

COVER SHEET

9 9 9 0 5

S.E.C. Registration Number

P H I L I P P I N E R E A L T Y A N D H O L D I N G S

C O R P O R A T I O N

(Company's Full Name)

A N D R E A N O R T H C O M P L E X 1 B A L E T E

D R I V E C O R N D O M I N G O N E W M A N I L A

Q U E Z O N C I T Y

(Business Address : No. Street Company / Town / Province)

MARK ANTHONY M. RAMOS

Contact Person

Month Day

Month

Day

Annual Corporate Governance Report 2016

FORM TYPE

636-1170

Company Telephone Number

0 6 3 0

Month

Day

Annual Meeting

N/A

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

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 **2016**

2. **PHILIPPINE REALTY AND HOLDINGS CORPORATION**

.....
Exact name of registrant as specified in its charter

3. **ANDREA NORTH COMPLEX, 1 BALETE DRIVE COR. N. DOMINGO ST., NEW MANILA
QUEZON CITY**

Address of Principal Office

Postal Code

4. SEC Identification Number **99905**

5. (SEC Use Only)

Industry Classification Code

6. BIR Tax Identification Number **000-188-233**

7. **(02) 6313179 to 80**

Issuer's Telephone number, including area code

8.
Former name or former address, if changed from the last report

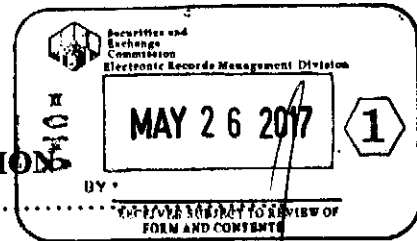


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A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	11
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Actual number of Directors for the year	11
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(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID)	Elected when (Annual /Special Meeting)	No. of years served as director
LANUZA JR., GERARDO ORTIGAS	ED			1981	June 30, 2016	ANNUAL	35
OLBES, ANTONIO ORTIGAS	ED			1987	June 30, 2016	ANNUAL	29
BACANI, AMADOR CARLOS	NED			1998	June 30, 2016	ANNUAL	18
LANUZA, GERARDO DOMENICO ANTONIO VERZOSA	ED			January 2009	June 30, 2016	ANNUAL	7
YANG, GREGORY	NED			August 2009	June 30, 2016	ANNUAL	7
NG, ANDREW	NED			August 2009	June 30, 2016	ANNUAL	7
TAN, LORENZO V.	ID			July 2016	July 13, 2016; 10 months ID	SPECIAL	10 months
ALCID, ANDREW DAVID (resigned July 31, 2016)	ED						
DEL ROSARIO JR., ALFREDO S.	ED			August 01, 2016	August 01, 2016	SPECIAL	9 months
ERESO JR., MARIANO C.	NED			2006	August 1, 2016	ANNUAL	10
RACASA, FIDEL R.	NED			June 30, 2014	June 30, 2016	ANNUAL	2
NUNEZ, RENATO	ID			Aug 18, 2015	June 30, 2016; 4 months as ID	ANNUAL	10 months

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

Corporate governance is a necessary component of what constitutes sound strategic business management.

Pursuant to this policy, the Company recognizes that the most cogent proof of good corporate governance is respect for the rights of all shareholders and other stakeholders, and prompt disclosure of any information that could potentially affect share price. Therefore, the Company binds itself to:

- a. Protect the rights of investors/minority interest;
 - b. Conduct itself with utmost honesty and integrity in the discharge of its duties and responsibilities;
 - c. Insure adherence to corporate principles and best practices;
- (c) How often does the Board review and approve the vision and mission?

As necessary.

(d) Directorship in Other Companies

(i) Directorship in the Company's Group¹

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.
Gerardo O. Lanuza, Jr.	Greenhills Properties, Inc.	ED / President
	Universal Travel Corporation	ED / Chairman
	Xcell Property Ventures, Inc.	ED / Chairman
	Meridian Assurance Corporation	ED / Chairman
Amador C. Bacani	PRHC Property Managers, Inc.	ED / Chairman
	Tektite Insurance Brokers, Inc.	ED / Chairman
	Xcell Property Ventures, Inc.	ED / President
	Universal Travel Corporation	ED / Treasurer
Antonio O. Olbes	Universal Travel Corporation	ED / Vice Chairman
	Greenhills Properties, Inc.	ED / Treasurer
Andrew D. Alcid	Meridian Assurance Corporation	ED / Treasurer
Gerardo Domenico Antonio V. Lanuza	Meridian Assurance Corporation	ED / President
Fidel R. Racasa	PRHC Property Managers, Inc.	ED / Corporate Secretary
	Meridian Assurance Corporation	ED / Corporate Secretary

(ii) 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.
Gerardo Domenico Antonio V. Lanuza	A Brown Co., Inc.	NED

(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
Gerardo O. Lanuza, Jr.	Greenhills Properties, Inc.	President
	Universal Travel Corporation	Chairman
	Campos Lanuza & Co., Inc.	Nominee
	Meridian Assurance Corporation	Chairman
Gerardo Domenico Antonio V. Lanuza	A Brown Co., Inc.	Director
	Meridian Assurance Corporation	President
	Campos Lanuza & Co., Inc.	Vice President / Treasurer

¹ The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

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

The Company has not set a limit in the number of Board seats that an individual director or CEO may hold in other publicly-listed companies as long as their participation therein will not interfere with the proper and efficient discharge of their duties or undermine their loyalty to the Company.

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

(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
Antonio O. Olbes	6,388	500,000	.010%
Amador C. Bacani	229,980		.005%
Gerardo O. Lanuza, Jr.	174,024		.004%
Gregory Yang	100,000		.002%
Gerardo Domenico Antonio V. Lanuza	39,218,366	50,000,000 through Meridian Assurance Corporation	1.813%
Alfredo S. Del Rosario Jr.	35,000		.000%
Mariano C. Ereso, Jr.	10,000		.000%
Andrew Ng	10,000		.000%
Lorenzo V. Tan	10,000		.000%
Renato Nunez	10,000		.000%
Fidel R. Racasa	1		.000%
TOTAL	39,758,759	50,545,000	1.82%

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	Mr. Gerardo O. Lanuza, Jr.
CEO/President	Mr. Alfredo S. Del Rosario Jr.

(b) Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	To manage and provide leadership to the Board of Directors of the Company.	Provide leadership to position the company at the forefront of the industry. Develop a strategic plan to advance the Company's mission and objectives and to promote revenue, profitability and growth as an organization. Oversee the Company's operations to insure production efficiency, quality, service, and cost-effective management of resources.
Accountabilities	He is accountable to the Board and acts as a direct liaison between the Board and the management of the Company, through the President. He acts as the communicator for Board decisions where appropriate.	He is accountable to the Board and acts as general manager of the Company.
Deliverables	<p>To act as a liaison between management and the Board;</p> <p>To provide independent advice and counsel to the CEO;</p> <p>To keep abreast generally of the activities of the Company and its management;</p> <p>To ensure that the Directors are properly informed and that sufficient information is provided to enable the Directors to form appropriate judgments;</p> <p>In concert with the CEO and the Corporate Secretary, to develop and set the agendas for meetings of the Board;</p> <p>To act as Chair at meetings of the Board;</p> <p>To review and sign minutes of Board meetings;</p> <p>To sit on other Committees of the Board where appropriate as determined by the Board;</p> <p>To call special meetings of the Board where appropriate;</p> <p>In concert with the CEO and the Corporate Secretary, to determine the date, time and location of the annual meeting of shareholders and to develop the agenda for the meeting;</p> <p>To act as Chair at meetings of</p>	<p>Develop a strategic plan to advance the Company's mission and objectives and to promote revenue, profitability, and growth as an organization;</p> <p>Approve the Company's operational procedures, policies, and standards;</p> <p>Review activity reports and financial statements to determine progress and status in attaining objectives and revise objectives and plans in accordance with current conditions;</p> <p>Execute all resolutions of the Board of Directors through the President/CEO;</p> <p>Submit to the Board as soon as possible after the close of the fiscal year, and to the shareholders at each annual meeting, a complete report of the operations of the Company for the preceding year, and the state of its affairs, and shall from time to time, report to the Board, all matters within his knowledge which the interests of the Company may require to be brought to its notice;</p> <p>To do and perform such other duties as from time to time may be assigned to him by the Board of Directors</p>

	<p>shareholders;</p> <p>To recommend to the Board, after consultation with the Directors, management and the Nomination Committee, the appointment of members of the Committees of the Board;</p> <p>To assess and make recommendations to the Board annually regarding the effectiveness of the Board as a whole, the Committees of the Board and individual Directors; and</p> <p>To perform such functions and assume such responsibilities as the Board may, from time to time, entrust or designate to him.</p>	
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- 3) Explain how the board of directors plans for the succession of the CEO/Managing Director/President and the top key management positions?

