


**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM – ACGR**

**CONSOLIDATED CHANGES  
IN THE  
ANNUAL CORPORATE GOVERNANCE REPORT FOR 2015**

1. Report is Filed for the Year 2015
2. Exact Name of Registrant as Specified in its Charter MACROASIA CORPORATION
3. 12F PNB Allied Bank Center, 6754 Ayala Avenue, Makati City 1226  
Address of Principal Office Postal Code
4. SEC Identification Number 40524
5.  (SEC Use Only)  
Industry Classification Code
6. BIR Tax Identification Number 004-666-098
7. +632-840-2001  
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	<i>Eleven (11)</i>
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Actual number of Directors for the year	<i>Eleven (11)</i>
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#### (a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) <sup>1</sup>	Elected when (Annual /Special Meeting)	No. of years served as director
DR. LUCIO C. TAN	NED	N/A	Joey Serenio	17 July 2015	17 JULY 2015	Annual Stockholders' Meeting	less than 1 year
WASHINGTON Z. SYCIP	NED	N/A	Joey Serenio	18 July 1997	17 JULY 2015	Annual Stockholders' Meeting	18 years
CARMEN K. TAN	NED	N/A	Joey Serenio	20 July 2012	17 JULY 2015	Annual Stockholders' Meeting	3 years
LUCIO K. TAN, JR.	NED	N/A	Joey Serenio	18 July 1997	17 JULY 2015	Annual Stockholders' Meeting	18 years
MICHAEL G. TAN	NED	N/A	Joey Serenio	17 July 2015	17 JULY 2015	Annual Stockholders' Meeting	less than 1 year
JOSEPH T. CHUA	ED	N/A	Joey Serenio	18 July 1997	17 JULY 2015	Annual Stockholders' Meeting	18 years
JAIME J. BAUTISTA	ED	N/A	Joey Serenio	18 July 1997	17 JULY 2015	Annual Stockholders' Meeting	18 years
STEWART C. LIM	NED	N/A	Joey Serenio	14 December 2015	14 DECEMBER 2015	Regular Board Meeting	less than 1 year
JOHNIP G. CUA	ID	N/A	Joey Serenio (not related to ID)	21 July 2006 (9 years and 5 months)	17 JULY 2015	Annual Stockholders' Meeting	9 years
BEN C. TIU	ID	N/A	Joey Serenio (not related to ID)	19 July 2013 (2 years and 5 months)	17 JULY 2015	Annual Stockholders' Meeting	2 years
MARIXI R. PRIETO	ID	N/A	Joey Serenio (not related to ID)	14 December 2015 (less than 1 year)	14 DECEMBER 2015	Regular Board Meeting	less than 1 year

<sup>1</sup>Annual Regular Stockholders' Meeting held on July 17, 2015.

(b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasis 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.

<sup>1</sup>Reckoned from the election immediately following January 2, 2012.

*It has always been MacroAsia Corporation's commitment to serve and protect the interests of stakeholders, management, employees, government regulatory agencies and the general public by adhering to accepted ethical standards and best industry practices. With a well-defined corporate governance structure in place, MAC is guided by the principles of integrity, objectivity, accountability and transparency.*

*MAC ensures that the following general distinct disclosures are integrated in its overall system of corporate governance:*

- *Financial data and information disclosure;*
- *Ownership structure and control rights;*
- *Corporate responsibility and compliance;*
- *Management and Board structure and process;*
- *Auditing*

#### *Treatment of all shareholders*

*All outstanding common shares of the Company as of the record date for the purpose of the Annual Stockholder's Meeting are entitled to vote at the rate of one (1) vote per share.*

*A stockholder entitled to vote at the meeting shall have the right to vote in person or by proxy the number of shares registered in his name in the stock transfer book of the Company for as many persons as there are directors to be elected. Each stockholder shall have the right to cumulate said shares and give one nominee as many votes as the number of directors to be elected, multiplied by the number of his shares shall equal, or he may distribute them on the same cumulative voting principle among as many nominees as he shall see fit; provided, that the number of votes cast by a stockholder shall not exceed the number of his shares multiplied by the number of directors to be elected.*

*Any stockholder of the Company shall have the right to dissent and demand payment of the fair value of his shares in case (i) any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence; (ii) any sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets; and (iii) of merger or consolidation.*

#### *Respect for the rights of minority shareholders and of other stakeholders*

*The Board of Directors and Management are committed to respect and protect investor's rights and interests, whether majority or minority, at all times.*

#### *Disclosure Duties*

*Shareholders shall have access to corporate reports and disclosures at reasonable times during business hours. The Corporation maintains a corporate website to allow online access to corporate disclosures and reports.*

*Transparency and fair disclosure of material information that could adversely affect the viability or interests of stakeholders shall be publicly disclosed within the earliest time possible through appropriate Exchange mechanisms and submissions to the SEC.*

#### *Board Responsibilities*

*It is the Board's responsibility to foster the long-term success of the Corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders.*

*The Board shall formulate the Corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance.*

Compliance with the principles of good corporate governance shall start with the Board of Directors.

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

The Board regularly reviews the company's mission and vision, including statements about its business objectives/philosophy as part of its business planning and annual reporting to stakeholders that they are still relevant for the current challenges and environment. Management ensures that the organization operates in a way that is consistent with its vision, mission and core values. Any potential improvements and deviations, if any, are further discussed in the Company's Regular Board meeting.

**(d) Directorship in Other Companies**

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

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

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
WASHINGTON Z. SYCIP	<ul style="list-style-type: none"> <li>• LUFTHANSA TECHNIK PHIL. INC.</li> </ul>	<ul style="list-style-type: none"> <li>• Non-Executive Director/Chairman</li> </ul>
LUCIO K. TAN, JR.	<ul style="list-style-type: none"> <li>• MACROASIA AIRPORT SERVICES CORPORATION</li> <li>• MACROASIA CATERING SERVICES INC.</li> <li>• MACROASIA MINING CORPORATION</li> <li>• AIRPORT SPECIALISTS' SERVICES CORPORATION</li> <li>• DRAGON RESOURCES DEVELOPMENT CORPORATION</li> <li>• WATERGY BUSINESS SOLUTIONS INC.</li> <li>• LUFTHANSA TECHNIK PHIL. INC.</li> </ul>	<ul style="list-style-type: none"> <li>• Non-Executive Director</li> <li>• Non-Executive Director/Chairman</li> <li>• Non-Executive Director/Chairman</li> <li>• Non-Executive Director/Chairman</li> <li>• Non-Executive Director</li> <li>• Non-Executive Director</li> <li>• Non-Executive Director</li> </ul>
JOSEPH T. CHUA	<ul style="list-style-type: none"> <li>• MACROASIA PROPERTIES DEVELOPMENT CORPORATION</li> <li>• MACROASIA AIR TAXI SERVICES, INC.</li> <li>• MACROASIA AIRPORT SERVICES CORPORATION</li> <li>• MACROASIA CATERING SERVICES INC.</li> <li>• MACROASIA MINING CORPORATION</li> <li>• AIRPORT SPECIALISTS' SERVICES CORPORATION</li> <li>• LUFTHANSA TECHNIK PHIL. INC.</li> <li>• WATERGY BUSINESS SOLUTIONS INC.</li> <li>• CAVITE BUSINESS RESOURCES INC.</li> <li>• DRAGON RESOURCES DEVELOPMENT CORPORATION</li> <li>• SNV RESOURCES DEVELOPMENT CORP.</li> <li>• PANAY WATER BUSINESS RESOURCES INC.</li> </ul>	<ul style="list-style-type: none"> <li>• Executive Director</li> <li>• Executive Director</li> <li>• Executive Director</li> <li>• Executive Director</li> <li>• Executive Director</li> <li>• Executive Director</li> <li>• Non-Executive Director</li> <li>• Executive Director</li> <li>• Non-Executive Director/Chairman</li> <li>• Executive Director</li> <li>• Non-Executive Director/Chairman</li> <li>• Non-Executive Director/Chairman</li> </ul>
JAIME J. BAUTISTA	<ul style="list-style-type: none"> <li>• MACROASIA PROPERTIES DEVELOPMENT CORPORATION</li> <li>• MACROASIA AIRPORT SERVICES CORPORATION</li> <li>• MACROASIA CATERING SERVICES INC.</li> </ul>	<ul style="list-style-type: none"> <li>• Non-Executive Director</li> <li>• Non-Executive Director/Chairman</li> <li>• Non-Executive Director</li> </ul>

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

	<ul style="list-style-type: none"> <li>• AIRPORT SPECIALISTS' SERVICES CORPORATION</li> <li>• DRAGON RESOURCES DEVELOPMENT CORPORATION</li> <li>• WATERGY BUSINESS SOLUTIONS INC.</li> <li>• CAVITE BUSINESS RESOURCES INC.</li> </ul>	<ul style="list-style-type: none"> <li>• Non-Executive Director</li> <li>• Non-Executive Director/Chairman</li> <li>• Non-Executive Director/Chairman</li> <li>• Executive Director</li> </ul>
STEWART C. LIM	<ul style="list-style-type: none"> <li>• MACROASIA CATERING SERVICES INC.</li> <li>• DRAGON RESOURCES DEVELOPMENT CORPORATION</li> </ul>	<ul style="list-style-type: none"> <li>• Non-Executive Director</li> <li>• Non-Executive Director</li> </ul>
JOHNIP G. CUA	<ul style="list-style-type: none"> <li>• MACROASIA PROPERTIES DEVELOPMENT CORPORATION</li> <li>• MACROASIA AIRPORT SERVICES CORPORATION</li> <li>• MACROASIA CATERING SERVICES INC.</li> <li>• DRAGON RESOURCES DEVELOPMENT CORPORATION</li> </ul>	<ul style="list-style-type: none"> <li>• Independent Director*</li> <li>• Independent Director</li> <li>• Independent Director</li> <li>• Independent Director</li> </ul>

