



# METRO GLOBAL

HOLDINGS CORPORATION

2 January 2017

**DIR. JUSTINA F. CALLANGAN**

Director  
 Corporate Governance & Finance Department  
 SECURITIES & EXCHANGE COMMISSION  
 11th Floor, SEC Building  
 EDSA, Greenhills, Mandaluyong City

Dear Dir. Callangan:

In compliance with SEC Memorandum Circular No.1 Series of 2014, we hereby advise you of the Consolidated Changes in the Annual Corporate Governance Report of the Company for the year 2016:

**A. BOARD MATTERS**

1) Board of Directors

(a) Composition of the Board

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	20
Ferdinand T. Santos	ED	FEMI	FEMI	1996	September 13, 2007	Special Meeting	20
Noel M. Cariño	NED	FEMI	FEMI	1996	September 13, 2007	Special Meeting	20
Enrique A. Sobrepeña	NED	FEMI	FEMI	1997	September 13, 2007	Special Meeting	19
Rafael Perez de Tagle, Jr.	ED	FEMI	FEMI	2000	September 13, 2007	Special Meeting	16
Alice Odchigue-Bondoc	ED	FEMI	FEMI	2004	September 13, 2007	Special Meeting	12
Roberto S. Roco	ID	FEMI	FEMI, no relation	2015	1	Special Meeting	1
Francisco C. Gonzalez	ID	FEMI	FEMI, no relation	2010	6	Special Meeting	6
Eduardo R. Santos	ID	FEMI	FEMI, no relation	2014	2	Special Meeting	2

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

(a) Directorship in Other Companies

(i) 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.	Non-Executive

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

(a) Resignation/Death/Removal

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

Name	Position	Date of Cessation	Reason
None	N/A	N/A	N/A

6) Orientation and Education Program

The Compliance Officer requires its Directors and top level management to attend seminars on Good Corporate Governance and best corporate practices. For the past three (3) years, the Company directors and officers attended the following in-house seminars and external courses:

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Robert John L. Sobrepeña	November 10, 2016	Corporate Governance: Board Effectiveness Best Practices	Center for Global Best Practices
	December 17, 2015	Corporate Governance Seminar	Philippine Corporate Governance, Inc.
	January 29 to 30, 2015	ERM: Concepts, Principles and Processes	Institute of Internal Auditors, Philippines Center

			for Professional Dev't.
	November 20, 2014	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors
Atty. Ferdinand T. Santos	November 10, 2016	Corporate Governance: Board Effectiveness Best Practices	Center for Global Best Practices
	December 17, 2015	Corporate Governance Seminar	Philippine Corporate Governance, Inc.
	January 29 to 30, 2015	ERM: Concepts, Principles and Processes	Institute of Internal Auditors, Philippines Center for Professional Dev't.
	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 22, 2016	3 <sup>rd</sup> Annual SEC-PSE Corporate Governance Forum	Securities & Exchange Commission and The Philippine Stock Exchange, Inc.
	November 4 to 7, 2016	Annual Realtors Conference	Chambers of Real Estate & Builders' Associations, Inc.
	October 12 to 15, 2016	25 <sup>th</sup> CREBA National Convention	Chambers of Real Estate & Builders' Associations, Inc.
	August 31 to September 3, 2016	International Realtors Conference	Chambers of Real Estate & Builders' Associations, Inc.
	April 20, 2016	IRM Forum 2	Chambers of Real Estate & Builders' Associations, Inc.
	April 19, 2016	IRM Forum 2	Chambers of Real Estate & Builders' Associations, Inc.
	April 18, 2016	IRM Forum 2	Chambers of Real Estate & Builders' Associations, Inc.
	April 14, 2016	IRM Forum 2	Chambers of Real Estate & Builders' Associations, Inc.
	December 17, 2015	Corporate Governance Seminar	Philippine Corporate Governance, Inc.
	November 20, 2014	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors

Rafael R. Perez de Tagle	November 10, 2016	Corporate Governance: Board Effectiveness Best Practices	Center for Global Best Practices
	January 29 to 30, 2015	ERM: Concepts, Principles and Processes	Institute of Internal Auditors, Philippines Center for Professional Dev't
	November 20, 2014	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors
Francisco C. Gonzalez	November 10, 2016	Corporate Governance: Board Effectiveness Best Practices	Center for Global Best Practices
	November 20, 2014	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors
Eduardo R. Santos	November 10, 2016	Corporate Governance: Board Effectiveness Best Practices	Center for Global Best Practices
	December 17, 2015	Corporate Governance Seminar	Philippine Corporate Governance, Inc.
	August 15, 2014	Corporate Governance Seminar	SGV
Alice O. Bondoc	November 24, 2016	SIAC Rules 2016 Road Show	Singapore International Arbitration Centre
	November 22, 2016	3 <sup>rd</sup> Annual SEC-PSE Corporate Governance Forum	Securities & Exchange Commission and The Philippine Stock Exchange, Inc.
	December 17, 2015	Corporate Governance Seminar	Philippine Corporate Governance, Inc.
	12 November 2015	Reforming the Asia-Pacific Financial Infrastructure	APEC
	August 15, 2014	Corporate Governance Seminar	Sycip Gorres Velayo & Company
	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.
Roberto S. Roco	November 10, 2016	Corporate Governance: Board Effectiveness Best Practices	Center for Global Best Practices
	December 17, 2015	Corporate Governance Seminar	Philippine Corporate Governance, Inc.

