment, abuse of privileged information, misrepresentation of	The Senior Management should deal fairly with the Company's employees, customers and suppliers. The Senior Management should not take unfair advantage of any of such employees, customers and suppliers through manipulation, concealment or abuse of privileged information,	When dealing with anyone Outside the Company, including public officials, employees must take care not to compromise the integrity or damage the reputation of either the Company, or any outside individual, business, or government body.

	<p>material facts, or any other unfair-dealing practice. The Directors are required to report their dealings in company shares, if any, within 3 business days.</p>	<p>or misrepresentation of material facts. No actions shall be taken by the Senior Management that could undermine the Company's reputation of such fair dealing and integrity in the course of their performance of duties or in external communication.</p>	<p>In all matters relevant to customers, suppliers, government authorities, the public and others in the Company, all employees must make every effort to achieve complete, accurate, and timely communications — responding promptly and courteously to all proper requests for information and to all complaints.</p>
(c) Receipt of gifts from third parties	<p>Directors must not accept gifts from persons or entities who deal with the Company if the gifts might be perceived to influence the Director's decisions as a Director of the Company.</p>	<p>Acceptance by the Senior Management of gifts of a value that may tend to influence business decisions or compromise independent judgment is prohibited. The exchange of limited non-cash business courtesies by the Senior Management in business activities may be acceptable; however, such exchange shall not improperly influence the decisions of any business partner of the Company.</p>	<p>Employees must not accept entertainment, gifts, or personal favors that could, in any way influence, or appear to influence, business decisions in favor of any person or organization with whom or with which the Company has, or is likely to have, business dealings.</p>
(d) Compliance with Laws & Regulations	<p>Directors are expected to carry out their responsibilities in compliance with all laws, rules and regulations applicable to the Company and with the highest standards of business ethics. Directors shall also use all reasonable efforts to oversee compliance by employees, officers and other Directors with all laws, rules and regulations through the receipt of reports on a regular basis to the Board or a Board Committee and other appropriate means.</p>	<p>The Company requires strict compliance by all its Senior Management with applicable laws, rules and regulations. These include federal and other securities laws, including insider trading laws, and the Company's insider trading compliance policies.</p>	<p>It is the policy of Fil-Estate to comply with all valid laws and regulations that govern its operations in the various cities and municipalities in which it operates and conduct its affairs in keeping with the highest moral, legal, and ethical standards.</p>
(e) Respect for Trade Secrets/Use of Non-public Information	<p>Directors are required to protect and hold confidential all non-public information obtained due</p>	<p>The Senior Management shall comply with the relevant rules of the Company relating to the</p>	<p>When handling financial and personal information about customers or others</p>

	<p>to their directorship position absent the express or implied permission of the Board of Directors to disclose such information. Accordingly,</p> <p>(1) No Director shall use Confidential Information for his or her own personal benefit or to benefit persons or entities outside the Company; and</p> <p>(2) No Director shall disclose Confidential Information outside the Company, either during or after his or her service as a Director of the Company, except with authorization of the Board of Directors or as may be otherwise required by law.</p>	<p>protection of trade secrets, and shall not disclose or use any confidential information with respect to the Company without authorization, except as required in the performance of their duties.</p>	<p>with whom the Company has dealings, observe the following principles:</p> <p>(1) Collect, use, and retain only the personal information necessary for the Company's business. Whenever possible, obtain any relevant information directly from the person's concerned. Use only reputable and reliable sources to supplement this information.</p> <p>(2) Retain information only for as long as necessary or as required by law. Protect the physical security of this information.</p> <p>(3) Limit internal access to personal information to those with a legitimate business reason for seeking that information. Use only personal information for the purposes for which it was originally obtained. Obtain the consent of the person concerned before externally disclosing any personal information, unless legal process or contractual obligation provides otherwise.</p>
(f) Use of Company Funds, Assets and Information	<p>Directors may not compete with the Company, or use opportunities that are discovered through the use of Company property, Company information or position, for their personal benefit or the benefit of persons or entities outside the Company. No Director may improperly use or waste any Company asset.</p>	<p>Senior Management who has access to Company funds in any form must follow the prescribed procedures for recording, handling, and protecting money as detailed in the Company's instructional manuals or other explanatory materials, or both. The Company imposes strict standards to prevent fraud and dishonesty.</p>	<p>Employees shall ensure that all of the Company's funds, assets and information should be used for legitimate business purposes, and shall protect the Company's assets and ensure their efficient use.</p>
(g) Employment & Labor Laws & Policies	<p>Directors shall encourage employees to report violations of laws, rules,</p>	<p>Senior Management shall be guided and to treat employees fairly in all</p>	<p>Fil-estate expects its employees to conduct themselves in a</p>



	regulations to appropriate personnel. Not to permit any form of violence, harassment or abuse at the workplace.	matters and to pay them competitively. Fill-Estate and its subsidiaries are engaged in a program of full compliance with all national and local laws applicable to hiring and promoting people on the basis of demonstrated ability, experience, and training without regard to race, religion, sex, age, national origin, or other factors requiring affirmative action.	businesslike manner. Drinking, gambling, fighting, swearing, and similar unprofessional activities are strictly prohibited while on the job. Employees must not engage in sexual harassment, or conduct themselves in a way that could be construed as such, for example, by using inappropriate language, keeping or posting inappropriate materials in their work area, or accessing inappropriate materials on their computer.
(h) Disciplinary action	Every director is expected to comply with all of the provisions of this Code. The Code will be strictly enforced and violations will be dealt with promptly. Violations of the Code that involve illegal behavior will be reported to the appropriate authorities, after consulting with counsel.	The Senior Management shall comply with the basic principle as required in this Code. Any violation of Code will lead to disciplinary action, up to and including termination of employment pursuant to the regulations, in addition to the punishment under the laws.	Any violation of Code will lead to disciplinary action, up to and including termination of employment pursuant to the regulations, in addition to the punishment under the laws.
(i) Whistle Blower	Directors should promote ethical behavior and an environment in which the Company encourages employees to talk to supervisors, managers or other appropriate personnel about illegal and unethical behavior and, when in doubt, about the best course of action in a particular situation.	The Senior Management shall consult the appropriate personnel of the management at any time if they have doubt regarding compliance of their behavior with the Code. The Senior Management are required to report to the management and the Board of any violations of under the laws, internal rules of the Company and the Code caused by their own or others' conduct. The Company shall make every effort to ensure the confidentiality of those furnishing such reports and shall not take any retaliation in any form against any person for such reports.	Regardless of the circumstances, if employees sense that a course of action they have pursued, are presently pursuing, or are contemplating pursuing may involve them in a conflict of interest with their employers, they should immediately communicate all the fact to their superior.
(j) Conflict Resolution	Conflicts of interests	Senior Management may be	Where a matter