The Board of Directors adheres to the principles of transparency, equal opportunity and good leadership in making decisions on matters affecting the management of the Company. In line with these principles, the Board pre-screens and shortlists all candidates nominated to become a President to make sure that they possess all the qualifications and none of the disqualifications provided for by law, and only after a rigid process of qualification and elimination that the succeeding President is chosen and elected by the Board.

For key management positions other than the CEO, performance management and succession planning system is in place. At the end of each year, performance evaluation is conducted by the immediate superiors upon which recommendations for promotion are based. Internal sourcing is the default method in filling in vacant positions; however, for lack of qualified internal candidates, external sourcing is utilized.

- 4) Other Executive, Non-Executive and Independent Directors

Succession in executive positions (other than the CEO) and non-executive positions are done through election process during the Organizational Meeting of the Board of Directors following the Annual Stockholders' Meeting. All candidates undergo the process of nomination and selection during which each nominee will be asked to state their qualifications for the position and their past services to the Company. If there are two or more nominees for the position, the Chairman of the Meeting will submit the matter for votation until a winning candidate is elected. If there is only one nominee, and there is no objection from the members of the Board, the Chairman of the Meeting will then declare the said nominee as elected.

As to the nomination and election of Independent Directors, the Board follows the Guidelines on the Nomination and Election of Independent Directors as provided in the S.E.C. Memorandum Circular No. 16, Series of 2002.

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

Yes. The Company's Board of Directors is composed of individuals who are engaged in various businesses and undertakings to insure a high standard of best practice for the Company and its stakeholders.

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. Majority of the members of the Company's Board of Directors is either involved in or has experience in the businesses in which the Company is engaged in.

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

	Executive	Non-Executive	Independent Director
Role	Responsible for the successful leadership and management of the organization according to the strategic direction set by the Board of Directors.	Responsible for the successful leadership and management of the organization according to the strategic direction set by the Board of Directors.	Provide inputs to all key-decisions, such as strategies, performance evaluation and risk evaluation, affecting the Company.
Accountabilities	Accountable for the Company's organizational and operational controls.	Accountable for the Company's organizational and operational controls.	Accountable for the minority's representation in the Board.
Deliverables	<p>Participate with the Board of Directors in the formation of vision and strategic plan to guide the organization;</p> <p>Identify, assess, and inform the Board of Directors of internal and external issues that affect the Company;</p> <p>Act as a professional advisor to the Board of Director on all aspects of the Company's activities;</p> <p>In addition to the Chair of the Board, act as a spokesperson for the Company;</p> <p>Conduct official correspondence on behalf of the Board as appropriate and jointly with the Board when appropriate;</p> <p>Develop an operational plan which incorporates goals and objectives that work towards the strategic direction of the Company;</p> <p>Ensure that the operation of the Company meets the expectations of its clients and the Board;</p>	<p>Participate with the Board of Directors in the formation of vision and strategic plan to guide the organization;</p> <p>Identify, assess, and inform the Board of Directors of internal and external issues that affect the Company;</p> <p>Act as a professional advisor to the Board of Director on all aspects of the Company's activities;</p> <p>In addition to the Chair of the Board, act as a spokesperson for the Company;</p> <p>Conduct official correspondence on behalf of the Board as appropriate and jointly with the Board when appropriate;</p> <p>Develop an operational plan which incorporates goals and objectives that work towards the strategic direction of the Company.</p>	<p>Prepare themselves thoroughly for the meeting;</p> <p>Be objective in forming sound decisions relating to the Company and its business;</p> <p>Be open minded, free and frank in expressing their opinions and at the same be willing to engage in meaningful debates;</p> <p>Be committed to decisions made as a Board;</p> <p>Continuously seek information both from within and if required outside professional knowledge to keep abreast with the latest developments in the areas of the Company's operations;</p> <p>Be informed on laws and regulations influencing their functioning as directors;</p> <p>Utilize the expertise they possess to the good advantage of the Company;</p> <p>Act in the larger genuine interest of true growth & development of the Company.</p>

	<p>Oversee the efficient and effective day-to-day operation of the Company;</p> <p>Draft policies for the approval of the Board and prepare procedures to implement the Company policies;</p> <p>Review existing policies on an annual basis and recommend changes to the Board as appropriate;</p> <p>Provide support to the Board by preparing meeting agenda and supporting materials;</p> <p>Oversee the planning, implementation and evaluation of the organization's programs and services;</p> <p>Work with staff and the Board's Committee to prepare a comprehensive budget;</p> <p>Work with the Board to secure adequate funding for the operation of the Company;</p> <p>Approve expenditures within the authority delegated by the Board.</p>		
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Provide the company's definition of "independence" and describe the company's compliance to the definition.

The Company associates "independence" with self-sufficiency, impartiality, disinterestedness and neutrality. To comply with this definition, the Company's By-Laws has been amended to provide the nomination and election of two (2) Independent Directors sitting either as member or Chairman of the various Board committees.

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

The Company adheres to the provisions of S.E.C. Memorandum Circular No. 4, Series of 2017 which limits to nine (9) consecutive years the term of 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
Manuel Orros	Independent Director	07/07/2016	Resignation
Andrew D. Alcid	ED	07/31/2016	Resignation

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

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

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors	Executive Directors are elected annually by the Board of Directors, at its first meeting following the annual stockholders' meeting. They are elected by the majority of the members of the Board. They are subject to the same qualifications and disqualifications applicable to a director and can be removed at any time by the Board of Directors.	General principle of transparency, accountability and fairness.
(ii) Non-Executive Directors	Non-Executive Directors are elected annually by the stockholders during a stockholders meeting. They are subject to the qualifications and disqualifications as provided in the Corporation Code and the Company's Manual on Corporate Governance. They can be removed by the stockholders representing at least 2/3 of the Company's outstanding capital stock in a regular or special meeting of the stockholders duly called for the purpose.	General principle of transparency, accountability and fairness.
(iii) Independent Directors	Independent Directors are nominated and elected in accordance with the Guidelines for the Nomination and Election of Independent Directors (S.E.C. Memorandum Circular No. 16, Series of 2002). They are subject to the qualifications and	As per S.E.C. Memorandum Circular No. 16, Series of 2002

	disqualifications as provided in the Guidelines and can be removed also in accordance with the said Guidelines. Re-election of the Company's Independent Directors is subject to 5 years limitation with 2 years "cooling off" period after 5 years. They cannot serve more than 10 years as Independent Directors of the Company.	
b. Re-appointment		
(i) Executive Directors	The same procedure as in A (i) is observed	General principle of transparency, accountability and fairness.
(ii) Non-Executive Directors	The same procedure as in A (ii) is observed	General principle of transparency, accountability and fairness.
(iii) Independent Directors	The same procedure as in A (iii) is observed	General principle of transparency, accountability and fairness.
c. Permanent Disqualification		
(i) Executive Directors	The Nomination Committee pre-screens and shortlists all candidates nominated to become a member of the Board in the accordance with the qualifications and disqualifications provided for by law, rules and regulations, and the Company's Manual on Corporate Governance.	General principle of transparency, accountability and fairness.
(ii) Non-Executive Directors	The Nomination Committee pre-screens and shortlists all candidates nominated to become a member of the Board in the accordance with the qualifications and disqualifications provided for by law, rules and regulations, and the Company's Manual on Corporate Governance.	General principle of transparency, accountability and fairness.
(iii) Independent Directors	The Nomination Committee pre-screens and shortlists all candidates nominated to become an Independent Director in accordance with the Guidelines for the Nomination and Election of Independent Directors.	General principle of transparency, accountability and fairness.
d. Temporary Disqualification		
(i) Executive Directors	The Nomination Committee pre-screens and shortlists all candidates nominated to become a member of the Board in the accordance with the qualifications and disqualifications provided for	General principle of transparency, accountability and fairness

	by law, rules and regulations, and the Company's Manual on Corporate Governance. A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.	
(ii) Non-Executive Directors	The Nomination Committee pre-screens and shortlists all candidates nominated to become a member of the Board in the accordance with the qualifications and disqualifications provided for by law, rules and regulations, and the Company's Manual on Corporate Governance. A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.	General principle of transparency, accountability and fairness
(iii) Independent Directors	The Nomination Committee pre-screens and shortlists all candidates nominated to become an Independent Director in accordance with the Guidelines for the Nomination and Election of Independent Directors. A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.	General principle of transparency, accountability and fairness
e. Removal		
(i) Executive Directors	Any director of the Company may be removed from office by a vote of the stockholders holding or representing at least two-thirds (2/3) of the outstanding capital stock. The removal shall take place either at a regular meeting of the Company or at a special meeting called for the purpose,	General principle of transparency, accountability and fairness