\*Elected as Independent Director on January 2013

**(ii) Directorship in Other Listed Companies**

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

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
DR. LUCIO C. TAN	<ul style="list-style-type: none"> <li>• LT Group, Inc.</li> <li>• PAL Holdings, Inc.</li> <li>• Philippine National Bank</li> </ul>	<ul style="list-style-type: none"> <li>• Executive Director/Chairman</li> <li>• Non- Executive Director/Chairman</li> <li>• Non-Executive Director</li> </ul>
WASHINGTON Z. SYCIP	<ul style="list-style-type: none"> <li>• Cityland Development Corporation</li> <li>• First Philippine Holdings Corp.</li> <li>• Belle Corporation</li> <li>• Philippine National Bank</li> <li>• Lopez Holdings Corporation</li> <li>• LT Group, Inc.</li> <li>• Metro Pacific Investments Corporation</li> <li>• PAL Holdings, Inc.</li> </ul>	<ul style="list-style-type: none"> <li>• Independent Director/Chairman</li> <li>• Independent Director</li> <li>• Independent Director</li> <li>• Non-Executive Director</li> <li>• Independent Director</li> <li>• Non-Executive Director</li> <li>• Independent Director</li> <li>• Non-Executive Director</li> </ul>
CARMEN K. TAN	<ul style="list-style-type: none"> <li>• LT Group, Inc.</li> <li>• PAL Holdings, Inc.</li> </ul>	<ul style="list-style-type: none"> <li>• Non-Executive Director</li> <li>• Non-Executive Director</li> </ul>
LUCIO K. TAN, JR.	<ul style="list-style-type: none"> <li>• LT Group, Inc.</li> <li>• PAL Holdings, Inc.</li> <li>• Philippine National Bank</li> <li>• Victorias Milling Company Inc.</li> </ul>	<ul style="list-style-type: none"> <li>• Non- Executive Director</li> <li>• Non-Executive Director</li> <li>• Non-Executive Director</li> <li>• Independent Director</li> </ul>
MICHAEL G. TAN	<ul style="list-style-type: none"> <li>• LT Group, Inc.</li> <li>• PAL Holdings, Inc.</li> <li>• Philippine National Bank</li> <li>• Victorias Milling Company Inc.</li> </ul>	<ul style="list-style-type: none"> <li>• Executive Director</li> <li>• Executive Director</li> <li>• Non-Executive Director</li> <li>• Independent Director</li> </ul>
JOSEPH T. CHUA	<ul style="list-style-type: none"> <li>• LT Group, Inc.</li> <li>• PAL Holdings, Inc.</li> </ul>	<ul style="list-style-type: none"> <li>• Non-Executive Director</li> <li>• Non-Executive Director</li> </ul>
JAIME J. BAUTISTA	<ul style="list-style-type: none"> <li>• PAL Holdings, Inc.</li> </ul>	<ul style="list-style-type: none"> <li>• Executive Director</li> </ul>
JOHNIP G. CUA	<ul style="list-style-type: none"> <li>• STI Education Systems Holdings, Inc.</li> <li>• PAL Holdings Inc.</li> </ul>	<ul style="list-style-type: none"> <li>• Independent Director</li> <li>• Independent Director</li> </ul>
BEN C. TIU	<ul style="list-style-type: none"> <li>• TKC Steel Corporation</li> </ul>	<ul style="list-style-type: none"> <li>• Non-Executive Director/Chairman</li> </ul>

	• I-Remit Inc.	• Non-Executive Director
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(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
DR. LUCIO C. TAN	Carmen K. Tan	Wife
	Lucio K. Tan, Jr.	Son
	Michael G. Tan	Son
	Joseph T. Chua	Son-in-law
DR. LUCIO C. TAN CARMEN K. TAN LUCIO K. TAN, JR. MICHAEL G. TAN	PAL Holdings, Inc. (formerly Baguio Gold Holdings) Baguio Gold owns 7% of MAC outstanding shares.	Lucio K. Tan, Jr. is the son of Carmen K. Tan and Dr. Lucio C. Tan (Chairman of PAL).  Michael G. Tan is the son of Dr. Lucio C. Tan.
JOSEPH T. CHUA	Carmen K. Tan	Mother-in-law
	Lucio K. Tan, Jr.	Brother-in-law

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

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	Any Director may hold any number of directorships outside the Corporation, provided that in the Director's opinion, these other positions do not detract from the Director's capacity to diligently and efficiently perform his duties and responsibilities as a Director of the Corporation.	N/A
Non-Executive Director		
CEO		

(e) Shareholding in the Company (as of December 31, 2015)

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
DR. LUCIO C. TAN	100,000	-	0.0081%
WASHINGTON Z. SYCIP	37,545,250	-	3.0440%
CARMEN K. TAN	100,000	-	0.0081%
LUCIO K. TAN, JR.	125,000	-	0.0101%
MICHAEL G. TAN	100,000	-	0.0081%
JOSEPH T. CHUA	125,000	3,289,000 (through Citisec Online)	0.2768%
JAIME J. BAUTISTA	125,000	-	0.0101%



STEWART C. LIM	100,000	-	0.0101%
JOHNIP G. CUA	-	10,000,000	0.8108%
BEN C. TIU	100,000		0.0081%
MARIXI R. PRIETO	100,000	-	0.0101%
<b>TOTAL</b>	<b>38,520,250</b>	<b>13,289,000</b>	<b>4.2005%</b>

**2) Chairman and CEO**

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

Yes  No

**Identify the Chair and CEO:**

Chairman of the Board	DR. LUCIO C. TAN
CEO	DR. LUCIO C. TAN

To ensure that the Board get the benefit of independent views, in lieu of the CEO, the Board of Directors has appointed a President and COO, Mr. Joseph T. Chua, who is a different person from the CEO. The roles, accountabilities and deliverables of the chairman/CEO and the President/COO are stated below.

**(b) Roles, Accountabilities and Deliverables**

**Define and clarify the roles, accountabilities and deliverables of the Chairman and President**

	Chairman/CEO	President/COO
<b>Role</b>	<ul style="list-style-type: none"> <li>a) He shall preside at all meetings of the stockholders and Board of Directors, and shall ensure that all meetings are held in accordance with the by-laws.</li> <li>b) He shall perform all such other duties as are incident to his office, or are properly required of him by the Board.</li> <li>c) He shall provide general guidance to the Corporation.</li> <li>d) He shall sit on committees of the Board where appropriate as determined by the Board.</li> </ul>	<ul style="list-style-type: none"> <li>a) He shall be the principal representative of the Board and of the Corporation.</li> <li>b) He shall represent the Board and the Corporation in all the dealings with other offices, agencies and instrumentalities of the Government and with all other persons or entities, public or private, whether domestic, foreign or international; He shall represent the Corporation, either personally or through counsel, in any legal proceedings or action.</li> </ul>
<b>Accountabilities</b>	<ul style="list-style-type: none"> <li>a) He shall be responsible for the general supervision, administration and management of the business of the Corporation</li> <li>b) He shall lead, in conjunction with the Board, the development of the Corporation's strategy</li> </ul>	<ul style="list-style-type: none"> <li>a) He shall have general supervision and direction of the day-to-day business affairs of the Corporation;</li> <li>b) He shall direct and supervise the operations and internal administration of the Corporation. The President may delegate certain of his administrative responsibilities to other officers of the Corporation, subject to the rules and regulations of the Board; and exercise such other powers as may be vested in him by the Board</li> <li>c) He shall be responsible for the</li> </ul>

		<i>delegation of his role to represent the corporation in subparagraphs (b) and (c) above and his authority through his signature in subparagraph (c) below.</i>
<b>Deliverables</b>	<i>He shall lead and oversee the implementation of the Corporation's long and short term plans in accordance with the Corporation's strategy.</i>	<ul style="list-style-type: none"> <li><i>a) He shall prepare the agenda for the meetings of the Board of Directors and to submit for the consideration of the Board the policies and measures which he believes to be necessary to carry out the purposes of the Corporation;</i></li> <li><i>b) He shall execute and administer the policies and measures approved by the Board;</i></li> <li><i>c) He shall authorize, with his signature, contracts concluded by the Corporation, stock certificates notes and securities issued by the Corporation, and the annual reports, balance sheets, profit and loss statements, correspondence and other documents of the Corporation.</i></li> </ul>

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

*If any position of the officers becomes vacant by reason of death, resignation, disqualification or for any other cause, the Board of Directors, subject to any right of any shareholder to nominate candidates of said office, by majority vote may elect a successor who shall hold office for the unexpired term.*

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

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

*It is the Board's responsibility to install a process of selection to ensure a mix of competent directors and officers to ensure a high standard of best practice for the Corporation and its stockholders.*

*The Board has organized a Nomination Committee composed of three voting directors, one of whom is an independent director, and one non-voting member in the person of the VP for Legal, Human Resources and External Relations. The Committee meets as necessary and is authorized by the Board on new appointments of directors.*

*All candidates nominated to become a member of the board are pre – screened and rated in accordance with certain qualifications and disqualifications criteria as set forth in the Manual on Corporate Governance.*

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

*Not Applicable. One of the specific duties of a director set forth in our revised manual on corporate governance is that a director should devote sufficient time to familiarize himself with the Corporation's business. He should be constantly aware of and knowledgeable with the Corporation's operations to enable him to meaningfully contribute to the Board's work. He should attend and actively participate in Board and*

committee meetings, review meeting materials and, if called for, ask questions or seek explanation. A Director should also keep abreast with industry developments and business trends in order to promote the Corporation's competitiveness.

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

	<b>Executive</b>	<b>Non-Executive</b>	<b>Independent Director</b>
<b>Role</b>	<p><i>It is the Board's responsibility to foster the long-term success of the Corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders.</i></p> <p><i>The Board shall formulate the Corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance. Compliance with the principles of good corporate governance shall start with the Board of Directors.</i></p>		
<b>Accountabilities</b>	<p><i>To ensure a high standard of best practice for the Corporation and its stockholders, the Board shall conduct itself with honesty and integrity in the performance of, among others, the following duties and functions:</i></p> <ul style="list-style-type: none"> <li><i>a) Ensure the Corporation's faithful compliance with all applicable laws, regulations and best business practices;</i></li> <li><i>b) Identify the Corporation's major and other stakeholders, and formulate a clear policy on communicating or relating with them through an effective investor relations program;</i></li> <li><i>c) Identify the sectors in the community in which the Corporation operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them;</i></li> <li><i>d) Adopt a system of internal checks and balances;</i></li> <li><i>e) Constitute an Audit Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities;</i></li> <li><i>f) Establish and maintain an alternative dispute resolution system in the Corporation that can amicably settle conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties, including the regulatory authorities;</i></li> <li><i>g) Meet at such times or frequency as may be needed, in line with the Amended By-laws. The minutes of such meetings shall be duly recorded. Independent views during Board meetings shall be encouraged and given due consideration;</i></li> <li><i>h) Keep the activities and decisions of the Board within its authority under the Articles of Incorporation and By-laws, and in accordance with existing laws, rules and regulations;</i></li> <li><i>i) Appoint a Compliance Officer who shall have the rank of at least Vice-President. In the absence of such appointment, the Corporate Secretary shall act as Compliance Officer.</i></li> </ul>		
<b>Deliverables</b>	<ul style="list-style-type: none"> <li><i>a) Install a process of selection to ensure a mix of competent directors and officers;</i></li> <li><i>b) Provide sound strategic policies and guidelines to the Corporation on major capital expenditures. Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance;</i></li> <li><i>c) Identify key risk areas and performance indicators and monitor these factors with due diligence to enable the Corporation to anticipate and prepare for possible threats to its operational and financial viability;</i></li> <li><i>d) Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the Corporation and its joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board;</i></li> </ul>		

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

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

*Following the Amended Articles of Incorporation of the Corporation, the number of directors of the Corporation shall be eleven (11), who shall be elected by the Corporation's stockholders entitled to vote at the Annual Meeting, and shall hold office for one year and until their successors are elected and qualified in accordance with the Amended By-Laws of the Corporation.*

*The Corporation shall have at least two (2) independent directors out of the eleven (11) directors. MacroAsia Corporation shall comply with the SEC requirement of at least two (2) independent directors, or having such number of independent directors that constitutes Twenty Percent (20%) of the members of the Board, whichever is lesser, but in no case less than two (2) directors. The nomination and election of independent directors shall be in accordance with the Amended By-Laws of the Corporation.*

**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 adopted Memorandum Circular No. 9 issued by the Securities and Exchange Commission dated December 5, 2011 on the term limits for Independent Director/s effective January 2, 2012. This is to enhance the effectiveness of independent directors and encourage the infusion of fresh ideas in the board of directors. This circular provides the term limits for Independent Directors, as follows:*