	involving the directors, or questions concerning potential conflicts, shall be brought to the Chair of the Nominating and Corporate Governance Committee, who will consult with the Company's Chief Compliance Officer and legal counsel as appropriate.	required to resolve a conflict in complying with the fundamental principles. When initiating either a formal or informal conflict resolution process, the following factors, individually may be relevant to the resolution process: (a) Relevant facts; (b) Ethical issues involved; (c) Fundamental principles related to the matter in question; (d) Established internal procedures; and (e) Alternative courses of action.	involves a conflict with, or within, an organization, a professional employees shall determine whether to consult with those charged with governance of the organization, such as the board of directors or the internal audit division.
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2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees?

**Yes.** The corporation requires continuous management attention at all corporate levels to assure compliance with the spirit and letter of this policy.

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

The Board of Directors of the Company supervise the compliance of this Code by the Senior Management of the Company, and authorize the President of the Company to be responsible for the implementation of this Code and observe the compliance hereof.

The Company's management evaluates the adequacy and effectiveness of this Code periodically and amend this Code according to the evaluation result or as required by the Board of Directors. It is the strict policy of the Company not to allow retaliation for reports of misconduct by others made in good faith by employees. Employees are expected to cooperate in internal investigations of misconduct.

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 related party transactions have to be on an arms-length basis if the Company is to get the most benefit out of the transaction. The Company pays interests for cash advances of the parent company, and if need be, provides collateral security for the transaction.
(2) Joint Ventures	All projects of the Company undertaken in joint venture with other companies are always undertaken on an arms-length basis so that the Company gets the most competitive product or service.
(3) Subsidiaries	All related party transactions are done on an arms-length basis.
(4) Entities Under Common Control	All related party transactions are done on an arms-length

	basis.
(5) Substantial Stockholders	All related party transactions are done on an arms-length basis.
(6) Officers including spouse/children/siblings/parents	N/A
(7) Directors including spouse/children/siblings/parents	N/A
(8) Interlocking director relationship of Board of Directors	The member of the Board has to have knowledge of the industry if he or she is to serve in the board of related companies.

(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	No formal mechanism currently in place.
Group	No formal mechanism currently in place.

5) Family, Commercial and Contractual Relations

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

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
Atty. Enrique A. Sobrepeña	Affinity by blood	Father of Mr. Robert John L. Sobrepeña

(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
Fil-Estate Management, Inc.	Contractual	In the normal course of business, the Company grants and obtains non-interest and interest-bearing cash advances to and from Fil-Estate Management, Inc.

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

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

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
N/A	N/A	N/A

6) Alternative Dispute Resolution

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

Alternative Dispute Resolution System	
Corporation & Stockholders	N/A
Corporation & Third Parties	Settlement Agreement
Corporation & Regulatory Authorities	Compliance and Payment of Penalties

**C. BOARD MEETINGS & ATTENDANCE**

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

Board meetings are usually held before finalization of Annual report every January of each year, for finalization of Audited Financial Statements in April every year and for review of yearly performance every December of each year.

- 2) Attendance of Directors

Board	Name	Date of Election	Number of meetings Held during the year	No. of Meetings Attended	%
Chairman	Robert John L. Sobrepeña	1996	5	5	100%
Member	Ferdinand T. Santos	1996	5	5	100%
Member	Noel M. Cariño	1996	5	5	100%
Member	Enrique A. Sobrepeña	1997	5	5	100%
Member	Rafael Perez de Tagle, Jr.	2000	5	5	100%
Member	Alice Odchigue-Bondoc	2004	5	5	100%
Member	Roberto S. Roco	2004	5	5	100%
Independent	Francisco C. Gonzalez	2010	5	5	100%
Independent	Eduardo R. Santos	2014	1*	1	100%

\* Only one Board Meeting held since election in July, 2014

- 3) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times? **None**
- 4) Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain.

**No.** A majority of the number of directors as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of corporate business.

- 5) Access to Information

(a) How many days in advance are board papers<sup>5</sup> for board of directors meetings provided to the board?

Board papers are provided to the board of directors at least 5 business days in advance of the board meeting.

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

Yes. The board members have independent access to management and corporate secretary.

(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 the custodian of the corporate books and records. He records/sees to the proper recording of minutes and transactions of all meetings of the directors and of stockholders, keeps the corporate seal and attests to all corporate documents requiring the same, attends to the giving and serving of all notices of the Company that are required by law or by its by-laws to be given, including Board agenda, certifies to such corporate acts, countersigns corporate documents or certificates, makes reports/statements as may be required of him by law or by government rules and regulations and signs certificates of stock.
- During election of directors, he determines the number of shares of stocks outstanding and entitled to vote, the shares of stock represented at the meeting, the existence of a quorum and the validity and effect of proxies.
- The Corporate Secretary may, subject always to his supervision and control, delegate any or all of his powers, duties and functions to the Assistant Corporate Secretary.
- The Assistant Corporate Secretary of the Company is also the Corporate Governance Compliance Officer of the Company. As such, she furnishes the Board of Directors and top-level management with copies of new rules, regulations, circulars or orders of the SEC and the PSE to continuously update them of new requirements for compliance with leading practices on corporate governance. She requires the Company's directors and top-level management to attend seminars on good corporate governance.

(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 and the Assistant Corporate Secretary are both lawyers.