	<p>and in either case, after previous notice to stockholders of the Company of the intention to propose such removal at the meeting. A special meeting of the stockholders of the Company for the purpose of removal of any director 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 majority of the outstanding capital stock. 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 by any stockholder of the Company 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 as prescribed in the Corporation Code. The vacancy resulting from such removal may be filled by election at the same meeting without further notice, or at any regular or at any special meeting called for the purpose, after giving notice as prescribed by the Corporation Code. Removal may be with or without cause: Provided, That removal without cause may not be used to deprive minority stockholders or members of the right of representation to which they may be entitled under Section 24 of the Corporation Code. (Section 28, Corporation Code of the Philippines).</p>	
(ii) Non-Executive Directors	The same procedure as in the removal of Executive Director is observed.	General principle of transparency, accountability and fairness
(iii) Independent Directors	The same procedure as in the removal of Executive Director is observed.	General principle of transparency, accountability and fairness

f. Re-instatement		
(i) Executive Directors	The same procedure as in the election/appointment of an Executive Director is observed.	General principle of transparency, accountability and fairness
(ii) Non-Executive Directors	The same procedure is observed as in the election/appointment of Non-Executive Director.	General principle of transparency, accountability and fairness
(iii) Independent Directors	The same procedure as in the election/appointment of an Independent Director is observed.	General principle of transparency, accountability and fairness
g. Suspension		
(i) Executive Directors	<p>A recommendation to suspend a Director must be presented to the Board through the Chairman of the Board by a notice supported by a minimum of three (3) voting members of the Board.</p> <p>The Board of Directors will review the information and, if deemed necessary, shall conduct an investigation to determine the merits of the allegations.</p> <p>If the Board of Directors finds that there is sufficient evidence to support a recommendation to suspend, the Corporate Secretary shall notify the subject member(s).</p> <p>Notification shall be made in accordance with the Company By-Laws, at least thirty (30) days prior to the vote.</p> <p>The Board of Directors shall hold a vote, by confidential ballot, to confirm the suspension of the member.</p> <p>A simple majority is required for the suspension to come into effect.</p> <p>The terms of the suspension shall remain in effect until lifted by the Board of Directors.</p>	General principle of transparency, accountability and fairness
(ii) Non-Executive Directors	The same procedure as in the suspension of Executive Director is observed.	General principle of transparency, accountability and fairness
(iii) Independent Directors	The same procedure as in the suspension of Executive Director is observed.	General principle of transparency, accountability and fairness

(c) Voting Result of the last Annual General Meeting

Name of Director	Votes Received
Gerardo O. Lanuza Jr.	3,488,867,131
Antonio O. Olbes	3,488,867,131
Amador C. Bacani	3,488,867,131
Gregory Yang	3,488,867,131
Mariano C. Ereso	3,488,867,131
Gerardo Domenico Antonio V. Lanuza	3,488,867,131
Andrew Ng	3,488,867,131
Andrew David Alcid	3,488,867,131
Fidel R. Racasa	3,488,867,131
Renato G. Nunez	3,488,867,131
Manuel Orros	3,488,867,131

6) Orientation and Education Program

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

New directors are given an orientation program to familiarize themselves with the Company's businesses and operations as well as their responsibilities and duties as directors. As part of the continuing education process for directors, the Company's officers prepare and present programs concerning the Company's strategies, initiatives and business plans; arrange for presentations by outside parties concerning industry issues and general business and regulatory matters; and conduct on-site meetings with Company personnel. Directors are encouraged to attend, at the Company's expense, appropriate third-party programs relating to their continuing education especially on SEC and/or PSE-required seminars/workshops.

(b) State any in-house training and external courses attended by Directors and Senior Management² for the past three (3) years:

All the members of the Board of Directors, executive and non-executive, including the Corporate Secretary, had attended the required Corporate Governance updates and Economic Briefing Seminar as part of the Company's continuing education program for its directors and officers.

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

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Gerardo O. Lanuza, Jr.	September 20, 2016	Corporate Governance for Old Directors/ Officers	Center for Best Global Practices
Antonio Olbes	September 20, 2016	Corporate Governance for Old Directors/ Officers	Center for Best Global Practices
Amador Bacani	September 20, 2016	Corporate Governance for Old Directors/ Officers	Center for Best Global Practices
Andrew Ng	September 20, 2016	Corporate Governance for Old Directors/ Officers	Center for Best Global Practices
Mariano Ereso	September 20, 2016	Corporate Governance for Old Directors/ Officers	Center for Best Global Practices
Gregory Yang	September 20, 2016	Corporate Governance for Old Directors/ Officers	Center for Best Global Practices
Alfredo S. Del Rosario Jr.	September 20, 2016	Corporate Governance for Old Directors/ Officers	Center for Best Global Practices

² Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

Gerardo Domenico Antonio Lanuza	September 20, 2016	Corporate Governance for Old Directors/ Officers	Center for Best Gobal Practices
Rex Bonifacio (Corp. Sec.)	September 20, 2016	Corporate Governance for Old Directors/ Officers	Center for Best Gobal Practices
Renato Nunez	September 20, 2016	Corporate Governance for Old Directors/ Officers	Center for Best Gobal Practices

B. CODE OF BUSINESS CONDUCT & ETHICS

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

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	<p>The Company prohibits conflict of interest, whether such interest is personal, social financial or political, as long as it interferes with the interest of the Company as a whole.</p> <p>Directors, officers and employees should avoid any direct or indirect business connection with the Company's customers, suppliers or competitors, except on the Company's behalf. They are expected to avoid activities that might interfere with the proper and efficient discharge of their duties or which might be inconsistent with their obligations of loyalty to the Company.</p>	The same policy is observed.	The same policy is observed.
(b) Conduct of Business and Fair Dealings	<p>Directors, officers and employees should endeavor to deal fairly with the Company's customers, suppliers and competitors. They should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice. They should never pay or receive kickbacks for obtaining business for or from the Company.</p>	The same policy is observed.	The same policy is observed.

<p>(c) Receipt of gifts from third parties</p>	<p>The Company prohibits paying or receiving money, gifts, services, loans or other favors that may influence business decisions or compromise independent judgment. No gift or entertainment should ever be offered, given, provided or accepted by any director, officer or employee unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff and (5) does not violate any laws or regulations.</p>	<p>The same policy is observed.</p>	<p>The same policy is observed.</p>
<p>(d) Compliance with Laws & Regulations</p>	<p>Compliance with laws, rules and regulations both in letter and in spirit is the foundation upon which the Company's ethical standards are built. While directors, officers and employees of the Company are not expected to know every law that is applicable to the Company, it is important that they ask questions and seek advice from supervisors, managers, lawyers or other appropriate personnel if they have any doubt regarding the legality of an action taken, or not taken, on behalf of the Company.</p>	<p>The same policy is observed.</p>	<p>The same policy is observed.</p>
<p>(e) Respect for Trade Secrets/Use of Non-public Information</p>	<p>Directors, officers and employees of the Company are required to maintain the confidentiality of information entrusted to them by the Company or its customers, except when disclosure is authorized or legally mandated.</p>	<p>The same policy is observed.</p>	<p>The same policy is observed.</p>
<p>(f) Use of Company Funds, Assets and Information</p>	<p>Directors, officers and employees should protect the Company's assets (which include</p>	<p>The same policy is observed.</p>	<p>The same policy is observed.</p>