- 1. There shall be no limits in the number of covered companies that a person may be elected as Independent Director (ID), except in business conglomerates where an ID can be elected to only five (5) companies of the conglomerate, i.e. parent company, subsidiary or affiliate;*
- 2. IDs can serve as such for five (5) consecutive years, provided that service for a period of at least six (6) months shall be equivalent to one (1) year, regardless of the manner by which the ID position was relinquished or terminated;*
- 3. After completion of the five-year service period, an ID shall be ineligible for election as such in the same company unless the ID has undergone a "cooling off" period of two (2) years, provided, that during such period, the ID concerned has not engaged in any activity that under existing rules disqualifies a person from being elected as ID in the same company;*
- 4. An ID re-elected as such in the same company after the "cooling off" period can serve for another five (5) consecutive years under the conditions mentioned in paragraph (2) above;*
- 5. After serving as ID for ten (10) years, the ID shall be perpetually barred from being elected as such in the same company, without prejudice to being elected as ID in other companies outside of the business conglomerate, where applicable, under the same conditions provided for in the Circular.*

**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:**

<b>Name</b>	<b>Position</b>	<b>Date of Cessation</b>	<b>Reason</b>
GEORGE Y. SYCIP	DIRECTOR	JULY 17, 2015	END OF TERM
HARRY C. TAN	DIRECTOR	JULY 17, 2015	END OF TERM

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

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

Procedure	Process Adopted	Criteria
<b>a. Selection/Appointment</b>		
<b>(i) Executive Directors</b>	<p><i>Under the Corporation's By-Laws and Manual on Corporate Governance, the nomination of the Corporation's directors shall be conducted by the Nomination Committee prior to the Annual Stockholders' Meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity of the would-be nominees and shall be submitted to the Nomination Committee and the Corporate Secretary at least thirty (30) days before the date of the actual meeting.</i></p> <p><i>The Nomination Committee shall pre-screen the qualifications and prepare a Final List of all Candidates for directors. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as directors.</i></p>	<p>a) Any stockholder having at least one hundred thousand (100,000) shares of stock of the Corporation may be elected director, provided however that no person shall qualify or be eligible for nomination or election as director if such person is connected with or engaged in any business or activity or holds positions or interests which are antagonistic to those of the Corporation. (except for Independent Director)</p> <p>b) He shall be at least a college graduate or have sufficient experience in managing the business to substitute for such formal education;</p> <p>c) He shall be at least twenty-one (21) years old;</p> <p>d) He shall have proven to possess integrity and probity; and</p> <p>e) He shall be assiduous.</p>
<b>(ii) Non-Executive Directors</b>		
<b>(iii) Independent Directors</b>		
<b>b. Re-appointment</b>		
<b>(i) Executive Directors</b>	<p><i>The process for re-appointment is the same process adopted in the selection / appointment of Directors. The Company adopted Memorandum Circular No. 9 issued by the Securities and Exchange Commission dated December 5, 2011 on the term limits for Independent Director/s effective January 2, 2012.</i></p>	<p><i>The criteria for re-appointment are the same criteria adopted in the selection / appointment of Directors.</i></p>
<b>(ii) Non-Executive Directors</b>		
<b>(iii) Independent Directors</b>		
<b>c. Permanent Disqualification</b>		
<b>(i) Executive Directors</b>	<p><i>The determination of whether a person is disqualified to become a director shall be made by the Nomination Committee which shall have at least three (3) voting Directors (one of whom must be an Independent Director) and one (1) non-voting member in the person of the HR Director/Manager.</i></p>	<p><i>The following shall be grounds for the permanent disqualification of a Director:</i></p> <p>(i) Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that:</p> <p>a) involves the purchase or sale of securities, as defined in the Securities Regulation Code;</p> <p>b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or</p> <p>c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;</p> <p>(ii) Any person who, by reason of</p>
<b>(ii) Non-Executive Directors</b>		
<b>(iii) Independent Directors</b>		

		<p><i>misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from:</i></p> <ul style="list-style-type: none"> <li><i>a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, future commission merchant, commodity trading advisor, or floor broker;</i></li> <li><i>b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company;</i></li> <li><i>c) engaging in or continuing any conduct or practice in any of the capacities mentioned in subparagraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.</i></li> </ul> <p><i>The disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;</i></p> <ul style="list-style-type: none"> <li><i>(iii) Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;</i></li> <li><i>(iv) Any person who has been adjudged by final judgment or order of the Commission, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities</i></li> </ul>
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		<p><i>Regulation Code or any other law administered by the Commission or BSP, or any of its rule, regulation or order;</i></p> <p><i>(v) Any person earlier elected as Independent Director who becomes an officer, employee or consultant of the same Corporation;</i></p> <p><i>(vi) Any person judicially declared as insolvent;</i></p> <p><i>(vii) Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in sub-paragraphs (i) to(v) above;</i></p> <p><i>(viii) Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.</i></p>
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**d. Temporary Disqualification**

<b>(i) Executive Directors</b>	<p><i>The determination of whether a person is disqualified to become a director shall be made by the Nomination Committee which shall have at least three (3) voting Directors (one of whom must be an Independent Director) and one (1) non-voting member in the person of the HR Director/Manager.</i></p> <p><i>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.</i></p>	<p><i>The Board may temporarily disqualify a Director for any of the following reasons:</i></p> <p><i>(i) Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists;</i></p> <p><i>(ii) Absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election;</i></p> <p><i>(iii) Dismissal or termination for cause as director of any corporation covered by this Securities Regulation Code. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination;</i></p> <p><i>(iv) If the beneficial equity ownership of an Independent Director in the Corporation or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with;</i></p>	
<b>(ii) Non-Executive Directors</b>			<b>(iii) Independent Directors</b>

		(v) If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.
<b>e. Removal</b>		
(i) Executive Directors	Notice of the intention to act upon such matter must have been given in the notice calling such meeting.	Article III, Section 3.09 of the Corporation's By-Laws states that any director may be removed, either for or without cause, at any regular or special meeting of the stockholders by the affirmative vote of the stockholders holding or representing two-thirds (2/3) of the subscribed capital stock entitled to vote. In this case, notice of the intention to act upon such matter must have been given in the notice calling such meeting.
(ii) Non-Executive Directors		
(iii) Independent Directors		
<b>f. Re-instatement</b>		
(i) Executive Directors		
(ii) Non-Executive Directors		There is nothing to report
(iii) Independent Directors		
<b>g. Suspension</b>		
(i) Executive Directors		
(ii) Non-Executive Directors		There is nothing to report
(iii) Independent Directors		

**Voting Result of the last Annual General Meeting (July 17, 2015)**

Name of Director	Votes Received
DR. LUCIO C. TAN	923,429,150
WASHINGTON Z. SYCIP	923,429,150
CARMEN K. TAN	923,429,150
LUCIO K. TAN, JR.	923,429,150
MICHAEL G. TAN	923,429,150
JOSEPH T. CHUA	923,429,150
JAIME J. BAUTISTA	923,429,150
JOHNIP G. CUA	923,429,150
BEN C. TIU	923,429,150

**6) Orientation and Education Program**

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

*A director before assuming his post, shall be required to attend a seminar on Corporate Governance, which shall be conducted by a duly recognized private or government institute.*

**(b) State any in-house training and external courses attended by Directors and Senior Management<sup>3</sup> for**

<sup>3</sup> Senior Management refers to the CEO and other persons having authority and responsibility for planning,



the past three (3) years:

Directors / Senior Management	Trainings	Date	Provider
<b>Dr. Lucio C. Tan</b> Chairman and CEO	Corporate Governance: Board Effectiveness Best Practices	11 November 2015	Center for Global Best Practices
<b>Washington Z. SyCip</b> Co-Chairman	In a letter dated August 3, 2015, the Securities and Exchange Commission <i>En Banc</i> granted an exemption to Mr. Washington Z. Sycip from attending a corporate governance training for 2015.		
	Corporate Governance Requirement Under US Laws and Regulations and The Foreign Corrupt Practices Act of 1977	1 April 2014	PLDT
<b>Carmen K. Tan</b> Director	Corporate Governance: Board Effectiveness Best Practices	11 November 2015	Center for Global Best Practices
	Corporate Governance	21 October 2014	Risks, Opportunities, Assessment and Management (ROAM), Inc.
<b>Lucio K. Tan Jr.</b> Director	Corporate Governance: Board Effectiveness Best Practices	11 November 2015	Center for Global Best Practices
	Corporate Governance	21 October 2014	Risks, Opportunities, Assessment and Management (ROAM), Inc.
<b>Michael G. Tan</b> Director	Corporate Governance: Board Effectiveness Best Practices	11 November 2015	Center for Global Best Practices
<b>Joseph T. Chua</b> President and COO	Corporate Governance: Board Effectiveness Best Practices	11 November 2015	Center for Global Best Practices
	Distinguished Corporate Governance Speaker Series	19 August 2014	The Institute of Corporate Directors
<b>Jaime J. Bautista</b> Treasurer/Director	Corporate Governance	9 December 2015	SGV & Co.
	Corporate Governance	21 October 2014	Risks, Opportunities, Assessment and Management (ROAM), Inc.
<b>Stewart C. Lim</b> Director	Corporate Governance: Board Effectiveness Best Practices	11 November 2015	Center for Global Best Practices
<b>Johnip G. Cua</b> Independent Director	Corporate Governance	9 December 2015	SGV & Co.
	Orientation Course on Corporate Governance	28 May 2014	The Institute of Corporate Directors
<b>Ben C. Tiu</b> Independent Director	Corporate Governance: Board Effectiveness Best Practices	11 November 2015	Center for Global Best Practices
	Corporate Governance	21 October 2014	Risks, Opportunities, Assessment and Management (ROAM), Inc.
<b>Marixi R. Prieto</b> Independent Director	Corporate Governance: Board Effectiveness Best Practices	11 November 2015	Center for Global Best Practices
<b>Amador T. Sendin</b> CFO, VP – Administration &	Corporate Governance: Board Effectiveness Best Practices	11 November 2015	Center for Global Best Practices

directing and controlling the activities of the company.

Business Development	Corporate Governance	21 October 2014	Risks, Opportunities, Assessment and Management (ROAM), Inc.
	PICPA 68 <sup>th</sup> Annual Conference	13-16 November 2013	PICPA
	The Euromoney Philippines Investment Forum 2013	12 March 2013	Euromoney Conferences
	Tax Updates	24 January 2013	SGV & Co.
	Bond Training	27, 28 & 29 November 2012	UA&P
<b>Atty. Marivic T. Moya</b> VP-HR, Legal & External Relations Compliance Officer/CIO	Corporate Governance: Board Effectiveness Best Practices	11 November 2015	Center for Global Best Practices
	Corporate Governance	21 October 2014	Risks, Opportunities, Assessment and Management (ROAM), Inc.