(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	Prior to meetings of the Committee, copies of presentation materials and minutes of previous meeting are provided by management at least 5 business days before the meeting of committee.
Audit	Prior to meetings of the Committee, copies of presentation materials and minutes of previous meeting are provided by management at least 5 business days before the meeting of committee.
Nomination	Prior to meetings of the Committee, copies of presentation materials and minutes of previous meeting are provided by

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

	management at least 5 business days before the meeting of committee.
Remuneration	Prior to meetings of the Committee, copies of presentation materials and minutes of previous meeting are provided by management at least 5 business days before the meeting of committee.
Others (specify)	No other committees

6) External Advice

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

Procedures	Details
No formal procedure but members can ask for external advice.	External advice not requested in the past.

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
Corporate Governance Manual	Revised Corporate Governance Manual in Furtherance of the Revised Code of Corporate Governance	Revised & Adopted Pursuant to SEC Memorandum Circular No. 9 Series of 2014

**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	<p>No compensation was paid to the CEO, officers and directors of the Company for 2013.</p> <p>There is no existing arrangement or consulting contract pursuant to which directors of the Company are compensated, directly or indirectly, for any services provided as director, nor are there any additional amounts payable to any of the Directors for committee participation or special assignments.</p> <p>The management of the</p>	<p>No compensation was paid to the CEO, officers and directors of the Company for 2013.</p> <p>The management of the Company is currently being undertaken by the executive officers of the parent company. For this reason, the Company has no existing employment contract with any executive officer nor is there any existing compensatory plan or arrangement, including payments to be received from the Company, with respect to an executive officer's employment</p>

	<p>Company is currently being undertaken by the executive officers of the parent company. For this reason, the Company has no existing employment contract with any executive officer nor is there any existing compensatory plan or arrangement, including payments to be received from the Company, with respect to an executive officer's employment with the Company and its subsidiaries or from a change-in-control of the Company or a change in the named executive officer's responsibilities following a change-in-control and the amount involved, including all periodic payments or installments, which exceed P2,500.00.</p>	<p>with the Company and its subsidiaries or from a change-in-control of the Company or a change in the named executive officer's responsibilities following a change-in-control and the amount involved, including all periodic payments or installments, which exceed P2,500.00.</p>
(2) Variable remuneration	See above.	See above.
(3) Per diem allowance	<p>Section 8 of the By-Laws of the Company provides: "Each director shall receive a reasonable per diem allowance for his attendance at each meeting of the board. As a compensation, the Board shall receive and allocate an amount of not more than five (5%) percent of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper."</p> <p>The directors receive a per diem of P10,000.00 per attendance at Board meetings. There is no provision in the above-quoted section that may be construed as precluding any director from serving in any other capacity and receiving any compensation therefor.</p>	N/A
(4) Bonus	N/A	N/A
(5) Stock Options and other financial instruments	The Company has not issued any warrant/option, and there is no outstanding	The Company has not issued any warrant/option, and there is no outstanding warrant/option

	warrant/option held by the CEO.	held by the Company's officers or directors.
(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.

- See above.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	N/A		
Non-Executive Directors	N/A		

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

Remuneration Scheme	Date of Stockholders' Approval
N/A	N/A

3) Aggregate Remuneration

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

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



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

4) Stock Rights, Options and Warrants

(a) Board of Directors

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

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock
N/A	N/A	N/A	N/A	N/A

(b) Amendments of Incentive Programs

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

Incentive Program	Amendments	Date of Stockholders' Approval
N/A	N/A	N/A

5) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Name of Officer/Position	Total Remuneration
N/A	

## 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	2	1	0	Set general directions and business strategies of the company	Set the business direction of the company	Brief the management of the general business directions	Direct the business directions and strategies
Audit	2	0	2	Develop a transparent financial management system	Check all financial reports for compliance	Perform oversight financial management functions	Pre-approve audit plans and scope
Nomination	3	0	1	Attract investors who can act as guides to the Company's growth and expansion	Re-screen and shortlist candidates for directors of Company	Define roles, duties and responsibilities. Meet at least twice a year.	Decide if candidate possess the right qualifications
Remuneration	2	0	2	Compensate competent personnel adequately to retain their services	Establish procedures to develop policy on executive compensation	Provide oversight over remuneration of senior management and key officer	Designate amount of remuneration to attract personnel
Others (specify)	N/A	N/A	N/A	N/A	N/A	N/A	N/A

### 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	Robert John L. Sobrepeña	Sept. 13, 2007	5 (2014)	5 (2014)	100%	7
Member (ED)	Ferdinand T. Santos	Sept. 13, 2007	5 (2014)	5 (2014)	100%	7
Member (NED)	Noel M. Carino	Sept. 13, 2007	5 (2014)	5 (2014)	100%	7

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Francisco Gonzales	Dec. 3, 2010	4 (2014)	4 (2014)	100%	4
Member (ED)	Ferdinand T. Santos	Sept. 13, 2007	4 (2014)	4 (2014)	100%	7
Member (ED)	Roberto S. Roco	Sept. 13, 2007	4 (2014)	4 (2014)	100%	7
<b>Member (ID)</b>	<b>Eduardo R. Santos</b>	<b>July 4, 2014</b>	<b>4 (2014)</b>	<b>1 (2014)</b>	<b>100%</b>	<b>6 Mos.</b>
Member	Solita S. Alcantara	Sept 1, 2012	1 (2014)	4 (2014)	100%	2

Disclose the profile or qualifications of the Audit Committee members.