	<p>Company funds, property and time) and ensure their efficient use. All Company assets should be used for legitimate business purposes. Company assets and equipment should only be used for Company business, although incidental personal use of assets may be permitted in some circumstances and with prior approval from the management.</p>		
(g) Employment & Labor Laws & Policies	<p>Compliance with labor laws and policies is the Company's paramount goal to preserve good working relationship with its directors, officers and employees. The Company undertakes to observe and enforce within its organization labor standard, welfare and labor relations laws.</p>	The same policy is observed.	The same policy is observed.
(h) Disciplinary action	<p>The Company will not condone any type of harassment, abuse or punishment, whether corporal, mental or physical, of a director, officer or employee by another director, officer or employee or any partner, customer, business associate or supplier of the Company.</p>	The same policy is observed.	The same policy is observed.
(i) Whistle Blower	<p>The Company promotes ethical behaviour. Directors, officers and employees are encouraged and obligated to report violations of laws, rules, regulations, or the Company's Manual on Corporate Governance.</p>	The same policy is observed.	The same policy is observed.
(j) Conflict Resolution	<p>The Company believes that conflicts and disputes can be resolved not only by court litigation but also through mediation and voluntary compromise. Towards this end, the</p>	The same policy is observed.	The same policy is observed.

	<p>Company shall see to it that all conflicts or disputes with shareholders, customers, suppliers and other third parties are submitted at the first instance to all available methods of conflict or dispute resolution before resorting to court litigation.</p>		
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- 2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees?
Yes.
- 3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.

The Good Governance and Audit Committee, Internal Audit Department and HR Department put in place monitoring systems and conduct periodic assessment to ensure that the company's Code of Conduct is diligently observed corporate-wide. Sanctions are meted out depending on the gravity of offense.

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	The company exercises arms-length transactions with all its related entities and individuals to safe-guard its business interests and promote professional ethics.
(2) Joint Ventures	Same as above
(3) Subsidiaries	Same as above
(4) Entities Under Common Control	Same as above
(5) Substantial Stockholders	Same as above
(6) Officers including spouse/children/siblings/parents	Same as above
(7) Directors including spouse/children/siblings/parents	Same as above
(8) Interlocking director relationship of Board of Directors	Same as above

(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	None
Name of Officer/s	None
Name of Significant Shareholders	None

(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	The concerned director/officer/stockholder is advised to inhibit from the transaction
Group	The same as above

5) Family, Commercial and Contractual Relations

(a) Indicate, if applicable, any relation of a family,³ commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
none		

³ Family relationship up to the fourth civil degree either by consanguinity or affinity.

- (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
Greenhills Properties, Inc.	Principal Shareholder	Owns 35.67% shares of stocks
	Customer/Buyer	Buyer of condominium units in Icon Plaza Project
Campos Lanuza & Co., Inc.	Related Party	With common shareholder and director
A Brown Co., Inc.	Related Party	Affiliate with common director

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

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
None		

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	Mediation/Voluntary Compromise
Corporation & Third Parties	Mediation/Voluntary Compromise
Corporation & Regulatory Authorities	Mediation/Voluntary Compromise

C. BOARD MEETINGS & ATTENDANCE

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

The Company's Board of Directors' meetings are scheduled every month to give the members of the Board the flexibility to manage their affairs.

- 2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Gerardo O. Lanuza Jr.	June 30, 2016	15	15	100
Member	Antonio O. Olbes	June 30, 2016	15	12	80
Member	Amador C. Bacani	June 30, 2016	15	15	100
Member	Gregory Yang	June 30, 2016	15	10	67
Member	Mariano C. Ereso	June 30, 2016	15	14	93
Member	Gerardo Domenico Antonio V. Lanuza	June 30, 2016	15	14	93
Member	Andrew Ng	June 30, 2016	15	13	87
Member	Andrew David Alcid ⁴	June 30, 2016	15	8	53
Member	Fidel R. Racasa	June 30, 2016	15	13	87
Member	Alfredo S. Del Rosario	August 1, 2016	15	5	33
Independent	Manuel Orros ⁵	June 30, 2016	15	5	33

⁴ Resigned July 31, 2016

Independent	Renato Nunez	June 30, 2016	15	10	67
Independent	Lorenzo V. Tan	July 13, 2016	15	5	33

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.

The minimum quorum requirement for Board decisions is set at majority, except those transactions which under the law requires two-third (2/3) votes of the Board.

5) Access to Information

(a) How many days in advance are board papers⁶ for board of directors meetings provided to the board?

The members of the board are furnished with Board papers one (1) day before the scheduled meeting unless a member requested for it in advance.

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

Yes.

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

The Corporate Secretary is the keeper of the official records and minutes of the meetings of the Board of Directors of the Company. His duties and responsibilities include the following:

- a. Safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its committees, as well as the other official records of the Company.
- b. Inform the members of the Board, in accordance with the by-laws, of the agenda of their meetings and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval.
- c. Attend all Board meetings, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent him from doing so.
- d. Ensure that all Board procedures, rules and regulations are strictly followed by the members.
- e. Perform all other duties as required by law.

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

Yes.

(e) Committee Procedures

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

Yes /

No

⁵ Resigned July 7, 2016

⁶ 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.

Committee	Details of the procedures
Executive	The requesting director submits a written request to the CEO/President
Audit	The requesting director submits a written request to the committee Chairman
Nomination	The requesting director submits a written request to the committee Chairman
Remuneration	The requesting director submits a written request to the committee Chairman
Others (specify)	

6) External Advice

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

There is no existing procedure which the Board Members are required to observe before getting external advice. However, it is the policy of the Board to seek advice from the Company's lawyers and consultants on difficult questions of law and procedures before making a decision on all matters affecting the Company.

Procedures	Details

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:

There have been no major changes in the Company's existing policies introduced by the Board during its most recent term.

Existing Policies	Changes	Reason

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	Performance evaluation for the past year and industry salary survey are conducted	Performance evaluation for the past year and industry salary survey are conducted
(2) Variable remuneration	none	none
(3) Per diem allowance	Based on level of company's operating activity and financial capacity	none
(4) Bonus	Based on approved profit-sharing policy	Based on approved profit-sharing policy

(5) Stock Options and other financial instruments	NA	NA
(6) Others (specify)	NA	NA

2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	Per diem and salary	Salary	Based on company's financial performance and industry standard
Non-Executive Directors	Per diem only as director	None	NA

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
Per diem	June 30, 2016
Per diem	June 30, 2015
Per diem	June 30, 2014

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	18,438,772	0	0
(b) Variable Remuneration	0	0	0
(c) Per diem Allowance	246,000	360,000	300,000
(d) Bonuses		0	0
(e) Stock Options and/or other financial instruments	0	0	0
(f) Others (Specify)	0	0	0
Total	18,684,772	360,000	300,000

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	0	0	0
2) Credit granted	0	0	0
3) Pension Plan/s Contributions	0	0	0
(d) Pension Plans, Obligations incurred		0	0
(e) Life Insurance Premium		0	0
(f) Hospitalization Plan		0	0
(g) Car Plan		0	0
(h) Others (Specify)	0	0	0
Total		0	0

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
NA				

(b) Amendments of Incentive Programs

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

Incentive Program	Amendments	Date of Stockholders' Approval
none		

5) Remuneration of Management

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

Name of Officer/Position	Total Remuneration
Jose Ramon Olives - VP Marketing & Compliance Officer	P9,804,287.74
Vincent Fischer - Chief Finance Officer	
Erwin V. Ciar - Vice President/Head of Project and Construction Management	
Adeline Susan Cabas Carag – VP/ Head of Property Management Services	
Edward Encarnacion – VP/Shared Services	

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	3	2	0				
Audit	0	2	1	YES	<p>The functions of Audit Committee are the following:</p> <ul style="list-style-type: none"> ➤ Increase the integrity and efficiency of the internal control process as well the financial reporting of the company ➤ Reviews policies regarding risk assessment and risk management <p>Ensures effective implementation of Good Governance within the Organization</p>	<p>The audit committee has oversight responsibilities over the following areas:</p> <ul style="list-style-type: none"> ➤ Financial reporting ➤ Risk Management and Internal Controls ➤ Internal audit ➤ External Audit 	
Nomination	0	2	1				
Remuneration	0	2	1				

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 (ED)	Gerardo O. Lanuza, Jr.	07/19/2011	2	2	100	5 years
Member (ED)	Alfredo S. Del Rosario Jr.	08/01/2016	2	0	0	4 months
	Gerardo Domenico Antonio V. Lanuza	07/19/2011	2	2	100	5 years
Member (NED)	Mariano C. Ereso, Jr.	10/07/2014	2	2	100	2 year
	Amador C. Bacani	07/19/2011	2	2	100	5 years

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Renato C. Nunez	11/17/2015				1 year
Member (NED)	Amador C. Bacani	10/07/2014				2 years
	Mariano C. Ereso, Jr.	07/19/2011				5 years

Disclose the profile or qualifications of the Audit Committee members.