**(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
		There is nothing to report	

**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
<b>(a) Conflict of Interest</b>	<p><i>It is the obligation of every member to declare and divulge in writing his own involvement in any conflict of interest with the company. The very existence of a conflict-of-interest situation is not in itself a punishable offense. However, failure, whether deliberate or through neglect, to divulge the same to the company shall be punishable.</i></p> <p><i>After the member makes such a declaration, the company shall determine whether or not the actual or potential conflict-of-interest poses any danger to the Company. If so, the company shall take measures to protect itself from any harmful effects of such conflict.</i></p>		
<b>(b) Conduct of Business and Fair Dealings</b>	<p><i>Proper attitude and conduct must be observed in dealing with clients, guests, inquirers and suppliers. Everyone is expected to give clients, guests, inquirers and suppliers with utmost courtesy and respect. The Company strictly adheres /observes its suppliers warranties in relation to the exercise of good corporate governance.</i></p>		
<b>(c) Receipt of gifts from third parties</b>	<p><i>For the protection and preservation of the good name and reputation of the company, employees are expected to conduct their official business in the straightforward manner. All directors, officers and employees are encouraged not to involve in any unauthorized solicitation / accepting directly or indirectly, money or anything in value from suppliers, creditors or other parties doing business with the Company in exchange for a favor, decision or service that may or maybe not be detrimental to the Company.</i></p>		
<b>(d) Compliance with Laws &amp; Regulations</b>	<p><i>All are bound to comply with all the applicable rules, regulations, policies, procedures and standards, including standards, of quality, productivity and behavior as issued and promulgated by the Corporation through its duly authorized officials.</i></p>		
<b>(e) Respect for Trade</b>	<p><i>All employees and officers are bound by the confidentiality of intellectual property</i></p>		

<b>Secrets/Use of Non-public Information</b>	<i>provision in their contract.</i>
<b>(f) Use of Company Funds, Assets and Information</b>	<i>Efficiency and effectivity in operation are part of the goals set by the Company towards a world class Corporation. Consequently, it is expected that all members will not tolerate wastage of company resources, and disruption of work. For the protection and preservation of the good name and reputation of the company, employees are expected to conduct their official business in a straightforward manner. A reprehensible conduct will result in the destruction of the good image of the company, hence, the company reserves the right to prosecute in court any employee whom it feels is deliberately working against company interest.</i>
<b>(g) Employment &amp; Labor Laws &amp; Policies</b>	<i>The Company has certain guidelines which are developed to reflect good business practices. In establishing rules of conduct, the company has no intention of restricting the personal rights of any individual. Rather, the objective is to define the guidelines that protect the rights of all members in compliance to the Government mandated Employment &amp; Labor Laws &amp; Policies.</i>
<b>(h) Disciplinary action</b>	<i>Disciplinary actions or penalties, when found warranted by the evidence, shall be imposed immediately or as soon as possible after the offense. Anyone charged with an offense shall be afforded ample opportunity to be heard, but shall not be allowed to unduly delay the administrative proceedings and the final resolution of the case.</i>
<b>(i) Whistle Blower</b>	<i>No written policy on whistle blower yet.</i>
<b>(j) Conflict Resolution</b>	<i>There may come a time when problems or misunderstanding may arise between the members in connection with the discharge of their duties. If this has already affected the quality of their work, it is suggested that the same be brought to the attention of either the Department Head concerned or the HRD Head.</i>  <i>On problems relating to employment, personnel policies, house rules and regulations, HRD shall assist and advise and serve the member.</i>

**2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees?**

*The HRD issues Corporation's Handbook to all members of the board, senior management and employees.*

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

*Every official shall ensure the maintenance of discipline within his area of responsibility and by the personnel subordinate to him of the highest standards of behavioral traits expected of a member of MacroAsia family. He shall see to it that all his subordinates are aware of and comply with all the provisions of the Code and all other policies, rules, regulations, and guideline promulgated by the company. Each superior or supervisors are strictly accountable for the proper discipline and job performance of all subordinates under him. Correspondingly, each superior or supervisor shall be given sufficient authority and power to effectively discharge the foregoing responsibilities.*

**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.

<b>Related Party Transactions</b>	<b>Policies and Procedures</b>
<b>(1) Parent Company</b>	<i>The company recognizes that Related Party Transactions can present potential or actual conflicts of interest and may raise</i>
<b>(2) Joint Ventures</b>	

<b>(3) Subsidiaries</b>	<i>questions about whether such transactions are consistent with the Company's and its stockholders' best interests. The Board has constituted the Audit Committee comprised of five members of the Board, two of whom are independent directors who have adequate understanding and competence at the Company's financial systems and control environment which monitors a transparent financial management system that will ensure the integrity of activities throughout the Company. All identified related party transactions by management shall be brought to the attention of the Committee for consideration and approval.</i>
<b>(4) Entities Under Common Control</b>	
<b>(5) Substantial Stockholders</b>	
<b>(6) Officers including spouse/children/siblings/parents</b>	
<b>(7) Directors including spouse/children/siblings/parents</b>	
<b>(8) Interlocking director relationship of Board of Directors</b>	

**(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.

	<b>Details of Conflict of Interest (Actual or Probable)</b>
<b>Name of Director/s</b>	<i>To the extent known to the Corporation, there are no directors/officers/persons holding more than 5% of the Company's share, which will give rise to any actual or probable conflict of interest.</i>
<b>Name of Officer/s</b>	
<b>Name of Significant Shareholders</b>	

**(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.

	<b>Directors/Officers/Significant Shareholders</b>
<b>Company</b>	<i>It is the obligation of every member to declare and divulge in writing his own involvement in any conflict of interest with the company. The very existence of a conflict-of-interest situation is not in itself a punishable offense. However, failure, whether deliberate or through neglect, to divulge the same to the company shall be punishable.</i>
<b>Group</b>	<i>After the member makes such a declaration, the company shall determine whether or not the actual or potential conflict-of-interest poses any danger to the Company. If so, the company shall take measures to protect itself from any harmful effects of such conflict</i>  <i>All identified related party transactions by management shall be brought to the attention of the Audit Committee for consideration and approval.</i>

**5) Family, Commercial and Contractual Relations**

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

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

company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
<i>PAL Holdings, Inc. (formerly Baguio Gold Holdings Corp.)</i>	<i>Shareholder (5% or more beneficial ownership in MAC) as of December 31, 2015.</i>	<i>Trustmark Holdings owns 89.78% of PAL Holdings, Inc. Trustmark is a subsidiary of BuonaSorteHoldings, Inc. Lucio C. Tan owns 47.70% of Buona Sorte.</i>

(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
<i>PAL Holdings Inc. (formerly Baguio Gold Holdings Corp.)</i>	<i>Business relationship with PAL</i>	<i>In 2013, PAL remained as one of our affiliate's core client. The company's biggest clients remain to be related-party local carriers. Also, one of our subsidiaries has supported PAL in the supply of its business class meals for a short period of time beginning last quarter of 2011. These business relationships were fully disclosed to the Board of Directors and were done in the regular course of business and conducted on an arm's length basis. Related party transactions are fully disclosed in the Notes to Financial Statements, SEC 17-A, and 20-IS.</i>

(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
<i>The Company has no single controlling shareholder and there are no known shareholder agreements that may impact on the control, ownership and strategic direction of the company.</i>		

#### 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	<i>The Board of Directors shall establish and maintain an alternative dispute resolution system in the Corporation that can amicably settle conflicts or differences between the Corporation and</i>
Corporation & Third Parties	
Corporation & Regulatory Authorities	

its stockholders, and the Corporation and third parties, including the regulatory authorities.

## C. BOARD MEETINGS & ATTENDANCE

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

The frequency of board meetings and the quorum requirements are embodied in the Amended By-laws of the Corporation.

**First Regular Meeting** – After each meeting of stockholders at which a Board of Directors shall have been elected, the Board of directors so elected shall meet as soon as practicable for the purpose of organization and the transaction of other business. In the event the Directors are unable to agree as to the day and hour and place of their organization meeting, the said Board of Directors shall meet at such time and place as the majority of the Directors may designate.

**Additional Regular Meeting** – In addition to the first regular meeting, regular meetings of the Board of Directors shall be held on such dates and such places as may be fixed, from time to time, by said Board.

**Special Meeting** – Special Meetings of the Board of Directors shall be held whenever called by the Chairman of the Board or by the President or by any three (3) Directors in writing and such meetings may be held at any place designated in the calls therefore.

### 2) Attendance of Directors

Board of Directors	Name	Date of First Election as Director	No. of Meetings Held during the year	No. of Meetings Attended	%
Co-Chairman	WASHINGTON Z. SYCIP	18 July 1997	5	5	100%
Member	CARMEN K. TAN	20 July 2012	5	5	100%
Member	JOSEPH T. CHUA	18 July 1997	5	5	100%
Member	LUCIO K. TAN, JR.	18 July 1997	5	5	100%
Member	JAIME J. BAUTISTA	18 July 1997	5	5	100%
Independent	JOHNIP G. CUA	21 July 2006	5	5	100%
Independent	BEN C. TIU	19 July 2013	5	5	100%

Board	Name	Date of First Election as Director	No. of Meetings Held since their election as director	No. of Meetings Attended	%
Chairman	DR. LUCIO C. TAN	17 July 2015	2	2	100%
Member	MICHAEL G. TAN	17 July 2015	2	2	100%
Member	STEWART C. LIM	14 December 2015	1	1	100%
Independent	MARIXI R. PRIETO	14 December 2015	1	1	100%

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

Not Applicable.

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

In accordance with the Corporation's By-Laws and Manual on Corporate Governance a quorum at any

meeting of the Board of Directors shall consist of a majority of the Directors and every decision of a majority of such quorum duly assembles as a Board shall be valid as a corporate act.

## 5) Access to Information

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

*Board papers for board of directors are provided at least three days in advance of the board meetings.*

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

*To enable the members of the Board to properly fulfill their duties and responsibilities, Management shall provide them with complete, adequate and timely information about the matters to be taken up in their meetings.*

*Reliance on information volunteered by Management would not be sufficient in all circumstances and further inquiries may be made by a member of the Board to enable him to properly perform his duties and responsibilities. Hence, the members shall have independent access to Management and the Corporate Secretary.*

*The information from Management may include the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.*

*The members, either individually or as a Board, and in furtherance of their duties and responsibilities, may have access to independent professional advice at the Corporation's expense.*

*Full Minutes of each Board Meeting are kept by the Corporate Secretary and available for inspection by any Directors during office hours.*

### (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?

*In accordance with the Corporation's By-Laws and Manual on Corporate Governance the Corporate Secretary shall have the following functions:*

- 1) Be responsible for the 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 Corporation;*
- 2) Be loyal to the mission, vision and objectives of the Corporation;*
- 3) Work fairly and objectively with the Board, Management and stockholders and other stakeholders;*
- 4) Have appropriate administrative and interpersonal skills;*
- 5) If he is not at the same time the Corporation's legal counsel, be aware of the laws, rules and regulations necessary in the performance of his duties and responsibilities;*
- 6) Have a working knowledge of the operations of the Corporation;*
- 7) 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;*
- 8) Attend all Board meetings, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent him from doing so;*
- 9) Ensure that all Board procedures, rules and regulations are strictly followed by the members;*
- 10) If he is also the Compliance Officer, perform all the duties and responsibilities of the said officer as provided for in this Manual on Corporate Governance.*

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

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

*"The Corporate Secretary has been engaged in corporate law practice for the past thirty seven (37) years, is aware of the laws, rules and regulations necessary in the performance of his duties and responsibilities and has a working knowledge of the operations of the Company."*