Majority of the members of the Audit Committee have accounting and finance background. Each member has adequate understanding or competence of Company's financial management systems and environment

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

The Audit Committee has the following responsibilities relative to the external auditor to:

- Review of financial reports submitted by the external auditors against its compliance with both the internal financial management handbook and pertinent accounting standards, including regulatory requirements;
- Perform oversight functions over the corporation's external auditors. The Committee ensures that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions.
- Pre-approve all audit plans, scope, expenses and frequency one (1) month before the conduct of external audit and ensure coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts
- Performing of direct interface functions with the external auditors.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Ferdinand T. Santos	Sept. 13, 2007	1 (2014)	1 (2014)	100%	7
Member (ED)	Rafael Perez de Tagle	Sept. 13, 2007	1 (2014)	1 (2014)	100%	7
Member (ED)	Alice Odchigue-Bondoc	Sept. 13, 2007	1 (2014)	1 (2014)	100%	7
<b>Member (ID)</b>	<b>Eduardo R. Santos</b>	<b>July 4, 2014</b>	<b>1 (2014)</b>	<b>1 (2014)</b>	<b>100%</b>	<b>6 Mos.</b>

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Robert John L. Sobrepena	Sept. 13, 2007	1 (2014)	1 (2014)	100%	7
Member (ED)	Ferdinand T. Santos	Sept. 13, 2007	1 (2014)	1 (2014)	100%	7
Member (ID)	Francisco Gonzales	December 3, 2010	1 (2014)	1 (2014)	100%	4
<b>Member (ID)</b>	<b>Eduardo R. Santos</b>	<b>July 4, 2014</b>	<b>1 (2014)</b>	<b>1 (2014)</b>	<b>100%</b>	<b>6 Mos.</b>
Member	Katheryn Benitez	January 1, 2012	1 (2014)	1 (2014)	100%	2

(e) Others (Specify)

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

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

3) Changes in Committee Members

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

Name of Committee	Name	Reason
Executive	none	
<b>Audit</b>	<b>Ruben R. Payumo</b>	<b>Death</b>
<b>Nomination</b>	<b>Ruben R. Payumo</b>	<b>Death</b>
<b>Remuneration</b>	<b>Ruben R. Payumo</b>	<b>Death</b>
Others (specify)	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	Approval of major debt to equity conversion transaction	Negative equity status of financial condition
Audit	Approval of Annual Report and Audited Financial Statements	Strategies to address negative equity
Nomination	Pre-screen possible candidate for an Independent Director.	Still in process.
Remuneration	Deliberated on industry remuneration standards and recommend benefits	Attracting highly qualified individuals from outside to join the organization
Others (specify)		

5) Committee Program

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

Name of Committee	Planned Programs	Issues to be Addressed
Executive	Finalize structuring of investments in other Companies	Negative equity status of Company and on-going concern issues
Audit	Information campaign of new taxation regime and how to address this	Negative equity status of Company
Nomination	Review and evaluate qualifications of all nominees	Attract well qualified Board members
Remuneration	Establish remuneration policies for management and directors	Dependence of management to officers and personnel of parent Company
Others (specify)		

**F. RISK MANAGEMENT SYSTEM**

1) Disclose the following:

(a) Overall risk management philosophy of the company;

- The Company's policy is to maintain risk at an acceptable level.

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

The management gathers all material information before committing funds. The BOD reviews and approves policies of managing liquidity and credit risks.

(c) Period covered by the review; CY 2013

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

The system is reviewed whenever necessary.

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

The company continuously conducts an internal review of its capital and financial risk management objectives and policies.

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
Financial exposure risk	The Company discourages the use of foreign currency denominated obligations to avoid foreign currency risks and exchange	To avoid foreign currency risks and exchange losses.

	losses. On the other hand, the Company encourages the creation of US dollar denominated assets to take advantage of potential gains arising from foreign exchange movements. On balance, the Company maintains a margin currency position in each asset and liability management.	
Liquidity risk	The Company coordinates and negotiates closely with its parent company, Fil-Estate Management, Inc. to manage cash flow risks by jointly identifying new sources of cash flows through potential future investment and/or cash flow infusions into the Company over the next five years.	To manage cash flow risks
Credit risk	The Company's cash is deposited with a reputable bank that belonged to the top three banks in the Philippines and is approved by management.	To maintain a high grade of credit quality of the Company's financial assets
Equity price risk	Movement in share price of the Company is monitored regularly.	To determine the impact of the Company's share price on its financial position
Capital Management	The company's policy is to keep a gearing ratio of 60% or lower which is net debt divided by total capital.	To maintain a substantial capital base sufficient to support its long-term investment and holding company mandate.

(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
Liquidity risk	The Company coordinates and negotiates closely with its parent company, Fil-Estate Management, Inc. to manage cash flow risks by jointly identifying new sources of cash flows through potential future investment and/or cash flow infusions into the Company over the next five years.	To manage cash flow risks

(c) Minority Shareholders

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

Risk to Minority Shareholders
All shareholders have one vote per share; so minority shareholders voting power is not truncated.

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)
Integrity of financial information	Timely detection of financial error	Continuous improvement of information system and security access

(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)
Liquidity risk		To manage the liquidity of the Company, among others, Fil-Estate Management, Inc. authorized the waiver of interests due from the Company for the period 1 January 2013 to 31 December 2013 arising from advances of Fil-Estate Management, Inc. to the Company.

(c) Committee

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

Committee/Unit	Control Mechanism	Details of its Functions
Audit Committee	Oversight control	Monitor integrity of financial information; monitor and access internal audit functions; monitor compliance with the new taxation regime; monitor compliance with new regulatory and compliance requirements

**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 controls encompass a set of rules, policies, and procedures an organization implements to provide

reasonable assurance that: (a) its financial reports are reliable; (b) its operations are effective and efficient, and (c) its activities comply with applicable laws and regulations. The organization's board of directors, management, and other personnel are responsible for the internal control system.

- (b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;
- (c) Period covered by the review;
- (d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and
- (e) Where no review was conducted during the year, an explanation why not.

In order to meet the effectiveness of the Internal Control System and to consider them effective and adequate the Audit Committee shall perform the following duties and responsibilities:

1. Monitor and evaluate the adequacy and effectiveness of the company's internal control system, including information technology security and control.
2. Understand the scope of internal and external auditor's review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.
3. Review with management and the chief audit executive the charter, plans, activities, staffing, and organizational structure of the internal audit function.
4. Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the chief audit executive.
5. Review the effectiveness of the internal audit function, including compliance with Standards for the Professional Practice of Internal Auditing.
6. On a quarterly basis, meet separately with the chief audit executive to discuss any matters that the committee or internal audit believes should be discussed privately.