Each member must be financially literate and must have accounting or related financial management knowledge. At least one (1) member of the committee shall have the following attributes as determined by the Board:

- i. An understanding of Philippine Financial Reporting Standards (“PFRS”);
- ii. Ability to assess the general application of such principles in connection with the accounting for estimates and accruals;
- iii. An understanding of basic internal controls;
- iv. Knowledge in auditing and reviewing or analyzing financial statements of the Company; and
- v. An understanding of Audit committee functions.

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

To carry out its purposes, the Committee shall have the following responsibilities:

OVERSIGHT ON EXTERNAL AUDIT

- a. Endorse to the BOD the appointment of external auditor and their remuneration.
- b. Review the proposed audit scope and approaches of the external auditor and its coordination with internal audit, revise as necessary for approval of the BOD.
- c. Review the performance of the external auditor and endorse its re-appointment or discharge.
- d. Review reports of external auditor and regulatory agencies and ensure that management is taking timely corrective actions.
- e. Meet with external auditors regarding matters that need to be discussed privately.
- f. Review and evaluate the qualifications, performance and independence of the External Auditor and its lead audit partner primarily responsible for the audit of the Company’s financial accounts.
- g. Ensure that the External Auditor or its lead audit partner primarily responsible for the audit or review of the Company’s financial accounts is rotated at least once every five (5) years or such shorter or longer period provided under the SEC Good Governance Guidelines or other applicable laws and regulations.

- h. Review and approve in consultation with the Internal Audit Head and the head of the finance organization, non-audit services to be performed by the External Auditor and all fees to be paid to the External Auditor for such services; and ensure that non-audit services, if allowed or approved, are disclosed in the Company's annual report.
- i. The Committee shall ensure Management competence regarding financial reporting responsibilities including aggressiveness and reasonableness of decisions.
- j. Ensure completeness and timeliness of Communication with external auditor as to critical policies, alternative treatments, observations on internal controls, audit adjustments, independence, limitations on the audit work set by the management, and other material issues that has effect the on audit and financial reporting.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (NED)	Andrew Ng	10/07/2014				2 years
Member (NED)	Mariano C. Ereso	10/07/2014				2 years
Member (ID)	Lorenzo V. Tan	07/13/2016				5 months

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (NED)	Andrew C. Ng	10/07/2014				2 years
Member (NED)	Mariano C. Ereso	10/07/2014				2 years
Member (ID)	Lorenzo V. Tan	07/13/2016				5 months

(e) Others

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

Procurement Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (NED)	Andrew C. Ng	10/07/2014				2 years
Member (ED)	Gerardo O. Lanuza, Jr.	10/07/2014				2 years
	Gerardo Domenico Antonio V. Lanuza	10/07/2014				2 years
Member (NED)	Amador C. Bacani	10/07/2014				2 years
	Mariano C. Ereso	10/07/2014				2 years

Retirement Plan Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ED)	Antonio O. Olbes	10/07/2014	1	1	100	2 years
Member (ED)	Alfredo S. Del Rosario Jr.	08/01/2016	1		100	4 months
	Gerardo Domenico Antonio V. Lanuza	10/07/2014	1	1	100	2 years
Member	Vincent Fischer	10/07/2014	1	1	100	2 years

Project Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ED)	Alfredo S. Del Rosario Jr.	08/01/2016	49	19	100	4 months
Member (ED)	Gerardo Domenico Antonio V. Lanuza	10/07/2014	49	15	67	2 years
Member	Vincent Fischer	10/07/2014	49	48	100	2 years
	Erwin Ciar	10/07/2014	49	49	100	2 years

Management Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ED)	Alfredo S. Del Rosario Jr.	08/01/2016	48	19	100	4 months
Member (ED)	Gerardo Domenico Antonio V. Lanuza	10/07/2014	48	32	67	2 years
Member	Vincent Fischer	10/07/2014	48	48	100	2 years
	Erwin Ciar	10/07/2014	48	48	100	2 years
	Jose Ramon D. Olives	10/07/2014	48	48	100	2 years
	Marissa Bontogon	10/07/2014	48	48	100	2 years
	Edward Ross M. Encarnacion	10/07/2014	48	48	100	2 years
	Adeline Susan Carag	11/24/2016	48	4	8.33	1.5 months

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	Andrew D. Alcid	Replaced by Alfredo S. Del Rosario Jr. because of resignation
Audit		
Nomination	Manuel Orros	Replaced by Lorenzo V. Tan because of resignation
Remuneration	Manuel Orros	Replaced by Lorenzo V. Tan Jr. because of resignation
Retirement	Andrew D. Alcid	Replaced by Alfredo S. Del Rosario Jr. because of resignation
Project	Andrew D. Alcid	Replaced by Alfredo S. Del Rosario Jr. because of resignation
Management	Andrew D. Alcid	Replaced by Alfredo S. Del Rosario Jr. because of resignation

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	New project launched	Operational continuity; financial
	Amended Retirement Plan	a) Provides for Optional Retirement Benefit in lieu of the Resignation Benefit; and b) Provides for Retirement Benefit Schedule in lieu of the Level Retirement Benefit format.
Audit		
Nomination		
Remuneration		
Others (Procurement Committee)		
Others (Retirement Plan Committee)		
Others (Project Committee)		
Others (Management Committee)		

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		
Audit	Audit Committee seminar (c/o SEC)	Continuing education
Nomination		
Remuneration		
Others (Procurement Committee)		
Others (Retirement Plan Committee)		
Others (Project Committee)		
Others (Management Committee)		

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

- (a) Overall risk management philosophy of the company.

Risk management is an essential component of effective corporate governance and an integral part of a sound management practice. The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company.

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

The Audit Committee's roles and responsibilities are defined in the Audit Committee Charter approved by the Board of Directors. The Committee assists the BOD in fulfilling its oversight responsibility to the shareholders particularly on the quality and integrity of the risk management process.

The Committee has reviewed the effectiveness and adequacy of the Company's risk management system, including any updates on its procedures and processes. The Committee reports to the BOD during its meetings.

- (c) Period covered by the review;

For the year ended December 31, 2016.

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

At least annually.

The BOD monitors the effectiveness of risk management and receives regular updates on any potential risks (operational, financial and etc.) facing the Company.

The Company's assessment on the effectiveness of its risk management system is based on the results, where there is an appropriate risk culture and capability, decisions (at all levels) are based on an understanding and consideration of risks, complete information on a timely basis on organization's residual risk status and reporting and communication.

The Company's risk management processes should:

1. Provide reasonable level of assurance that risks are identified (timely basis);
2. Fairly assessed; and
3. Appropriate actions are taken.

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

Not applicable.

2) Risk Policy

- (a) Company

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

Risk Exposure	Risk Management Policy	Objective
Operational Risk	<ul style="list-style-type: none"> > Construction Safety policy > Three supplier/contractor quotation policy 	<ul style="list-style-type: none"> > The objective of Health, Safety and Environmental policy is for oversight and implementations of all aspects of the company's health and safety programs and policies of the company to ensure zero casualties during construction. > Three supplier/contractor quotation policy will help the company's achieve transparency and will avoid fraudulent activities regarding awarding of contracts to

		each supplier and contractor.
Financial Risk a. Foreign Exchange Rate Risk	The Company has a policy not to incur liabilities in foreign currency. Construction and supply contracts, which have import components, are normally denominated in Philippine peso.	To avoid significant effect in the Company's financial position brought about by fluctuation in the exchange rates.
b. Interest Rate Risk	Cash and cash equivalents are short-term in nature and at the current interest rate level.	To avoid material impact on the profit or loss of the Company due to variation in interest rate.
c. Credit Risk	The Company ensures that sales are made to customers with appropriate credit history.	To avoid long outstanding receivable.