(e) Committee Procedures

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

Yes  No

Committee	Details of the procedures
Executive	<i>The members, either individually or as a Board, and in furtherance of their duties and responsibilities, may have access to independent professional advice at the Corporation's expense.</i>
Audit	
Nomination	
Remuneration	
Others (specify)	

6) External Advice

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

Procedures	Details
	<i>The members, either individually or as a Board, and in furtherance of their duties and responsibilities, may have access to independent professional advice at the Corporation's expense.</i>

7) Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

Existing Policies	Changes	Reason
	<i>There is nothing to report</i>	

D. REMUNERATION MATTERS

Remuneration Process

1) 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	<i>In accordance to Article V Section 5.08 of the Corporation's By-Laws, the Board of Directors shall have the power to fix, increase or reduce the compensation of all officers of the Corporation. It may authorize any executive officer, upon whom the power of appointing subordinate officers may have been conferred to fix the compensation of such subordinate officers.</i>	



	<i>The compensation committee is tasked to establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and Directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation's culture, strategy and control environment. The compensation committee designates the amount of remuneration, which shall be in a sufficient level to attract and retain Directors and officers who are needed to run the Corporation successfully.</i>
<b>(2) Variable remuneration</b>	<i>Reasonable per diem both for local and foreign travel approved by the Board.</i>
<b>(3) Per diem allowance</b>	
<b>(4) Bonus</b>	<i>Bonuses are given based on performance of the officers and the Corporation and as recommended by the Compensation Committee.</i>
<b>(5) Stock Options and other financial instruments</b>	<i>Not Applicable</i>
<b>(6) Others (specify)</b>	<i>None</i>

## 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.

	<b>Remuneration Policy</b>	<b>Structure of Compensation Packages</b>	<b>How Compensation is Calculated</b>
<b>Executive Directors</b>	<i>Members of the Board do not receive any regular compensation from the Company, except for every regular, special or committee meeting actually attended, for which members of the Board of Directors receive a per diem of ₱20,000 to ₱50,000.</i>		
<b>Non-Executive Directors</b>	<p><i>Bonus is in pursuant of Section 3.11 of the Corporation's Amended By-laws which states that "the members of the Board of Directors shall receive as additional compensation an amount not to exceed five per centum (5%) of the net profit of the Corporation before payment of income tax for each year, to be divided in such manner and proportions they may deem fit and acceptable".</i></p> <p><i>There are no material terms of, nor any other arrangements with regard to compensation as to which directors are compensated, or are to be compensated, directly or indirectly, for any services provided as a director</i></p>		

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

<b>Remuneration Scheme</b>	<b>Date of Stockholders' Approval</b>
<i>There has been no change in the total remuneration of the board of directors for the past 3 years.</i>	

## 3) Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued during the most recent year (as of

December 31, 2015):

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	PHP9.6M	-	-
(b) Variable Remuneration	-	-	-
(c) Per diem Allowance	0.2M	PHP1.8M	PHP0.5M
(d) Bonuses	-	-	-
(e) Stock Options and/or other financial instruments	-	-	-
(f) Others (Specify)	-	-	-
<b>Total</b>	PHP9.8M	PHP1.8M	PHP0.5M
Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
a) Advances	-	-	-
b) Credit granted	-	-	-
c) Pension Plan/s Contributions	-	-	-
(d) Pension Plans, Obligations incurred	-	-	-
(e) Life Insurance Premium	-	-	-
(f) Hospitalization Plan	PHP0.04M	-	-
(g) Car Plan	-	-	-
(h) Others (Specify)	-	-	-
<b>Total</b>	PHP0.04M	-	-

**d) 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:

*The Company has no outstanding stock rights, options and warrants.*

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock
There is nothing to report				

**(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
There has been no amendment of incentive programs		

e) 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
<b>Amador T. Sendin</b> CFO, VP – Administration & Business Development	<b>PHP 10.2 M</b>
<b>Atty. Marivic T. Moya</b> VP-HR, Legal & External Relations COO/CIO	

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)				
<i>Management</i>	<i>The members of the executive / management committee includes the head of operating subsidiaries, meets weekly to discuss the results of operations, including risk management.</i>						
<i>Audit</i>	-	3	2	Approved 20 July 2012	a) Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of Internal Control, audit process, and monitoring of compliance with applicable laws, rules and regulations. b) Perform oversight functions over the Corporation's Internal and External auditors. It should ensure that the Internal and External Auditors act independently from each other, and that both Auditors are given unrestricted access to all records,	a) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the corporation. This function shall include regular receipt from Management of information on risk exposures and risk management activities b) Monitor and evaluate the adequacy and effectiveness of the Corporation's Internal Control System, including	a) Review the annual audit plans to ensure its conformity with the objectives of the Corporation. The plan shall include the audit scope, resources and budget necessary to implement it. b) Organize an Internal Audit Office, and consider the appointment of an Independent Internal Auditor and the terms and

					<p>properties and personnel to enable them to perform their respective audit functions.</p> <p>c) Review reports submitted by Internal and External Auditors.</p>	<p>financial reporting control and information technology security.</p>	<p>conditions of its engagement and removal.</p>
Nomination	-	2	1	Committee Charter to be formalized	<p>Install and maintain a process to review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval, and ensure that none of the disqualifications (as stated in our Amended Manual on Corporate Governance) are present.</p>	<p>Encourage the selection of a mix of competent Directors, each of whom can add value and create independent judgment as to the formulation of sound corporate strategies and policies.</p>	<p>It shall pre-screen and shortlist all candidates nominated to become a member of the board of directors in accordance with the qualifications and disqualifications set in our Amended Manual on Corporate Governance.</p>
Remuneration/ Compensation	-	4	1	Committee Charter to be formalized	<p>a) Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and Directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation's culture, strategy and control environment;</p> <p>b) Designate the amount of remuneration, which shall be in a sufficient level to attract and retain Directors and officers who are needed to run the Corporation successfully;</p> <p>c) Establish a formal and transparent procedure for developing a policy on executive remuneration packages of individual Directors, if any, and officers;</p> <p>d) Never allow any Director to decide his or her own remuneration;</p> <p>e) Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which among others compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly be in conflict with the performance of their duties once hired.</p> <p>f) Provide in the Corporation's annual reports, information and proxy statements, a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and the ensuing year;</p> <p>Review the existing Human Resources Development or Personnel Handbook, to strengthen the provisions on conflict of interest,</p>		

					<i>salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts.</i>	
<i>Investment</i>	1	4	1	<i>Committee Charter to be formalized</i>	<i>a) Assist the Board in determining the Corporation's investment goals and objectives based on the culture, strategy and the business environment in which the Corporation operates; b) Review the Corporation's investment plans and risks, in line with the business plan or medium-term plans of the Corporation Perform such other functions related to investment decisions as may be designated by the Board from time to time.</i>	
<i>Risk Management</i>	1	3	2	<i>Committee Charter to be formalized</i>	<i>The Committee helps the Board understand the risks the Group faces (range of outcomes, relative probabilities, etc.) for type of risk like: market, credit, liquidity, foreign exchange, equity and structural risks, interest rate risk, insurance, operational, regulatory, compliance and reputation, among others.</i>	<i>The Committee shall ensure that the management has implemented a process and an annual risk management plan to identify, manage, and report on the risks that might prevent the Company from achieving its strategic objectives.</i>
<i>Mining</i>	1	2	1	<i>Committee Charter to be formalized</i>	<i>A special committee that was organized by the Board to study, discusses, and assists the Board and Management in the pursuit of the mining project.</i>	

## 2) Committee Members

### (a) Management Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
<i>Chairman</i>						
<i>Member (ED)</i>	<i>Joseph T. Chua</i>	<i>Jan 2, 2001</i>	<i>28</i>	<i>28</i>	<i>100%</i>	<i>14 years</i>
<i>Member</i>	<i>Amador T. Sendin</i>	<i>Oct 16, 2003</i>	<i>28</i>	<i>28</i>	<i>100%</i>	<i>12 years and 2 months</i>
<i>Member</i>	<i>Atty. Marivic T. Moya</i>	<i>May 01, 1999</i>	<i>28</i>	<i>28</i>	<i>100%</i>	<i>16 years and 7 months</i>
<i>Member</i>	<i>Ramon N. Santos</i>	<i>July 16, 2010</i>	<i>28</i>	<i>26</i>	<i>100%*</i>	<i>5 years and 4 months</i>
<i>Member</i>	<i>Rhodel Esteban</i>	<i>Oct 11, 2007</i>	<i>28</i>	<i>28</i>	<i>100%</i>	<i>8 years and 2 months</i>
<i>Member</i>	<i>Emerson Bonoan</i>	<i>Mar 16, 2004</i>	<i>28</i>	<i>28</i>	<i>100%</i>	<i>11 years and 9 months</i>
<i>Member</i>	<i>Ferdinand Ylagan</i>	<i>Nov 16, 2012</i>	<i>28</i>	<i>28</i>	<i>100%</i>	<i>3 years and 1 month</i>

*The members of the executive / management committee includes the head of operating subsidiaries, meets weekly to discuss the results of operations, including risk management.*

\*Resigned effective October 30, 2015.

**(b) Audit Committee**

Office	Name	Date of Appointment	No. of Meetings Held since last elected	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Johnip G. Cua	17 July 2015	3	3	100%	9 years and 5 months
Member (NED)	Carmen K. Tan	17 July 2015	3	3	100%	3 years and 5 months
Member (NED)	Michael G. Tan	17 July 2015	2*	2	100%	less than 1 year
Member (ED)	Jaime J. Bautista	17 July 2015	3	3	100%	12 years and 5 months
Member (ID)	Ben C. Tiu	17 July 2015	3	3	100%	2 years and 5 months

\*First elected as a member of board of directors last July 17, 2015.

**Disclose the profile or qualifications of the Audit Committee members.**

The Audit Committee shall consist of at least three (3) Directors, who shall preferably have accounting or finance backgrounds, one of whom shall be an Independent Director and another with audit experience. A Director with extensive business management experience and with competence on financial management systems and environment may also be considered.

The Chair of the Audit Committee shall be an Independent Director.

**Johnip G. Cua.** Mr. Cua, 59, Filipino, has served as Independent Director since 2006. He was formerly the President of Procter & Gamble Philippines Inc. (1995-2006). He serves as the Chairman of the Board of the P&Gers Fund Inc. (2009 to Present) and Xavier School, Inc. since Nov. 2012 (Trustee since 1996). He is the Chairman & President of Taibrews Corporation (2011 to Present). He is an Independent Director of BDO Private Bank (2008 to Present), Philippine Airlines Inc. (Oct 2014 to Present), PAL Holdings Inc. (Oct 2014 to Present), Century Pacific Food Inc. (Jan 2014 to Present), Eton Properties Inc. (May 2014 to Present), MacroAsia Catering Services, Inc. (2007 to Present), MacroAsia Airport Services Corp. (2007 to Present), MacroAsia Properties Development Inc. (2013 to Present), PhilPlans First Inc. (2009 to Present), and STI Education Systems Holdings Inc. (2012 to Present). He's also a member of the Board of Directors of Allied Botanical Corporation (2012 to Present), Alpha Alleanza Manufacturing Inc. (2008 to Present), Bakerson Corporation (2002 to Present), Interbake Marketing Corporation (1991 to Present), Lartizan Corporation (2007 to Present), and Teambake Marketing Corporation (1994 to Present). Additionally, he serves as a member of the Board of Trustees of Xavier School Educational & Trust Fund (1996 to Present).