2) Internal Audit

(a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
<p>The key role of internal audit is to assist the board and or its audit committee in discharging its governance responsibilities by delivering:</p> <ul style="list-style-type: none"> <li>• An objective evaluation of the existing risk and internal control frameworks.</li> <li>• Review of the existence and value of assets.</li> <li>• Systematic analysis of business processes controls.</li> <li>• Reviews of</li> </ul>	<p>The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management, and internal process as well as the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives.</p>	<p>Internal audit function is placed in-house on an executive and/or senior management level, giving the function the visibility, authority, and responsibility to independently evaluate management's assessment of the organization's systems of internal control and the organization's ability to achieve</p>	<p>Solita S. Alcantara</p>	<p>The CAE will periodically report to senior management and the Board on the internal audit activity's purpose authority, and responsibility, as well as performance relative to its plan. At least annually, the CAE will submit to senior management and the Board an internal audit plan for review</p>



<p>operational and financial performance.</p> <ul style="list-style-type: none"> <li>• Review of the compliance framework and specific compliance issues.</li> <li>• A source of information on major frauds and irregularities.</li> <li>• Recommendations for more effective and efficient use of resources.</li> <li>• Assessment of the accomplishment of corporate goals and objectives</li> <li>• Feedback on adherence to the organization's values and code of conducts/code of ethics.</li> </ul>		<p>business objectives effectively and manage, monitor, and mitigate risks associated with the achievement of those objectives. It had been entrusted to oversee the effective execution and implementation of the approved plans, policies and procedures. In addition to assurance services, internal audit is commonly asked by management to provide consulting services in the form of initiatives or projects that allow management to use the professional expertise that the internal audit function possesses.</p>	<p>and approval. The internal audit plan will consist of a work schedule as well as budget and resource requirements for the next calendar year. The CAE will communicate the impact of resource limitations and significant interim changes to senior management and the Board.</p>
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(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. Appointment and/or removal of the Internal Auditor require approval of the audit committee.

(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?

**Yes.**, Internal Auditor reports to audit committee at least quarterly. As stated in the Internal Audit Charter, auditors are authorized to have unrestricted access to all records, properties and personnel of the company.

(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
N/A	

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

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

<b>Progress Against Plans</b>	Regular on going audit.
<b>Issues<sup>6</sup></b>	<b>The Company has suffered recurring losses which resulted to capital deficiency. The situation was improved by the management with the conversion of P800 Million and P200,150,000.00 liabilities to Fil-Estate Management, Inc. into equity shares last December 16, 2013 and September 4, 2014, respectively.</b>
<b>Findings<sup>7</sup></b>	No disagreements on accounting and financial disclosures with external auditor.
<b>Examination Trends</b>	There are no known material trends, events and uncertainties known to management that would have adverse effect on the operations of the company

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

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

(f) Audit Control Policies and Procedures

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

<b>Policies &amp; Procedures</b>	<b>Implementation</b>
Segregation of Duties	Yes. Implemented.
Safeguard of Assets	Yes. Implemented.
Compliance to Company Policies and Procedures	Yes. Implemented.

(g) Mechanisms and Safeguards

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

<b>Auditors (Internal and External)</b>	<b>Financial Analysts</b>	<b>Investment Banks</b>	<b>Rating Agencies</b>
Coordination of	Analysts must conduct	Sending of direct audit	The rating agency must

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

<sup>7</sup> “Findings” are those with concrete basis under the company’s policies and rules.

external audit effort with internal audit	themselves impartially, particularly when carrying out and analysing their surveys. They must decline work if there is any doubt as to their impartiality in performing an assignment	confirmation to banks of company's financial assets and outstanding loans, if any.	not enter into commitments which prejudice or could prejudice its freedom of decision-making

(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.

CEO Robert John L. Sobrepena and Independent Director Francisco Gonzales attested the company's full compliance with SEC Code of Corporate Governance last March 27, 2013.

#### H. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' welfare	The business of the Company arises from its investments in equity of other corporations. It has no customers.	
Supplier/contractor selection practice	The business of the Company arises from its investments in equity of other corporations. It has no suppliers/contractors. However, for a major supplier/contractor the company requires a request proposal to be submitted to the bids and rewards committee to review and evaluate the proposal and make recommendation for board consideration.	In purchasing we make sure to select from those suppliers that are the best suited to the company's needs. We do accreditation of suppliers and get quotations from 3 suppliers taking into account suppliers' capacity for innovation.
Environmentally friendly value-chain	Company shall protect the quality of the environment and endeavor to conserve energy and other valuable resources.	We secure ECC permit for all projects.
Community interaction	The corporation shall conduct its business in a manner that is socially responsible. It shall protect the quality of the environment and endeavor to conserve energy and other valuable resources.	The Company has yet to identify a community involvement program that is related to its business. Each of the corporation's offices is expected to make every effort to be an integral part of the community in which it operates, and to participate in its activities as a concerned and responsible

		citizen. Like individual citizens, it benefits from such activities as health, welfare, character - building, education, and culture. And like individuals, it has the responsibility to support and develop these social and civic activities.
Anti-corruption programmes and procedures?	<b>Under formulation at the present.</b>	<b>Under formulation at the present.</b>
Safeguarding creditors' rights	Creditors' rights in regards to repayment of debt are contractual. When a lender agrees to loan money to the Company, the two parties negotiate the terms of the agreement.	The Company acknowledge debt and settle it thru cash and/or property swap.

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

- No. Corporate social responsibility initiatives are undertaken by the respective subsidiaries of the company.

3) Performance-enhancing mechanisms for employee participation.

The management of Company is currently being undertaken by the executive officers and employees of the parent company, FEMI, which officers and employees are seconded by FEMI

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

The health of every employee shall be maintained at its highest level:

1. With existing health plan coverage,
2. With emergency medicine kit complete with emergency medicines,
3. With company nurse to address employees' health needs; assessment and, or referral of employee/s health condition in the workplace.
4. Employees are required to consult a Physician if sick leave is more than two days and a medical certificate/ clearance is required before resumption to work.
5. Pre-employment physical examination to newly hired employees.
6. Annual Physical examination to all regular employees

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

1. Annual vaccination program with Influenza virus is maintained to thirty three (33) employees.
2. Monthly purchase of first aid medications to include paracetamol, cough & cold medications, pain reliever, antihistamine, medicines for gastrointestinal pains and topical medications for cuts & bruises.
3. Daily BP monitoring to four (4) hypertensive employees (with daily maintenance medication) and to about seven (7) employees with above normal blood pressure.
4. An employee is advised to go home or consult immediately a Physician if with presence of any symptoms of a suspected viral illness.
5. Maintains well ventilated and non-hazardous workplace through daily inspection and maintenance of facilities/supplies.