(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
Financial Risk a. Foreign Exchange Rate Risk	The Company has a policy not to incur liabilities in foreign currency. Construction and supply contracts, which have import components, are normally denominated in Philippine peso.	To avoid significant effect in the Company's financial position brought about by fluctuation in the exchange rates.
b. Interest Rate Risk	Cash and cash equivalents are short-term in nature and at the current interest rate level.	To avoid material impact on the profit or loss of the Company due to variation in interest rate.
c. Credit Risk	The Company ensures that sales are made to customers with appropriate credit history.	To avoid long outstanding receivable.

(c) Minority Shareholders

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

Risk to Minority Shareholders
The Company strictly monitors the Policy Related Party Transactions to avoid abuse.

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)
Operational Risk	Conduct of periodic audit. The risk is measure in terms of impact to the Company and likelihood to happen in the near future.	<ul style="list-style-type: none"> ➤ Implementing three supplier/contractor quotation policy before awarding of a particular project and contract. ➤ Reviewing the safety requirements of the construction area. ➤ Thorough and careful review of the status of the project on a weekly basis.

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(b) Group

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

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
> Failure of people, process and technology	Conduct of periodic audit. The risk is measure in terms of impact to the Company and likelihood to happen in the near future.	>The group has established business specific guidelines for their employees. >The group has also got comprehensive insurance program to provide protection against potential losses.

(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	>Audit Charter >Audit plan	> Increase the integrity and efficiency of the internal control process as well the financial reporting of the company > Reviews policies regarding risk assessment and risk management. > Ensures effective implementation of Good Governance within the Organization.
Project Committee	>Planning >Weekly status update	> Review and compare the construction project status against the construction plan. > Monitor and make recommendations regarding construction schedules. > Track project budgets, monitor expenditures, and make recommendations for budget modifications and contingency expenditures.

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;

Philippine Realty and Holdings Corporation is committed to establish and maintain a system of Internal Control for the efficient and effective management of its resources, operations, reliability of financial reporting and compliance with applicable laws and regulations. And also, improve the overall effectiveness of risk management, control and processes.

General objective of Internal Control system are to ensure that:

- Effectiveness and efficiency of business operations;
- Safeguarding of assets;
- To prevent and detect fraud;
- Compliance with policies, plans, procedures, laws, regulations and contracts;
- Completeness and accuracy of accounting records and
- Reliability, integrity and timeliness in the preparation of financial and operational information.

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

The Audit Committee reviewed and found adequate the effectiveness of the system of internal control being implemented by the Corporation.

- (c) Period covered by the review;

From January 1, 2015 to December 31, 2015

- (d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and
Where no review was conducted during the year, an explanation why not.

Annually. The director's criteria for assessing the effectiveness of the internal control system is whether the internal control fulfilled its function as stated in the general objectives of internal control (please refer to a).

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
<ul style="list-style-type: none"> ➤ Evaluating the reliability and integrity of significant financial, managerial, and operating information and the means used to identify measure, classify, and report such information is accurate, reliable and timely. ➤ Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on 		In House internal Auditor	Dexter D. Tablada	<p>Functionally – Audit Committee</p> <p>Administratively - President</p>

<p>the organization.</p> <ul style="list-style-type: none"> ➤ Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets. ➤ Evaluating the effectiveness and efficiency with which resources are employed. ➤ Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned. ➤ Monitoring and evaluating governance processes which includes reviewing the quality and continuous improvement program fostered in the organization's control process and interacting with related groups as needed. ➤ Monitoring and evaluating the effectiveness of the organization's risk management processes. ➤ Evaluating the quality of performance of external auditors and the degree of coordination with internal audit. ➤ Performing other non-assurance services related to governance, risk management and control as appropriate for the organization. ➤ Reporting periodically on the internal audit activity's purpose, authority, responsibility, and performance relative to 				
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<p>its plan.</p> <ul style="list-style-type: none"> ➤ Reporting significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the Board. ➤ Monitoring all significant legislative and/or regulatory issues, impacting the organization, are properly recognized and addressed. ➤ Evaluating specific operations at the request of the Board, Audit Committee or Management, as appropriate. ➤ Recommend measures and solutions to findings reported to Audit Committee, Management and Board 				
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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.

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

The Internal Auditor will confirm to the Audit Committee, at least annually, the organizational independence of the internal audit activity.

The Internal Auditor, with strict accountability for confidentiality and safeguarding of records and information, is authorized to:

1. At the appropriate level, have full, free, and unrestricted access to any and all functions, records, physical property, and personnel as necessary and related to the internal audit activity. All employees are requested to assist the internal audit activity in fulfilling its roles and responsibilities.
2. Have full, free and unrestricted access to the Audit Committee.
3. Allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives.
4. Obtain the necessary assistance of personnel in units of the organization where they perform audits, as well as other specialized services from within or outside the organization.

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

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

Progress Against Plans	Completed the 2016 Annual Audit Plan
Issues⁷	N/A
Findings⁸	As contained in the issued Audit Reports in 2016
Examination Trends	No material findings noted; generally adequate and effective internal control.

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

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

(f) Audit Control Policies and Procedures

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

Policies & Procedures	Implementation
Three bids/quotations for suppliers and contractors	Implemented
Contracts bid out to at least three (3) qualified contractors and suppliers	Implemented
Bids are opened in the presence of the Bidding Committee	Implemented
Complete supporting documents before processing of bills and payments made to contractors and suppliers	Implemented
All vouchers together with the supporting docs. Are stamped paid	Implemented
Maintenance of books of accounts	Implemented
All contracts and checks are signed by two signatories one Executive Director and one Executive Officer	Implemented

(g) Mechanisms and Safeguards

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

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
External and internal	NA	NA	NA

⁷“Issues” are compliance matters that arise from adopting different interpretations.

⁸“Findings” are those with concrete basis under the company’s policies and rules.

auditors report directly to the Audit Committee			

(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.

Chairman of the Board, Mr. Gerardo O. Lanuza, Jr. , and the President, Mr. Alfredo S. Del Rosario Jr.

H. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' welfare	The Company is committed to dealing with its customers fairly and justly.	Customers are given a fair price for their investment. The Company coordinates with government agencies in the protection of customer's rights through compliance with regulatory laws and customer rights awareness.
Supplier/contractor selection practice	The Company is committed to conducting its business with its supplier/contractor in accordance with the standards of fairness and equal opportunity for all.	The Company selects a contractor or supplier of materials through competitive bidding wherein at least three (3) bids/quotes are considered before a project or portion thereof is awarded.
Environmentally friendly value-chain	The Company is committed to conducting its business in compliance with all applicable environmental laws and regulations in a manner that has the highest regard for the environment and safety and well-being of its customers, employees and the general public.	The Company selects a contractor or supplier who uses or adopts environment friendly designs and materials.
Community interaction	The Company is committed in helping less fortunate but deserving youth leaders to fulfill their dreams to become useful to the society.	The Company has implemented a scholarship program and is currently subsidizing the education of two (2) deserving college students enrolled in University of the Philippines and College of Saint Benilde.
Anti-corruption programs and procedures?	Corruption is, in any form, an evil which seriously affects the political, economic, and social life of a nation, and therefore must be stopped. Towards this end, the Company is committed in setting up corruption prevention programs within its organization, such as conducting a competitive bidding before a project or portion thereof is awarded to a contractor or supplier. Early detection and preventive mechanisms are also functioning to help the Company detect any unusual disbursements or highly suspicious transactions.	The Company conducts periodic meetings with its contractors and suppliers to find out whether they are compliant with laws and good business practices. The Company also conducts site inspection to measure its contractors and supplier's level of compliance with existing laws on health and safety.

Safeguarding creditors' rights	The Company considers its creditors as partners for growth and success. Towards this end, the Company is committed in protecting its creditors' rights and interests in all its business dealings and transactions.	The Company has engaged the services of an Internal Auditor to see it that there is check and balance in the management of the Company funds.
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2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?