	January 29 to 30, 2015	ERM: Concepts, Principles and Processes	Institute of Internal Auditors, Philippines Center for Professional Dev't.
	August 15, 2014	Corporate Governance Seminar	Sycip Gorres Velayo & Company
Ramon G. Jimenez	November 10, 2016	Corporate Governance: Board Effectiveness Best Practices	Center for Global Best Practices
	December 17, 2015	Corporate Governance Seminar	Philippine Corporate Governance, Inc.
	November 25, 2015	How to Survive Your BIR Audit	Sycip Gorres Velayo & Company
	November 24, 2015	Losing the Taxable Year: A Comprehensive Seminar on Year End Tax Requirement and Reconciliation Procedures	Sycip Gorres Velayo & Company
	March 19, 2015	Workshop on Value Added Tax	Sycip Gorres Velayo & Company
	March 12, 2015	Tax Compliance 101	Sycip Gorres Velayo & Company
	February 5, 2015	Seminar on Income Tax	Sycip Gorres Velayo & Company
	January 29 to 30, 2015	ERM: Concepts, Principles and Processes	Institute of Internal Auditors, Philippines Center for Professional Dev't.
	August 15, 2014	Corporate Governance Seminar	Sycip Gorres Velayo & Company
	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	December 8 to 9, 2016	Determining Key Risk Indicator for Effective Audit of Analytics
November 23, 2016		Simplified Audit Documentation	Philippine Institute of Certified Public Accountant
July 2015		Audit of Construction Project	Institute of Internal Auditors, Philippines Center for Professional Dev't

	July 8 to 10, 2015	Audit Construction Project	Institute of Internal Auditors, Philippines Center for Professional Dev't.
	January 29 to 30, 2015	ERM: Concepts, Principles and Processes	Institute of Internal Auditors, Philippines Center for Professional Dev't
	August 15, 2014	Corporate Governance Seminar	Sycip Gorres Velayo & Company
	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.

(a) Continuing education programs for directors: programs and seminars and roundtables attended during the year:

<b>Name of Director/Officer</b>	<b>Date of Training</b>	<b>Program</b>	<b>Name of Training Institution</b>
Robert John L. Sobrepeña	November 10, 2016	Corporate Governance: Board Effectiveness Best Practices	Center for Global Best Practices
Atty. Ferdinand T. Santos	November 10, 2016	Corporate Governance: Board Effectiveness Best Practices	Center for Global Best Practices
Noel M. Cariño	November 22, 2016	3 <sup>rd</sup> Annual SEC-PSE Corporate Governance Forum	Securities & Exchange Commission and The Philippine Stock Exchange, Inc.
Rafael R. Perez de Tagle	November 10, 2016	Corporate Governance: Board Effectiveness Best Practices	Center for Global Best Practices
Francisco C. Gonzalez	November 10, 2016	Corporate Governance: Board Effectiveness Best Practices	Center for Global Best Practices
Eduardo R. Santos	November 10, 2016	Corporate Governance: Board Effectiveness Best Practices	Center for Global Best Practices

Alice O. Bondoc	November 24, 2016	SIAC Rules 2016 Road Show	Singapore International Arbitration Centre
	November 22, 2016	3 <sup>rd</sup> Annual SEC-PSE Corporate Governance Forum	Securities & Exchange Commission and The Philippine Stock Exchange, Inc.
Roberto S. Roco	November 10, 2016	Corporate Governance: Board Effectiveness Best Practices	Center for Global Best Practices

### C. BOARD MEETINGS & ATTENDANCE

#### 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	7	7	100%
Member	Ferdinand T. Santos	1996	7	7	100%
Member	Noel M. Cariño	1996	7	7	100%
Member	Enrique A. Sobrepeña	1997	7	7	100%
Member	Rafael Perez de Tagle, Jr.	2000	7	7	100%
Member	Alice Odchigue-Bondoc	2004	7	7	100%
Independent	Roberto S. Roco	2015	7	7	100%
Independent	Francisco C. Gonzalez	2010	7	7	100%
Independent	Eduardo R. Santos	2014	7	7	100%

### D. REMUNERATION MATTERS

#### 3) Aggregate Remuneration

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	P520,000.00	N/A	N/A

(b) Variable Remuneration	N/A	N/A	N/A
(c) Per diem Allowance	N/A	N/A	P20,000.00
(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>	P520,000.00	N/A	P20,000.00