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

We are committed to having a workplace prepared to meet current and future business objectives by providing our employees, at all levels, with appropriate education and training opportunities.

- a. All employees will be oriented in the philosophy, ethics, values, principles and business priorities of the company, such as induction into their group/department.
  - i. Company Orientation Programme is conducted to all new employees.
  - ii. Job Induction/orientation is also facilitated by the Immediate Superior - where job standards are met.
- b. Our employees will only take up high job responsibilities when they have completed the minimum level of training specified for that job.
  - i. KSAs are defined per position.
  - ii. Attendance to public seminars and workshops are required to Address gap per KSA.
    1. Officers (Managers up) are also encouraged to attend such seminars to update their KSAs.
  - iii. In-house training is also provided which are customized to the job needs as well as personal needs.
- c. All first time managers shall successfully complete specified supervisory training within a specified period of appointment.
  - i. Promotional Program
  - i. Management Development Program
  - ii. Candidate must have attended a training program related to his present functions or to the operations of the department.

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

In order to attract and retain talents at all levels of the organization, it is the policy of the Company to maintain wage and salary standards and keep the pay or salary ranges consistent with the economic constraint and labor market in which we compete.

- Establish salary ranges that reflect the value of the various jobs, as determined by a system of continuing job evaluations and review.
- Establish and maintain justifiable differentials between job levels;
- Encourage superior performance by adjusting salary of each employee on the basis of the quality of individual performance, as maybe determined by performance evaluation;

#### Basis for Determination of Salary and Salary Changes

- Inflation rate, consumer price index (local), salary increases granted by comparable industries/employers within the established labor market
- Compensation survey (every 2-3 years) of benchmark positions
  - To determine if any job classifications should be reviewed for equity adjustment in salary/compensation.

#### Internal Alignment

A minimum and maximum salary is established for each position/job classification based upo external market data and upon the internal alignment of job classifications.

#### Review of Performance and Salary

- Performance of each employee is reviewed regularly.
- The merit of employee performance shall determine salary increase to be given.
- Employees are eligible to receive salary increase based on the ff:
  - Compensation adjustment - when EXCOM determines that classifications and/or salary ranges should be adjusted.
  - Promotion
  - Reclassification
    - Upward - not automatic unless it is to bring the employee up to the

- minimum of the new salary range
- Lateral - salary will remain unchanged
- Downward - salary will remain unchanged until such time as general salary range adjustments increase the salary for the new classification

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

Employees' initially report their complaints to Human Resources Department then it will be referred to Internal Audit Dept. and/or Legal department for investigation. It is the strict policy of the Company not to allow retaliation for reports of misconduct by others made in good faith by employees. Employees are expected to cooperate in internal investigations of misconduct.

## I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
<b>Fil-Estate Management, Inc.</b>	<b>1,757,690,198</b>	<b>87.885%</b>	
<b>PCD Nominee Corporation (Filipino)</b>	<b>100,680,533</b>	<b>5.036%</b>	

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
N/A	N/A	N/A	N/A
No member of Senior Management has shareholdings in Metro Global Holdings Corporation (Formerly Fil-Estate Corporation) amounting to 5% or more of its outstanding capital stock			
<b>TOTAL</b>			

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	No.
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	No
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

Name of auditor	Audit Fee	Non-audit Fee
Sycip Gorres & Velayo & Co.	P585,000.00	P70,200.00

4) Medium of Communication

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

Disclosures made through:

- Company Website
- Regulatory Disclosures (Securities and Exchange Commission and Philippine Stock Exchange)
- Electronic Mail Correspondences
- Round Table Discussion
- Investors Briefing
- Teleconferences

5) Date of release of audited financial report:

- 19 April 2013

6) Company Website

Does the company have a website disclosing up-to-date information about the following? Yes\*.

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

\*The company is currently enhancing its website.

7) **Disclosure of RPT**

In 2013, there were no transactions or proposed transactions to which the Company was or is to be a party during which any director/executive officer of the Company, any nominee for election as director, any security holder or any member of the immediate family of any of the foregoing persons had or is to have a direct or indirect material interest.

The following table provides the summary of outstanding balances as of December 31, 2013 of transactions that have been entered into with related parties in prior years.

RPT	Relationship	Nature	Value
Fil-Estate Management, Inc.	Parent company	<b>Cash advance to the Company as of Sept. 30, 2014.</b>	<b>P845,792,101.83*</b>
MRTH I	Affiliate	Advances in prior years to be applied against Dividends as of Dec. 31, 2014.	P213,740,407.00
MRTH II	Affiliate	Advances in prior years to be applied against Dividends as of Dec. 31, 2014.	P119,728,217.00

*\*SEC approved the conversion of P800Million & P200,150,000.00 liabilities to FEMI into equity shares on 16 December 2013 and 4 September 2014, respectively .*

Details of related party transactions may be found under Note 6 of the Notes to the Financial Statements which is included in the Company’s Annual Report and SEC Form 17A.

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?

Under Audit Committee Charter, the committee is required to review the quarterly Financial Statements with management and the Annual Financial Statements with External Auditor focusing particularly on review of disclosures of material information related party transactions and subsequent events.

**J. RIGHTS OF STOCKHOLDERS**

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

(a) Quorum

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

<b>Quorum Required</b>	Majority of the subscribed capital, present in person or represented by proxy, except in those cases in which the Corporation Code requires the affirmative vote of a greater proportion (Sec. 4, Art. V, By-Laws)
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(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

<b>System Used</b>	Approval of the Board of Directors
<b>Description</b>	A majority of the number of directors as fixed in the Articles of Incorporation of the Company shall constitute a quorum for the transaction of corporate business. Every decision of at least a majority of the directors present at a meeting at which there is a quorum shall be valid as a corporate act, except for the election of officers which shall require the vote of a majority of all the members of the Board of Directors.