None

3) Performance-enhancing mechanisms for employee participation.

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

The Company has the following supplemental benefits for its employees (a) Healthcare; (b) Group Life Insurance and (c) Retirement Fund.

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

*The Company has spent P2,418,673 for healthcare and Group Life Insurance

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

Seminar	Amount Spent
Updates on Corporate Governance and Economic Briefings	56,650
Total	56,650

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

The Company By-Laws has provided Profit Sharing equivalent to 5% of net income before tax.

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.

a. Employees who become aware of any wrongdoing or suspected wrongdoing, either financial or non-financial, are encouraged to report such matters as described below. An act of wrongdoing or suspected wrongdoing may relate to (i) financial matters such as auditing, accounting, or internal control issues, or (ii) non-financial matters such as a violation of Employees Code of Ethics or violation of law.

b. Any act of wrongdoing or suspected wrongdoing should be reported in the following manner:
i. Employees are encouraged to discuss any concerns first with their immediate superiors.
ii. Alternatively, employees may contact the Company's Compliance Officer or the Chairman of the Audit Committee or the President or the Chairman of the Company's Board of Directors.

c. For each reported instance of financial or non-financial wrongdoing, an inquiry or investigation will be undertaken. The officer in charge of the investigation will determine the appropriate scope, procedures, and resources for any inquiry or investigation based on the facts and circumstances of a reported matter. A confidential file for each report or complaint will be maintained in accordance with the Company's records retention policy. Results of all investigations will be reviewed on a quarterly basis.

d. The Company shall not take adverse employment action against an employee in retaliation for:
i. Any reports of actual or suspected financial or non-financial wrongdoing made in good faith;
ii. Providing information or causing information to be provided, directly or indirectly, in an investigation conducted by the Company or any local regulatory agency or authority;
iii. Reports concerning the violation of any applicable law, rules or regulations, including those governing safety, health, discrimination, and harassment.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
PCD Nominee Corporation	2,086,197,202	42.38%	"R"
Greenhills Properties, Inc.	1,755,779,066	35.67%	"B"
A Brown Company, Inc.	278,505,248	5.66%	"B"
Campos, Lanuza & Co., Inc.	275,346,201	5.59%	"R" / "B"

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
None			
TOTAL			

2) Does the Annual Report disclose the following:

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	No
Dividend policy	Yes
Details of whistle-blowing policy	No; not required for disclosure
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 program attended by each director/commissioner	No, not required for disclosure
Number of board of directors/commissioner meetings held during the year	No, with separate disclosure with SEC
Attendance details of each director/commissioner in respect of meetings held	No, with separate disclosure with SEC
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
Maceda Valencia & Co.	920,000	

4) Medium of Communication

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

- a) Corporate website
- b) Memoranda
- c) Internal/external emails
- d) meetings

5) Date of release of audited financial report: May 09, 2017

6) Company Website

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

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

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

7) Disclosure of RPT

RPT	Relationship	Nature	Value
Greenhills Properties, Inc (GPI)	Ultimate Parent	Sale of real estate inventories	191,662,500
PRHC Property Managers, inc.	Subsidiary	Management fee	265,716

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

The company exercises impartiality and treats transactions at arms-length to protect the interests of the company and its stakeholders.

J. RIGHTS OF STOCKHOLDERS

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

(a) Quorum

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

Quorum Required	Majority of the voting stock of the Company
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(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	<p>At the Board of Directors' level, corporate acts are approved by a vote of majority of the Members of the Board.</p> <p>At the Annual Stockholders' Meeting, corporate acts already approved by the Board of Directors are submitted to the shareholders for ratification and confirmation. Except in cases requiring more than majority votes of the shareholders, a majority of the voting stock of the Company is enough to ratify and confirm a resolution approved by the Board.</p>
Description	Approval, ratification and confirmation of corporate acts are made through a resolution duly made, seconded, and carried, after full discussion and debate by the Members of the Board and/or shareholders.

(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
NA	NA

Dividends

Declaration Date	Record Date	Payment Date
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.

In every Annual Stockholders' Meeting, the stockholders are always welcome to ask questions in every stages of the meeting to ensure their participation in all matters affecting the Company. All questions are addressed directly to the Chairman or the President who answers them to the satisfaction of the stockholder.

Measures Adopted	Communication Procedure

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

It is the policy of the Company to submit to the stockholders for their approval any proposal to: (a) amend its Articles of Incorporation and By-Laws (b) Authorize additional shares and (c) transfer of all or substantially all assets, which in effect results in the sale of the Company.

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?
 No, the Company follows the 15 business days set by SEC
- a. Date of sending out notices:
 June 08, 2016 (for Annual Stockholders' Meeting)
- b. Date of the Annual/Special Stockholders' Meeting:
 June 30, 2016 (Annual Stockholders' Meeting)
4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting.
 None
5. Result of Annual Stockholders' Meeting's Resolutions

Resolution	Approving	Dissenting	Abstaining
Election of Directors for the ensuing year	Unanimous	None	none
Appointment of External Auditor	Unanimous	None	none

Result of Special Stockholders' Meeting's Resolutions

Resolution	Approving	Dissenting	Abstaining
N/A			

6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:
 The result is publish immediately after the Annual Stockholders' Meeting.

(e) Modifications-- [None](#)

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

Modifications	Reason for Modification
None	

(f) Stockholders' Attendance

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

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	Gerardo O. Lanuza, Jr. Antonio O. Olbes Amador C. Bacani Mariano C. Ereso Gerardo Domenico Antonio V. Lanuza Andrew Ng Andrew David Alcid	06/30/2016	By Poll	0.2108%	70.6675%	70.8784%

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

Yes.

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

Yes. At every stockholders' meeting, every stockholder entitled to vote shall be entitled to one vote for each share of stock registered in his/her name in the books of the Company; provided, however, that in the case of the election of Directors, every stockholder entitled to vote shall be entitled to cast his vote, at his option, in accordance with the provisions of the Corporation Code.

(g) Proxy Voting Policies

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

Every stockholder entitled to vote may vote in person or by proxy. Although the Company does not request for or solicit proxies from its stockholders, the following procedures were adopted by the Company for the guidance of the stockholders and proxy holders:

Company's Policies	
Execution and acceptance of proxies	Proxies must be in writing, signed by the stockholder or his duly authorized representative.
Notary	Proxies need not be notarized. However, a proxy executed by a corporation shall be in the form of a board resolution duly certified by the Corporate Secretary of the corporation giving the proxy or in a proxy form executed by a duly authorized corporate officer accompanied by a Corporate Secretary's certificate, duly notarized, quoting the board resolution authorizing the said corporate officer to execute the said proxy.
Submission of Proxy	Proxies must be submitted to the Corporate Secretary at least two (2) business days prior to the date of the meeting of Stockholders or prior to the date set by the Board of Directors for the submission thereof.
Several Proxies	If the stockholder intends to designate several proxies, the number of shares of stock to be represented by each proxy shall be specifically indicated in the proxy form. If some of the proxy forms do not indicate the number of shares, the total shareholding of the stockholder shall be tallied and the balance thereof, if any, shall be allotted to the holder of the proxy form without the number of shares. If all are in blank, the stocks shall be distributed equally among the proxies.
Validity of Proxy	Unless otherwise provided in the proxy, it shall be valid only for the meeting for which it is intended. No proxy shall be valid and effective for a period longer than five (5) years at one time.

Proxies executed abroad	Proxies executed abroad shall be duly authenticated by the Philippine Embassy or Consular Office.
Invalidated Proxy	Proxies invalidated will not entitle the holder thereof to attend and vote on the matters specified therein during the meeting.
Validation of Proxy	Validation of proxies is done through a special committee of inspectors appointed by the shareholders during the Annual/Special Stockholders' Meeting. It shall have the power to pass on the validity of proxies. Any dispute that may arise pertaining thereto shall be resolved by the Securities and Exchange Commission upon formal complaint filed by the aggrieved party.
Violation of Proxy	

(h) Sending of Notices

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

Policies	Procedure
Each stockholder of record must have a copy of the notice of Annual/Special Stockholder's Meeting at least fifteen (15) business days prior to the date of the meeting.	Copies of the Notice of Annual/Special Stockholders' Meeting are furnished to each stockholder of record either in person or by mail, addressed to each stockholder of record entitled or not entitled to vote at the meeting at the address left by such stockholder with the Corporate Secretary, or at his/her last known address. Certification to that effect is made by the Corporate Secretary during the meeting and included in the Minutes of the Meeting.