## E. BOARD COMMITTEES

### 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	3 (2016)	3 (2016)	100	9
Member (ED)	Ferdinand T. Santos	Sept. 13, 2007	3 (2016)	3 (2016)	100	9
Member (NED)	Noel M. Carino	Sept. 13, 2007	3 (2016)	3 (2016)	100	9

#### (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	6 (2016)	6 (2016)	100	6
Member (ED)	Ferdinand T. Santos	Sept. 13, 2007	6 (2016)	6 (2016)	100	9
Member (ID)	Roberto S. Roco	Dec.18, 2015	6 (2016)	6 (2016)	100	1
Member (ID)	Eduardo R. Santos	July 4, 2014	6 (2016)	6 (2016)	100	2
Member	Solita S. Alcantara	Sept 1, 2012	6 (2016)	6 (2016)	100	4



(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	0	0	0	9
Member (ED)	Rafael Perez de Tagle, Jr.	Sept. 13, 2007	0	0	0	9
Member (ED)	Alice Odchigue-Bondoc	Sept. 13, 2007	0	0	0	9
Member (ID)	Eduardo R. Santos	July 4, 2014	0	0	0	2

(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	7 (2016)	7 (2016)	100	9
Member (ED)	Ferdinand T. Santos	Sept. 13, 2007	7 (2016)	7 (2016)	100	9
Member (ID)	Francisco Gonzales	December 3, 2010	7 (2016)	7 (2016)	100	9
Member (ID)	Eduardo R. Santos	July 4, 2014	7 (2016)	7 (2016)	100	9

(e) Corporate Governance Committee (To be constituted)

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

(f) Board Risk Oversight Committee (To be constituted)

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

Member (ID)						
Member						

(g) **Related Party Transactions Committee (To be constituted)**

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

3) Changes in Committee Members

Name of Committee	Name	Reason
Executive	None	N/A
Audit	None	N/A
Nomination	None	N/A
Remuneration	None	N/A
Others (specify)	None	N/A

**G. INTERNAL AUDIT AND CONTROL**

2) Internal Audit

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

Progress Against Plans	Regular on going audit.
<b>Issues<sup>2</sup></b>	The Company has suffered recurring losses which resulted to capital deficiency. The situation was improved by the management with additional conversion of P200,150,000.00 liabilities to Fil-Estate Management, Inc. into equity shares last September 4, 2014.
<b>Findings<sup>3</sup></b>	No disagreements on accounting and financial disclosures with external auditor.

<sup>2</sup> "Issues" are compliance matters that arise from adopting different interpretations.

<sup>3</sup> "Findings" are those with concrete basis under the company's policies and rules.

<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
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## I. DISCLOSURE AND TRANSPARENCY

### 1) Ownership Structure

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

Shareholder	Number of Shares	Percent	Beneficial Owner
<b>Fil-Estate Management, Inc.</b>	<b>1,757,690,198</b>	<b>87.885%</b>	
<b>PCD Nominee Corporation (Filipino)</b>	<b>100,721,633</b>	<b>5.036%</b>	

### 3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
<b>KL Siy &amp; Associates</b>	<b>P168,000.00</b>	<b>P50,000.00</b>

5) Date of release of audited financial report:  
- None

### 7) Disclosure of Related Party Transactions

In 2016, 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, 2016** of transactions that have been entered into with related parties in prior years.

RPT	Relationship	Nature	Value
Fil-Estate Management, Inc.	Parent company	Cash advance to the Company as of Nov. 30, 2016.	P816,557,665.79

MRTH I	Affiliate	Advances in prior years to be applied against Dividends.	P213,740,407.00
MRTH II	Affiliate	Advances in prior years to be applied against Dividends.	P119,728,217.00

## J. RIGHTS OF STOCKHOLDERS

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

#### (d) Stockholders' Participation

- 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 **2016**.

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 **2016**.

- 5) Result of Annual/Special Stockholders' Meeting's Resolutions. None for 2015 since no stockholders' meeting in **2016**.

#### (i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	No annual meeting of shareholders was conducted in <b>2016</b>
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	No annual meeting of shareholders was conducted in <b>2016</b>
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	No annual meeting of shareholders was conducted in <b>2016</b>
State whether CD format or hard	No annual meeting of shareholders

copies were distributed	was conducted in 2016
If yes, indicate whether requesting stockholders were provided hard copies	No annual meeting of shareholders was conducted in 2016

(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 2016.
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 2016.
The auditors to be appointed or re-appointed.	No annual meeting of shareholders was conducted in 2016.
An explanation of the dividend policy, if any dividend is to be declared.	No annual meeting of shareholders was conducted in 2016.
The amount payable for final dividends.	No annual meeting of shareholders was conducted in 2016.
Documents required for proxy vote.	No annual meeting of shareholders was conducted in 2016.

#### L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiative	Beneficiary
Sponsorship of "Kabise @ 90" Fun Golf Tournament @ The Manila Southwoods Golf & Country Club on June 30, 2016	The Manila Southwoods Golf & Country Club

Very truly yours,



**ALICE ODCHIGUE-BONDOC**  
Assistant Corporate Secretary  
& Compliance Officer

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