**Carmen K. Tan.** Ms. Tan, 74, Filipino, has served as Director since July 2012. She currently serves as a Director of the following companies: Asia Brewery Inc., Buona Sorte Holdings, Inc., Dominion Realty & Construction Corp.; Eton City, Inc., Foremost Farms, Inc., Fortune Tobacco Corporation; Fortune Tobacco International Corp.; Himmel Industries, Inc., LT Group Inc., Lucky Travel Corp., Manufacturing Services & Trade Corp.; PAL Holdings Inc., Paramount Land Equities Inc., PMFTC Inc., REM Development Corporation, Progressive Farms, Inc.; Saturn Holdings Inc., Shareholdings, Inc., Sipalay Trading Corp., Tanduary Distillers, Inc., Tangent Holdings Corporation, The Charter House, Inc.

**Michael G. Tan.** Mr. Tan, 49, Filipino, has served as Director since 17 July 2015. He serves as the Director and Chief Operating Officer of Asia Brewery Inc., Director of Abacus Distribution Systems Philippines, Inc., AlliedBankers Insurance Corp., Air Philippines Corporation, Century Park Hotel, Eton Properties Philippines Inc., PMFTC Inc., Grandway Konstruct Inc., Lucky Travel Corp., Philippine Airlines Inc., Philippine Airlines Foundation, Inc, PAL Holdings, Inc., Philippine National Bank, LT Group, Inc., Pan Asia Securities Corp., Shareholdings Inc., Tangent Holdings Corp. and Victorias Milling Company, Inc.

**Jaime J. Bautista.** Mr. Bautista, 58, Filipino, a Certified Public Accountant (CPA) has served as Director

since August 1997. He is currently the Chairman of the Board of MacroAsia Airport Services Corporation and Watery Business Solutions Inc. He's the Director and Treasurer of MacroAsia Catering Services, Inc. (1997-Present) and serves a Director in MacroAsia Properties Development Corporation and Cavite Business Resources Inc. He is the Vice Chairman, Board of Trustees-University of the East (1991-Present), Board of Trustees member of University of the East Ramon Magsaysay Medical Center Foundation (1991-Present), the Treasurer of Tan Yan Kee Foundation (2009-Present). He was a Member of the Board of Directors of Air Philippines (2001-March 2012). He resumed his position as the President and Chief Operating Officer (COO) of Philippine Airlines Inc. and PAL Holdings Inc. last October 2014. Prior to his current appointment, he served as PAL's President and COO from August 2004 to April 2012.

**Ben C. Tiu** Mr. Tiu, 63, Filipino, has served as an Independent Director since July 2013. He serves as the Chairman of the Board of Fidelity Securities (1993-Present), Tera Investments, Inc. (2001-Present), TKC Steel Corporation (2007-Present) and Treasure Steelworks Corp. (2005-Present). He is currently the Chairman and has served as President of BRJ Trading since 1988. He also serves as the Chairman and President of JTKC Equities, Inc. (1993-Present). He is currently the Executive Vice President of JTKC Leisure Group. He also serves as Director of I-Remit Inc. (2006-Present).

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

In accordance to the Corporation's Audit Committee Charter, the Committee shall have the resources and authority appropriate to discharge its responsibilities, including the authority to engage external auditors for special audits, reviews and other procedures and to retain and obtain advice from special counsel and other experts and consultants, without need for Board approval. It shall perform oversight functions over the Corporation's internal and external auditors. It should ensure that internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective duties and functions. The committee is tasked to review the reports submitted by the internal and external auditors.

**(c) Nomination Committee**

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Dr. Lucio C. Tan	17 July 2015	1*	1	100%	less than 1 year
Member (NED)	Washington Z. SyCip	17 July 2015	2	2	100%	12 years and 5 months
Member (ID)	Johnip G. Cua	17 July 2015	2	2	100%	2 years and 5 months
Non-Voting Member	Atty. Marivic T. Moya	17 July 2015	2	2	100%	11 years and 5 months

\*First elected as a member of board of directors last July 17, 2015.

**(d) Compensation Committee**

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Johnip G. Cua	17 July 2015	1	1	100%	9 years and 5 months
Member (NED)	Lucio K. Tan Jr.	17 July 2015	1	1	100%	9 years and 5 months
Member (NED)	Michael G. Tan	17 July 2015	1	1	100%	less than 1 year

<i>Member (ED)</i>	<i>Jaime J. Bautista</i>	<i>17 July 2015</i>	<i>1</i>	<i>1</i>	<i>100%</i>	<i>11 years and 5 months</i>
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**(e) Investment Committee**

<b>Office</b>	<b>Name</b>	<b>Date of Appointment</b>	<b>No. of Meetings Held</b>	<b>No. of Meetings Attended</b>	<b>%</b>	<b>Length of Service in the Committee</b>
<i>Chairman</i>	<i>Dr. Lucio C. Tan</i>	<i>17 July 2015</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>less than 1 year</i>
<i>Member (NED)</i>	<i>Washington Z. SyCip</i>	<i>17 July 2015</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>3 years and 5 months</i>
<i>Member (NED)</i>	<i>Carmen K. Tan</i>	<i>17 July 2015</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>3 years and 5 months</i>
<i>Member (NED)</i>	<i>Lucio K. Tan Jr.</i>	<i>17 July 2015</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>9 years and 5 months</i>
<i>Member (NED)</i>	<i>Michael G. Tan</i>	<i>17 July 2015</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>less than 1 year</i>
<i>Member (ED)</i>	<i>Joseph T. Chua</i>	<i>17 July 2015</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>10 years and 5 months</i>
<i>Member (ID)</i>	<i>Johnip G. Cua</i>	<i>17 July 2015</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>9 years and 5 months</i>

**(f) Risk Management Committee**

<b>Office</b>	<b>Name</b>	<b>Date of Appointment</b>	<b>No. of Meetings Held</b>	<b>No. of Meetings Attended</b>	<b>%</b>	<b>Length of Service in the Committee</b>
<i>Chairman (ED)</i>	<i>Jaime J. Bautista</i>	<i>17 July 2015</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>5 years and 5 months</i>
<i>Member (NED)</i>	<i>Lucio K. Tan, Jr.</i>	<i>17 July 2015</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>5 years and 5 months</i>
<i>Member (NED)</i>	<i>Michael G. Tan</i>	<i>17 July 2015</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>less than 1 year</i>
<i>Member (ED)</i>	<i>Joseph T. Chua</i>	<i>17 July 2015</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>5 years and 5 months</i>
<i>Member (ID)</i>	<i>Johnip G. Cua</i>	<i>17 July 2015</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>5 years and 5 months</i>
<i>Member (ID)</i>	<i>Ben C. Tiu</i>	<i>17 July 2015</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>2 years and 5 months</i>

**(g) Mining Committee**

<b>Office</b>	<b>Name</b>	<b>Date of Appointment</b>	<b>No. of Meetings Held</b>	<b>No. of Meetings Attended</b>	<b>%</b>	<b>Length of Service in the Committee</b>
<i>Chairman (ID)</i>	<i>Johnip G. Cua</i>	<i>17 July 2015</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>8 years and 5 months</i>
<i>Member (NED)</i>	<i>Lucio K. Tan, Jr.</i>	<i>17 July 2015</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>6 years and 5 months</i>
<i>Member (NED)</i>	<i>Michael G. Tan</i>	<i>17 July 2015</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>less than 1 year</i>



Member (ED)	Joseph T. Chua	17 July 2015	-	-	-	8 years and 5 months
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### 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
Audit, Nomination, Compensation and Risk Management Committee	Harry C. Tan	End of Term
Investment and Mining Committee	George Y. Sycip	End of Term

### 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
Management	Meets weekly to discuss business operating results, including business risks management.	Mitigate any identified business risks, such as but not limited to the following: foreign currency risks, liquidity risks and other financial and non-financial risks.
Audit	Approves the scope of the audit for internal and external auditors.  Review and recommend approval of the audited financial statement to the Board of Directors.  Discussed with the internal and external auditors, the result of the audit done for the year	Recommended the approval of the audited financial statement for the year 2014.  Evaluate the performance of the committee through the self-assessment worksheet prepared in accordance with the committee charter and manual on corporate governance.
Nomination	Review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval, and ensure that none of the disqualifications (as stated in our Amended Manual on Corporate Governance) are present.	Pre-screened and shortlisted all candidates nominated to become a member of the board of directors in accordance with the qualifications and disqualifications set in amended manual on corporate governance.
Compensation	Review the established policy on executive remuneration and remuneration packages for corporate officers and directors.	Updated remuneration packages for corporate officers and directors are in place.

### 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	Review of the results of operations and management of identified business risks.	Management of identified business risks to improve results of operations.
Audit	Compliance with the Audit Committee Charter	Possible non-compliance with the existing Audit Committee Charter.
Nomination	Review and evaluate qualifications of the nominated executive officers and directors of the company	Review the criteria in evaluating the qualifications and disqualifications of the executive officers and directors of the company.
Remuneration	Review and evaluate the remuneration packages given to the executive officers and directors of the company	Update the remuneration packages of the executive officers and directors of the company.
Others (specify)		

## F. RISK MANAGEMENT SYSTEM

### 1) Disclose the following:

#### (a) Overall risk management philosophy of the company;

To ensure a high standard of business practice for the Corporation and its stakeholders, the Board has established a process and an annual risk management plan to identify, manage, and report on the risks that might prevent the Company from achieving its strategic objectives.

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

Through the Audit Committee a report is being issued on an annual basis which forms part of the annual report. The Internal and External Auditor meets separately with the Audit Committee to discuss the results of all audit works performed, including internal control evaluations and the overall substance of the MacroAsia Group's financial reports.

#### (c) Period covered by the review;

Year 2014

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

Risk Management system is reviewed annually. COSO ERM Framework is used in assessing the effectiveness of the risk management system.

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

Annual review is conducted.