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	2,405
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	June 8, 2016
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	June 8, 2016
State whether CD format or hard copies were distributed	CD Format
If yes, indicate whether requesting stockholders were provided hard copies	Yes they were provided with hard copies

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

Each resolution to be taken up deals with only one item.	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	Yes
The auditors to be appointed or re-appointed.	Yes
An explanation of the dividend policy, if any dividend is to be declared.	Yes
The amount payable for final dividends.	N/A
Documents required for proxy vote.	One (1) Government issued I.D. for identification purposes and duly signed Proxy executed by the shareholder.

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
It is the policy of the Company to protect the rights of investors/minority interests.	Each minority stockholder has the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.
	No director shall be removed without cause if it will deny minority shareholders representation in the Board.
	Independent Directors are nominated by minority shareholders in accordance with Guidelines for Nomination and Election of Independent Directors approved by the Securities and Exchange Commission.
	The Company grants each shareholder, minority included, the right to: a) inspect corporate books, b) information, c) dividends, and c) the right to dissent and demand payment of the fair value of his shares in the manner provided by the Corporation Code.

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

Yes. Minority stockholders, by S.E.C. regulation, are entitled to nominate at least two (2) independent directors in the Board.

K. INVESTORS RELATIONS PROGRAM

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

The President reviews and approves; not assigned to a committee but being undertaken by the Marketing Department.

- 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	To provide timely and accurate information to stockholders, other stakeholders and the public in general
(2) Principles	Transparency, objectivity and accountability
(3) Modes of Communications	Website, SEC/PSE disclosure, media
(4) Investors Relations Officer	President

- 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 transactions are discussed and approved by the Board in a meeting duly called for the purpose.

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

Independent Appraiser

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiative	Beneficiary

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
Board of Directors	Annual self-evaluation	<ol style="list-style-type: none"> 1. Experience of the Board of Directors related to the current and future business of the Company; 2. The knowledge that the Board has gained and contributed related to the organization's affairs; 3. Independence of the Board; 4. Relationship of the Board with senior management and staff; 5. Impact of the Board on the internal operations of the organization; 6. Influence of the Board on the development and implementation of strategic plans; 7. Impact of the Board on external issues facing the organization.
Board Committees	Evaluation by Chairman of the Board	The same as the Board of Directors
Individual Directors	Annual self-evaluation	<ol style="list-style-type: none"> 1. Attendance in the Board Meetings; 2. Participation in the discussion and resolution of the matters that require Board action; 3. Contribution to the Company business; 4. Commitment to the affairs of the organization; 5. Participation in the organization's strategy and policy discussions; 6. Participation in the review and approval of plans submitted by the management.
CEO/President	Annual evaluation by the BOD	<ol style="list-style-type: none"> 1. Attendance and performance in the Board Meetings; 2. Implementation of the Company's mission and vision; 3. Participation in the formation of vision and strategic plan to guide the organization.


N. INTERNAL BREACHES AND SANCTIONS

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

Violations	Sanctions
<u>Director</u>	1 st violation – Oral reprimand 2 nd violation – Written reprimand 3 rd violation – Removal from office in accordance with Section 28 of the Corporation Code
<u>Officers</u>	1 st violation – Oral reprimand 2 nd violation – Written reprimand 3 rd violation – Suspension from office. The duration of the suspension shall depend on the gravity of violation. 4 th violation - Removal from office after notice and hearing
Employees	1 st violation – Oral reprimand 2 nd Violation – 1 st written reprimand 3 rd violation – 2 nd written reprimand with 1 day suspension 4 th violation – 3 rd written reprimand with 3 days suspension 5 th violation – 4 th written reprimand with 5 days Suspension 6 th violation – Dismissal after notice and hearing as required by the Labor Code of the Philippines and its Implementing Rules and Regulations

Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of PASAY CITY on MAY 26 2017.

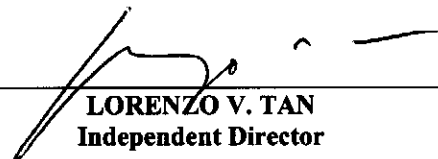
SIGNATURES




ANTONIO O. OLBES
 Vice Chairman of the Board



ALFREDO S. DEL ROSARIO JR.
 Chief Executive Officer



LORENZO V. TAN
 Independent Director




RENATO G. NUNEZ
 Independent Director



JOSE RAMON D. OLIVES
 Compliance Officer

SUBSCRIBED AND SWORN to before me this MAY 26 2017, 2017, affiant(s) exhibiting to me their _____, as follows:

NAME/NO.	CTC No./ID No.	DATE OF ISSUE	PLACE OF ISSUE
Antonio O. Olbes			
Alfredo S. Del Rosario Jr.			
Jose Ramon D. Olives			
Lorenzo V. Tan			
Renato G. Nunez			


ATTY. JOVING B. ANGEL
 NOTARY PUBLIC
 UNTIL DEC. 31, 2018

PTR NO. 5266148-1/3/2017 PASAY CITY
 IBP NO. 1052058-1/3/2017 PASAY CITY
 COMPLIANCE NO. U-0024151-10/25/2016
 ROLL NO. 28761

Doc No. 366
 Page No. 31
 Book No. 14
 Series of 217

SECRETARY'S CERTIFICATE

I, REX P. BONIFACIO, Filipino, of legal age, with office at E-1503, East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City, after having been duly sworn in accordance with law, hereby depose and state that:

1. I am the Corporate Secretary of **PHILIPPINE REALTY AND HOLDINGS CORPORATION**, a corporation duly organized and existing under the laws of the Philippines, with principal office at Andrea North Complex, Balete Drive corner N. Domingo Street, New Manila, Quezon City, hereinafter referred to as the "Corporation", and as such I have custody and possession of the corporate books and other records of the Corporation, including the minutes of the meetings of the Stockholders and the Board of Directors of the Corporation.

2. At the meeting of the Board of Directors of the Corporation held on May 16, 2017, at which meeting a quorum was present and acted throughout, the following resolutions were approved:

"RESOLVED, as it is hereby resolved, that the Corporation be, as it is hereby, authorized to file with the Securities and Exchange Commission and Philippine Stock Exchange, Inc. an Annual Corporate Governance Report and Revised Manual on Corporate Governance;

RESOLVED, as it is hereby further resolved, that the following directors and/or officers of the Corporation are hereby authorized to sign on behalf of the Corporation:

Annual Corporate Governance Report

Antonio O. Olbes -Vice-Chairman

Jose Ramon D. Olives- Compliance Officer

Revised Manual on Corporate Governance

Antonio O. Olbes -Vice-Chairman

Alfredo S. Del Rosario, Jr. -President & CEO

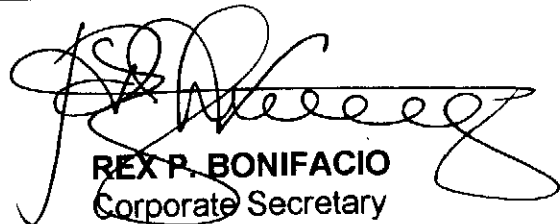
Lorenzo V. Tan -Independent Director

Renato Nunez –Independent Director _____

Jose Ramon D. Olives –Compliance Officer _____

3. The foregoing Resolution has not been revoked, altered or amended and is still in full force and effect as of this date.

IN WITNESS WHEREOF, I have hereunto set my hand this _____ day of
22 MAY 2017 2017 at PASIG CITY.


REX P. BONIFACIO
Corporate Secretary

PERSONALLY came and appeared before me on 22 in Pasig City REX P. BONIFACIO, with Government Issued I.D. DRIVER'S LICENSE No. ND5-1305793, bearing his photo and signature; is personally known to me; presented to me a document/instrument denominated/appearing as a Secretary's Certificate; signed the document/instrument in my presence; and took an oath/affirmation before me as to such document/instrument.

Doc No.: 433 ;
Page No.: 88 ;
Book No.: I ;
Series of 2017.