(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
<p>A special meeting of the stockholders or members of a corporation for the purpose of removal of directors or trustees, or any of them, must be called by the secretary on order of the president or on the written demand of the stockholders representing or holding at least a <u>majority of the outstanding capital stock</u>. Should the secretary fail or refuse to call the special meeting upon such demand or fail or refuse to give the notice, or if there is no secretary, the call for the meeting may be addressed directly to the stockholders or members by any stockholder or member of the corporation signing the demand. Notice of the time and place of such meeting, as well as of the intention to propose such removal, must be given by publication or by written notice prescribed in this Code. (Sec. 28, Corp Code)</p> <p>Special meetings of stockholders shall be held at any time deemed necessary or as provided in the by-laws: Provided, however, That at least <u>one (1) week</u> written notice shall be sent to all stockholders or members, unless otherwise provided in the by-laws. Notice of any meeting may be waived, expressly or impliedly, by any stockholder or member. (Sec. 50, Corp. Code)</p>	<p>Special meetings of stockholders may be held at any time by resolution of the Board of Directors or at the request of stockholders representing at least <u>one-third (1/3) of the subscribed and outstanding capital stock</u>, setting forth the purpose of such meeting in the notice. (Sec. 2, Art. V, By-Laws) Regular or special meetings of stockholders shall be called by written notice sent through the post office, or messengerial services, addressed to each stockholder at the latter's address appearing in the registry book of the Corporation, not less than <u>10 days</u> prior to the date of such meeting, provided, however, that this requisite may be waived in writing by the stockholders. Publication of notice of meeting in the newspaper in lieu of the written notice shall be allowed when necessary. Notices of regular or special meeting shall contain, in addition to the date, hour and place of the meeting, a statement of the matters to be taken up at such meeting. (Sec. 3, Art. V, By-Laws)</p>
<p>Regular meetings of stockholders shall be held annually on a date fixed in the by-laws, or if not so fixed, on <u>any date in April of every year</u> as determined by the board of directors or trustees: Provided, That written notice of regular meetings shall be sent to all stockholders or members of record at least <u>two (2) weeks prior</u> to the meeting, unless a different period is required by the by-laws. (Sec. 50, Corp. Code)</p>	<p>Annual regular meetings shall be held on the <u>first Thursday of March of each year</u>, if such day be not a holiday, otherwise, they shall be on the first working day after such date. (Sec. 2, Art. V, By-Laws)</p> <p>For the purpose of determining the stockholders entitled to notice of, or to vote at, any meeting of stockholders, or to receive payment of any dividend, or for any other purpose, the Board of Directors may provide that the stock and transfer books be closed for a stated period, which shall not be more than 60 days nor less than 30 days before the date of such meeting. In the event that the Board of Directors fails to specify such date, the closing date shall be the 30<sup>th</sup> calendar day prior to the intended date of the meeting. In lieu of closing the stock and transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of stockholders, which shall <u>not be less than 20 days prior</u> to the date on which the particular action requiring such determination of stockholders of record. (Sec.5, Art. I, By-Laws)</p>

Dividends

Declaration Date	Record Date	Payment Date
No dividends have been declared in 2014.	N/A	N/A

(d) Stockholders' Participation

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

Measures Adopted	Communication Procedure
At stockholders' meeting, time is set aside for investors to question the Board and management in plenary session.	Part of Agenda in 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

All these crucial decisions are discussed and approved by the shareholders during annual or special meetings. During the AGM, the Agenda is sent out to shareholders in advance so that they can study the transactions proposed, discuss these issues and vote on them during the AGM. If the management proposes above transactions, the investors have the right to vote with or against the management.

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, however no annual meeting of stockholders was held in 2014.

- a. Date of sending out notices: N/A
- b. Date of the Annual/Special Stockholders' Meeting: N/A

4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting. N/A; No Annual Stockholder's Meeting held in 2014.

5. Result of Annual/Special Stockholders' Meeting's Resolutions. None for 2014 since no stockholders' meeting in 2014.

Resolution	Approving	Dissenting	Abstaining
N/A	N/A	N/A	N/A

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

(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: N/A

Modifications	Reason for Modification
N/A	N/A

(f) Stockholders' Attendance

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

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	N/A	N/A	N/A	N/A	N/A	N/A

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

Generally, yes, if a stockholders meeting is held. We normally appoint

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(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 and signed by the stockholders, but no other formality is required. (Sec. 5, Art. V, By-Laws)
Notary	Not required
Submission of Proxy	Proxies for any annual meeting shall be filed and submitted to the Corporate Secretary at least 5 business days prior to the date of such meeting. (Sec. 5, Art. V, By-Laws)
Several Proxies	N/A
Validity of Proxy	Unless otherwise provided in the proxy, it shall be valid only for the meeting for which it was intended. (Sec. 5, Art. V, By-Laws)
Proxies executed abroad	Not disallowed
Invalidated Proxy	N/A
Validation of Proxy	Proxies for any annual meeting shall be filed and submitted to the Corporate Secretary at least 5 business days prior to the date of such meeting. (Sec. 5, Art. V, By-Laws)
Violation of Proxy	N/A

(h) Sending of Notices

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

Policies	Procedure
	Regular or special meetings of stockholders shall be called by written notice sent through the post office, or messengerial services, addressed to each stockholder at the latter's address appearing in the registry book of the Corporation, not less than 10 days prior to the date of such meeting, provided, however, that this requisite may be waived in writing by the stockholders. Publication of notice of meeting in the newspaper in lieu of the written notice shall be allowed when necessary. Notices of regular or special meeting shall contain, in addition to the date, hour and place of the meeting, a statement of the matters to be taken up at such meeting. (Sec. 3, Art. V, By-Laws)

(i) Definitive Information Statements and Management Report

Definitive Information Statement sent to stockholders in 2014 in relation to request for WRITTEN ASSENT of stockholders to the Change of name of the Company to Metro Global Holdings Corporation which request was approved by stockholders representing 86.54% of the total issued and outstanding capital stock.