### 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
Volatility of Foreign Exchange Rates	<ul style="list-style-type: none"> <li>Engage in foreign exchange hedging transactions to minimize impact of losses from such fluctuation;</li> </ul>	To minimize exposure to foreign exchange fluctuations.
Increased Liquidity	<ul style="list-style-type: none"> <li>Investment in placements with</li> </ul>	To generate better yields and limit

	<i>better yields and hedged for foreign exchange volatility.</i>	<i>investments to instruments with minimum exposure to significant risks.</i>
<i>Valuation of Non-Current Assets</i>	<ul style="list-style-type: none"> <li><i>Non-current assets are adjusted at fair values for impairment, recoverability and timing of reclassification.</i></li> </ul>	<i>To ensure that assets are fairly valued in accordance with generally accepted accounting principles.</i>

**(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:**

<b>Risk Exposure</b>	<b>Risk Management Policy</b>	<b>Objective</b>
<i>Operational and financial risks of subsidiaries and affiliates</i>	<ul style="list-style-type: none"> <li><i>Group-wide monitoring process performed by executive/management committee held on a weekly basis.</i></li> </ul>	<i>To hold timely business reviews of each operating subsidiary and affiliate for operational and financial assessments, business risks evaluation and control process planning to mitigate and eliminate risks.</i>
<i>Global Economic Slowdown</i>	<ul style="list-style-type: none"> <li><i>Aggressive marketing, offering of innovative products and service;</i></li> <li><i>Optimizing resources and provision of quality services;</i></li> <li><i>Sustainable cost leadership efforts.</i></li> </ul>	<i>To continuously adopt a simultaneous approach of employing revenue generating strategies for both core and non-core businesses while cutting down on costs that will help maintain and expand client patronage.</i>
<i>Industry Regulations</i>	<ul style="list-style-type: none"> <li><i>Year-round preventive maintenance of helicopter units and equipment in accordance with the manufacturer's specifications;</i></li> <li><i>Employees year-round training program in order to keep up with the latest trends with emphasis on operational safety, reliability and customer service;</i></li> <li><i>Regular audits to ensure compliance with local and international quality standards;</i></li> <li><i>Regular renewal of accreditations and certifications to ensure services are carried out in accordance with respective countries' aviation regulations.</i></li> </ul>	<i>To strictly comply with the stringent safety standards and procedures set by international and local industrial regulating agencies.</i>
<i>Competition</i>	<ul style="list-style-type: none"> <li><i>Maintain close relationships with airline clients, which in turn enables reciprocal arrangements for auxiliary aviation services;</i></li> <li><i>Strong backing of the Company's venture partners for a globally-competitive expertise and market reach;</i></li> </ul>	<i>To maintain operational track record and high quality of services coupled with competitive prices.</i>

	<ul style="list-style-type: none"> <li>Operational funding requirements and adequate capital to continue and expand its existing businesses and develop or venture into new business activities.</li> </ul>	
Volatility of Foreign Exchange Rates	<ul style="list-style-type: none"> <li>Engage in foreign exchange hedging transactions to minimize impact of losses from such fluctuation;</li> </ul>	To minimize exposure to foreign exchange fluctuations.
Valuation of Non-Current Assets	<ul style="list-style-type: none"> <li>Non-current assets are adjusted at fair values for impairment, recoverability and timing of reclassification.</li> </ul>	To ensure that assets are fairly valued in accordance with generally accepted accounting principles.

**(c) Minority Shareholders**

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

<b>Risk to Minority Shareholders</b>
<p>The Board of Directors and Management are committed to respect and protect investor's rights and interests, whether majority or minority, at all times. In order to mitigate and eliminate risks arising from restriction of rights of minority and undue preference to controlling shareholders, the following provisions are being recognized by the Corporation as set out in our Amended Manual on Corporate Governance:</p> <ul style="list-style-type: none"> <li>A director shall not be removed without cause if it will deny minority shareholders representation in the Board.</li> <li>It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights.</li> <li>Although all stockholders should be treated equally or without discrimination, the Board should give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Corporation.</li> </ul>

**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:

<b>Risk Exposure</b>	<b>Risk Assessment (Monitoring and Measurement Process)</b>	<b>Risk Management and Control (Structures, Procedures, Actions Taken)</b>
Volatility of Foreign Exchange Rates Increased Liquidity	Established Investment Committee to perform oversight role on investment management functions.	<ul style="list-style-type: none"> <li>Utilized foreign exchange hedging to minimize impact of losses from foreign exchange fluctuations;</li> <li>Limit was set on the Company's foreign currency holdings to not more than 25% in US Dollar portfolio and hold the rest in local currency (at least 75% of the portfolio in Philippine Peso);</li> <li>Excess cash are considered for investment to placements with better yields.</li> </ul>
Valuation of Non-Current Assets	Established Audit Committee to perform oversight role on financial management functions.	<ul style="list-style-type: none"> <li>Periodic review of financial reports to ensure compliance with both the internal and regulatory requirements</li> </ul>

		<ul style="list-style-type: none"> <li>• Recommends external auditors based on track record and qualifications and in consideration of management's proposal;</li> <li>• Conducted discussions with external auditors on results of audit works, including internal control evaluations.</li> </ul>
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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:**

<b>Risk Exposure</b>	<b>Risk Assessment (Monitoring and Measurement Process)</b>	<b>Risk Management and Control (Structures, Procedures, Actions Taken)</b>
<i>Operational and financial risks of subsidiaries and affiliates</i>	<i>As part of its Corporate Governance practice, a Risk Management Committee has been formed to assist the Board of Directors in fulfilling its oversight responsibilities with regards to managing inherent risks and control process with respect to such risks.</i>	
<i>Global Economic Slowdown</i>	<i>As part of its group-wide monitoring process, an executive/management committee meeting is held on a weekly basis. The President/CEO presides over the meeting and is attended by the executive management team, as well as management heads of each operating subsidiary and affiliate. Business reviews of each operating subsidiary are done on a timely basis, to include operational and financial assessments, business risks evaluation and control process planning to mitigate or completely eliminate such risks.</i>  <i>The MAC Group observes the following four-objective categories of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ERM Framework as its standard:</i> <ul style="list-style-type: none"> <li>• Strategy – goals that are supportive of the Group's objectives;</li> <li>• Operations – effective and efficient use of resources;</li> <li>• Financial Reporting – reliability of operational and financial reporting;</li> <li>• Compliance – adherence to applicable laws and Regulations.</li> </ul>	
<i>Industry Regulations</i>		
<i>Competition</i>		
<i>Volatility of Foreign Exchange Rates</i>		
<i>Valuation of Non-Current Assets</i>		

**(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:**

<b>Committee/Unit</b>	<b>Control Mechanism</b>	<b>Details of its Functions</b>
<i>Audit Committee</i>	<i>The Committee checks all financial reports in compliance with both the internal and regulatory requirements.</i>	<i>The Committee performs an oversight role on financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation.</i>
<i>Risk Management Committee</i>	<i>The Committee assists the Board in assessing the different types of risks to which the organization is exposed.</i>	<i>The Audit Committee Chairman is a member of the Risk Management Committee to ensure the flow of relevant information between the Audit and Risk Management</i>

		Committees. The Risk Management Committee helps the Board understand the risks the Group faces and ensures that the management has implemented a process and an annual risk management plan to identify, manage, and report on the risks that might prevent the Company from achieving its strategic objectives.
Investment Committee	The Committee is the investment fiduciary for the prudent management of the Company's investment portfolio.	The Committee has the exclusive authority to establish, execute and interpret investment policy statement for the portfolio. It monitors a transparent financial management system that will ensure the integrity of activities throughout the Company.

## G. INTERNAL AUDIT AND CONTROL

### 1) Internal Control System

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

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

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

*Internal control is the system established by the Board of Directors and Management for the accomplishment of the Corporation's objectives, the efficient operation of its business, the reliability of its financial reporting and faithful compliance with applicable laws, regulations and internal rules.*

**(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 issues a report on an annual basis which forms part of the annual report available to the stakeholders through the company's website.*

*The Internal and External Auditor meets separately with the Audit Committee to discuss the results of all audit works performed, including internal control evaluations and the overall substance of the MacroAsia Group's financial reports.*

**(c) Period covered by the review;**

*Year ended December 31, 2014.*

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

*Internal controls are reviewed regularly through the reports of the auditors (internal and external) and representations made by management. COSO ERM framework is used in assessing the effectiveness of internal control system.*

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

*Review of Internal controls is regularly conducted.*

2) Internal Audit

(a) Role, Scope and Internal Audit Function

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

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
<p><i>To provide an independent, objective assurance and consulting services designed to add value to and improve the Corporation's operations, and help it accomplish its objectives by providing a systematic and disciplined approach in the evaluation and improvement of the effectiveness of risk management, control and governance processes.</i></p>	<p><i>The scope of work of the internal audit is to assess and make appropriate recommendations for improving the governance process in its accomplishment of the following objectives:</i></p> <ul style="list-style-type: none"> <li><i>• Promoting appropriate ethics and values within the organization</i></li> <li><i>• Ensuring effective organizational performance management and accountability</i></li> <li><i>• Communicating risk and control information to appropriate areas of the organization</i></li> <li><i>• Coordinating the activities of and communicating information among the board, external and internal auditors, and management</i></li> </ul> <p><i>To evaluate the risk exposures relating to, and the adequacy and effectiveness of the controls in responding to risks within the</i></p>	<p><i>In-house</i></p>	<p><i>Allan P. Tabayan</i></p>	<p><i>Internal Audit reports administratively to the Management and functionally to the Audit Committee and/or Risk Management Committee.</i></p>

	<p>organization's governance, operations, and information systems regarding the:</p> <ul style="list-style-type: none"> <li>• Achievement of the organization's strategic objectives</li> <li>• Reliability and integrity of financial and operational information</li> <li>• Effectiveness and efficiency of operations and programs</li> <li>• Safeguarding of assets</li> <li>• Compliance with laws, regulations, policies, procedures, and contracts.</li> </ul>			
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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, the committee reviews/approves the appointment and replacement of the internal auditor.*

**(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?**

*Internal Audit reports administratively to the Management and functionally to the Audit Committee and/or Risk Management Committee. Internal Auditor/s have free and full access to all the Corporation's records, properties, and personnel relevant to and required by its function and that the internal audit activity is free from interference in determining its scope, performing its work, and communicating its results.*

**(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
	<i>There is nothing to report</i>

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

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



<b>Progress Against Plans</b>	<i>The progress of the actual audit activity against annual internal audit plan is being monitored on a semi-annual basis and is reported to the management and Audit Committee</i>
<b>Issues<sup>6</sup></b>	<i>No Significant Issues noted.</i>
<b>Findings<sup>7</sup></b>	<i>No Significant Findings noted.</i>
<b>Examination Trends</b>	<i>The examinations are done mostly on the subsidiaries and investments of the company.</i>

[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:

*In all of its activities, the Internal Auditor follows the International Standards for the Professional Practice of Internal Auditing (the “Standards”).*

**1) Preparation of an audit plan inclusive of a timeline and milestones;**

*The audit planning process encompasses all activities related to the development of the internal audit plan and schedule, which includes determinations of the engagement’s objectives, scope, timing, and resource allocations. In undertaking this process the Internal Auditor must consider the following:*

- *Understanding the activity being reviewed and control environment*
- *Define factors to be used in assessing risk (Risk Assessment)*
- *Schedule audits and allocate Internal Audit resources according to the priorities established and the current level and expertise of Internal Auditor*

**2) Conduct of examination based on the plan;**

*The process of conducting the examination based on the plan is part of the Internal Audit Process. It includes the following:*

- *Engagement Planning*
  - *Establishing audit objectives and scope of work.*
  - *Obtaining background information about the activities to be audited.*
  - *Determining the resources necessary to perform the audit.*
  - *Communicating with all who need to know about the audit.*
  - *Performing, as appropriate, an on-site survey to become familiar with the activities and controls to be audited, to identify areas for audit emphasis, and to invite audited entity comments and suggestions.*
  - *Preparation of audit engagement work program and allocation of audit resources.*
- *Performing the engagement*
  - *Identify, analyze, evaluate, and document sufficient information to achieve the engagement’s objectives.*
  - *Information should be sufficient, reliable, relevant, and useful to achieve the engagement’s objectives. Sufficient information is factual, adequate, and convincing so that a prudent, informed person would reach the same conclusions as the auditor. Reliable information is the best attainable information through the use of appropriate engagement techniques. Relevant information supports engagement observations and recommendations and is consistent with the objectives for the engagement. Useful information helps the organization meet its goals.*
- *Communicating results*
  - *Draft audit report*