<b>Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials</b>	<b>1,806</b>
<b>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners</b>	<b>April 21, 2014</b>
<b>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders</b>	<b>April 21, 2014</b>
<b>State whether CD format or hard copies were distributed</b>	<b>Hard Copies were distributed</b>
<b>If yes, indicate whether requesting stockholders were provided hard copies</b>	<b>Yes</b>

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

Each Resolution to be taken deals with only one item.	No annual meeting of shareholders was conducted in 2014.
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	No annual meeting of shareholders was conducted in 2014.
The auditors to be appointed or re-appointed.	No annual meeting of shareholders was conducted in 2014.
An explanation of the dividend policy, if any dividend is to be declared.	No annual meeting of shareholders was conducted in 2014.
The amount payable for final dividends.	No annual meeting of shareholders was conducted in 2014.
Documents required for proxy vote.	No annual meeting of shareholders was conducted in 2014.

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

2) Treatment of Minority Stockholders

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

Policies	Implementation
The minority stockholders must not be deprived of their right to representation.	<p>Each share of stock entitles the person in whose name it is registered in the books of the Company to one vote, provided that the share has not been declared delinquent. (Sec. 6, Art. V, By-Laws)</p> <p>Each stockholder entitled to vote may cast such number of votes for the number of Directors to be elected, multiplied by the number of his shares, or he may distribute them on the same principle among as many candidates as he may 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. (Sec. 7, Art. V, By-Laws)</p>

(b) Do minority stockholders have a right to nominate candidates for board of directors? Yes, as long as the names of their nominees are submitted to the Nomination and Election Committee for pre-qualification.

**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. There is no formal communication policy though the Company disseminates all material information to its investors through timely disclosures to the commission and the Philippine Stock Exchange and the Company Website
- 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	Timely disclosure of material information
(2) Principles	Enable investors to make appropriate investment decisions
(3) Modes of Communications	Disclose information to the SEC/PSE, company website
(4) Investors Relations Officer	This function is presently undertaken by the Corporate Information Officer, Mr. Ramon Jimenez with contact details at +632-2341211 and email address at monjay@ymail.com

- 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?

These major decisions have to be approved by the Board of Directors and stockholders, as necessary.

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

There were no transactions the past year involving the acquisition of corporate control in the capital markets.

**L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

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

Initiative	Beneficiary
Sponsorship of 33 <sup>rd</sup> Philippine Columbian Association (PCA) Open Tennis Championship which run from November 1, 2014 to November 23, 2014 to support the development of Filipino Youth in the hope that the Philippines can someday see a Filipino competing against world class players.	Philippine Columbian Association

**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.

	Process	Criteria
<b>Board of Directors</b>	Periodic self-appraisal	Board discussions and participation
<b>Board Committees</b>	Periodic self-appraisal	Meeting targets/objectives set by the committees
<b>Individual Directors</b>	Periodic self-appraisal	Board discussions and participation
<b>CEO/President</b>	Periodic review of management	Meeting Company objectives and targets

**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.

To strictly observe and implement the provisions stated in the Corporate Governance Manual, the following penalties shall be imposed after notice and hearing, on the corporation’s director, officers, staff, subsidiaries and affiliates and their respective directors, officers and staff in case of violation of any of the provision of the manual.

Violations	Sanctions
First violation	Reprimand
Second violation	Suspension, Duration of suspension shall depend on the gravity of the violation.
Third violation	Removal from Office

The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend to the Chairman of the Board the imposable penalty for such violation, for further review and approval of the Board.

## SECRETARY'S CERTIFICATE

I, **ALICE ODCHIGUE-BONDOC**, Filipino, of legal age, with office address at Mezzanine Floor Renaissance Towers, Meralco Avenue, Pasig City, Philippines, being the duly appointed and incumbent Assistant Corporate Secretary of **Metro Global Holdings Corporation (Formerly Fil-Estate Corporation)**, a corporation organized and existing under and by virtue of the laws of the Republic of the Philippines, with offices at Mezzanine Floor, Renaissance Towers, Meralco Ave., Pasig City; hereby certifies that:

I. The following items in the Annual Corporate Governance Report as of 31 December 2014 have been updated:

1. A (1) Actual Number of Directors for the year;
2. A (1) (a) Composition of the Board;
3. A (1) (d) (i) Directorship in the Company's Group;
4. A (1) (d) (iii) Relationship within the Company and its Group;
5. A (1) (e) Shareholdings in the Company;
6. A (2) (5) (a) Change in Board of Directors (Death);
7. A (6) (a) Orientation and Education Program of Directors and Senior Management;
8. A (6) (6) Continuing Education Program of Directors;
9. C (2) Attendance of Directors;
10. C (2) Changes in Existing Policies;
11. D (3) Aggregate Remuneration of Directors;
12. E (2) (b) Composition of Audit Committee;
13. E (2) (c) Composition of Nomination Committee;
14. E (2) (d) Composition of Remuneration Committee;
15. E (3) Changes in Committee Members;
16. G (2) (e) Progress against Audit Issues;
17. I (1) (a) Ownership Structure (5% or more);
18. I (3) External Auditors Fee;
19. I (2) Contents of Annual Report;
20. I (6) Company Website;
21. I (7) Disclosure of RPT;
22. J (i) Definitive Information Statement and Management Report; and
23. (L) Corporate Social Responsibility.

II. The foregoing updates have been previously reported to the Securities & Exchange Commission under relevant structured reports or advisement letters.

III. The foregoing statements are true and correct in accordance with the records of the Corporation.

IN WITNESS WHEREOF, the undersigned has hereunto set her hand this \_\_\_\_\_ at \_\_\_\_\_.

  
**ALICE ODCHIGUE-BONDOC**  
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this 08 JAN 2015.  
Affiant exhibited to me her Social Security System ID No. 33-1923852-8.

Doc. No. 49 ;  
Page No. 11 ;  
Book No. 1 ;  
Series of 2015.

**ALAN B. QUINTANA**  
NOTARY PUBLIC  
Pasig, Section, Pateros, Taguig  
Appt. No. 01 Until Dec. 31, 2016  
6<sup>th</sup> Flr. Renaissance Towers, Meralco Ave., Pasig City  
ATTORNEY'S ROLL NO. 39468  
Lifetime ID# No. 887192, Pasig City 1-2-12  
PTR No. 0348892, Pasig City 1-5-15  
MCLE Compliance No. IV - 0002924