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

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

- Review of draft audit report
- Exit conference with auditee
- Preparation of final audit report
- Disseminate approved audit report
- Follow-up and monitoring
  - Follow-up audit
  - Disseminate approved report

3) **Evaluation of the progress in the implementation of the plan;**

*The progress in the implementation of the plan is being monitored on a regular basis.*

4) **Documentation of issues and findings as a result of the examination;**

*Documentation of the issues and findings is done through the auditor's working paper. Working papers serve both as tools to aid the auditor in performing his work, and as written evidence of the work done to support the auditor's report. Information included in working papers should be sufficient, reliable, relevant, and useful to achieve the engagement's objectives.*

5) **Determination of the pervasive issues and findings ("examination trends") based on single year result and/or year-to-year results;**

*This is done through the follow-up audit and monitoring process.*

6) **Conduct of the foregoing procedures on a regular basis.**

*The Internal Audit activities are being performed on regular basis through the Internal Auditor and Audit Committee.*

**(f) Audit Control Policies and Procedures**

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

<b>Policies &amp; Procedures</b>	<b>Implementation</b>
<i>In all of its activities, the Internal Auditor follows the International Standards for the Professional Practice of Internal Auditing</i>	<i>Implemented</i>
<i>The Audit Committee shall review the appointment and replacement of the internal auditor</i>	<i>Implemented</i>
<i>The internal auditor shall report periodically to the Audit Committee regarding any significant deficiencies in the design or operation of the Company's internal controls, material weaknesses in the internal controls and any fraud (regardless of materiality) involving persons having a significant role in the internal controls, as well as any significant changes in internal controls implemented by management during the most recent reporting period of the Company, corporate governance issues and other matters requested by the Audit Committee or the Board of Directors.</i>	<i>Implemented</i>
<i>Internal Auditor/s have free and full access to all the Corporation's records, properties and</i>	<i>Implemented</i>

<p><i>personnel relevant to and required by its function and that the internal audit activity shall be free from interference in determining its scope, performing its work and communicating its results.</i></p>	
<p><i>The Committee shall review at least annually the structure, resources and performance of the Company's Internal Auditor/s. The Committee shall meet periodically with the Company's internal auditor to discuss the overall responsibilities and budget for the annual internal audit plan, including the adequacy of staffing and other factors that may affect the effectiveness and timeliness of the internal audit.</i></p>	<p><i>Implemented</i></p>

**(g) Mechanism and Safeguards**

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

<b>Auditors (Internal and External)</b>	<b>Financial Analysts</b>	<b>Investment Banks</b>	<b>Rating Agencies</b>
<ul style="list-style-type: none"> <li>• <i>The Internal Auditor is responsible to an individual in the organization with sufficient authority to promote independence and to ensure broad audit coverage, adequate consideration of audit reports, and appropriate action on audit recommendations.</i></li> <li>• <i>The Internal Auditor should have direct communication with the Board of Directors through the Audit Committee.</i></li> <li>• <i>The Audit Committee concurs in the appointment and/or removal of the Internal Auditor.</i></li> <li>• <i>The Internal Auditor should submit annually to management for approval and to the BOD for its information a summary of the audit</i></li> </ul>	<p><i>The Company does not provide any material information to any group of financial analysts, investment banks and rating agencies, therefore, no independence issue to be address. Material information are available to the general public after the disclosures made to PSE and/or SEC.</i></p>		

<p><i>work schedule, staffing plan, and financial budget.</i></p> <ul style="list-style-type: none"> <li>• <i>The Internal Auditor should submit activity reports to management and to the BOD annually or more frequently as necessary. Activity reports should highlight significant audit findings and recommendations.</i></li> <li>• <i>The Internal Auditor should not assume operating responsibilities. But if on occasion management directs the Internal Auditor to perform non-audit work, it should be understood that he/she is not functioning as Internal Auditor</i></li> <li>• <i>Persons transferred to or temporarily engaged to do internal audit should not be assigned to audit those activities they previously performed until a reasonable period of time has elapsed</i></li> <li>• <i>The Internal Auditor should not accept anything of value from an employee, supplier, or business associate of the Company which would impair or be perceived to impair their professional judgment or objectivity</i></li> <li>• <i>Appointment of External Auditors requires majority vote of stockholders.</i></li> </ul>	
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**(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.

- Mr. Joseph T. Chua – President and COO
- Atty. Marivic T. Moya – Compliance Officer

#### H. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' welfare	<i>The Company depends on its clients and should not be the other way around. Everyone is expected to give clients utmost courtesy and respect.</i>	<i>Clients should be attended promptly and never argue or quarrel with them. Should there be any matter that cannot be resolved, the matter should be referred to the concerned Department Head.</i>
Supplier/contractor selection practice	<i>Company profile is required for accreditation of suppliers. All major suppliers of goods and/or services should be a legitimate provider of such.</i>	<i>The company implements a bidding process for the selection of a supplier. All qualified suppliers of goods and/or services will be sent an invitation to submit bid proposals for evaluation.</i>
Environmentally friendly value-chain	<i>The company focuses on helping the community in protecting the environment.</i>	<i>The company is protecting the environment through tree planting activities coordinated with the academe.</i>
Community interaction		<i>Sponsoring activities related to traditions and festivities involving local community.</i>
Anti-corruption programmes and procedures?	<i>For the protection and preservation of the good name and reputation of the company, employees are expected to conduct their official business in the straightforward manner.</i>	<i>All directors, officers and employees are encouraged not to involve in any unauthorized solicitation / accepting directly or indirectly, money or anything in value from suppliers, creditors or other parties doing business with the Company in exchange for a favor, decision or service that may or maybe not be detrimental to the Company.</i>
Safeguarding creditors' rights	<i>It is in the company’s values to honor the rights and belief of our employees, our customers, our shareholders, our suppliers and our community.</i>	<i>The management monitors the liquidity of the company and sees to it that the company will be able to settle its current and non-current obligations.</i>

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

*Yes. Corporate responsibility report/section is presented as part of our annual report.*

3) Performance-enhancing mechanisms for employee participation.

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

*In the implementation of Security and Safety Regulations, all employees are enjoined to:*

1. *Subject themselves to routine inspection. Employees should undergo frisking and inspection of their bags, attache' cases, packages and other belongings before leaving the Company premises.*
2. *Use only entrances and exits that have been authorized and designated by Management*
3. *Leave Company premises after the scheduled working time except when on overtime work. No one shall be allowed to loiter around, or go from one department to another where he is not authorized.*
4. *Report all areas that have unsafe conditions and security risk problems. This would include all accidents and injuries that have been incurred within the Company premises.*
5. *Observe and be conscious of safety sign, which must not be removed or defaced.*
6. *Refrain from selling products inside the Company premises specially during working hours*
7. *Observe non-smoking areas*
8. *Keep aisle and all passageways clear of unnecessary objects*
9. *Wear the required uniforms, safety and hygienic gadgets while on duty*
10. *Switch off or unplug lights and electrically operated machines or equipments when not in use. It is the responsibility of the person nearest to the light switch and to the air-conditioning unit to turn it off after office hours before leaving the office.*
11. *Resigned or terminated employees shall not be allowed to enter Company premises without prior permission from HRD.*

*All regular employees of the company enjoyed the benefits of having a health care program provided by Health Organization.*

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

*All regular employees are required to undergo annual physical examination. No work-related incidents or health concerns have been reported in the Company during the year.*

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

*The Company is committed to provide further training and education to all of its employees for the development of their fundamental knowledge and skills in the job they are performing and to create opportunities for advancement.*

*HRD will regularly conduct Training Need Evaluation to determine what training an employee needs. This is done in coordination with the employee's Supervisor or Department Head.*

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

*The company's system of incentives will help ensure (1) that overall corporate objectives are achieved; and (2) that the performance of each executive is suitably measured, evaluated and financially compensated.*

*In order to achieve an effective incentive system, all performance targets must be agreed in advance. It is thus the nature and quality of the target – agreement process that will determine whether the Performance Incentive Plan can offer a genuine additional management incentive through which, with extraordinary performance and application, even ambitious targets can be achieved.*

*Performance Incentive will be given for all levels if the minimum quantitative (strategy, budget and business plan) and qualitative ("soft" factors, some of which may not be directly measurable) targets set are achieved.*

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

*Any behavior or acts committed by an employee which the Company may have reasons to believe are violation of Company Rules and Regulations will be reflected in the Incident Report prepared by the*

immediate supervisor or by the reporting party.

If the reporting party is not the direct Supervisor of the employee, he should submit the form to the Supervisor of the concerned employee. It is the responsibility of the Supervisor to discuss with the concerned employee the reported violation or incident.

The concerned employee must acknowledge receipt of the Incident Report and explain within forty-eight (48) hours in writing the reason for such act.

The Supervisor, after evaluating the written explanation of the employee will make his recommendations and forward the same to HRD.

HRD will evaluate the case and determine if further investigation is necessary.

HRD will render the final decision within five (5) days from conclusion of the investigation. HRD will advise the employee in writing of its decision.

The decision of the HRD can be appealed in writing by the employees to the General Manager who will render its decision in writing within five (5) calendar days from receipt of the written appeal.

No decision on a case can be made by any Company Official without going through these procedures.

All investigation proceedings will be recorded in writing at all times and will form part of the case record.

The Incident Report will be filed in the employee's 201 file.

## I. DISCLOSURE AND TRANSPARENCY

### 1) Ownership Structure (as of December 31, 2015)

#### (a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
PCD Nominee Corporation (Filipino)	203,623,561	16.51%	*
PAL Holdings, Inc. (formerly Baguio Gold Holdings Corporation)	88,000,000	7.13%	Trust Mark Holdings Corp. (89.78% ownership)
PCD Nominee Corporation (Non-Filipino)	83,826,007	6.80%	*
Conway Equities, Inc.	85,110,000	6.90%	Melito K. Tan— President

\*PCD Nominee Corp. (PCD) is a registered owner of certain shares in the books of the Company's transfer agent in the Philippines. The beneficial owners of such shares are PCD's participant, who hold shares on their behalf or in behalf of their clients. The securities are voted by the trustee's designated officers who are not known to the Company. None of the PCD Nominee Corporation (Filipino and Non-Filipino) account beneficially owns 5% or more of the Company's outstanding common shares.

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
None of the senior management holds 5% or more ownership in MAC.			
<b>TOTAL</b>			

2) Does the Annual Report disclose the following:

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	Yes
Dividend policy	Yes
Details of whistle-blowing policy	No
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Yes
Training and/or continuing education programme attended by each director/commissioner	Yes
Number of board of directors/commissioners meetings held during the year	Yes
Attendance details of each director/commissioner in respect of meetings held	Yes
Details of remuneration of the CEO and each member of the board of directors/commissioners	Yes

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

*The Company has no written policy on whistle blower yet. To be formalized.*

3) External Auditor's fee (as of December 31, 2014)

Name of auditor	Audit Fee	Non-audit Fee
SyCip Gorres and Velayo	P3,409,250* P1,270,000**	-

\* MAC Group

\*\* MAC Parent

4) Medium of Communication

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

*All material information about the Corporation which could adversely affect its viability or the interests of the stockholders shall be publicly and timely disclosed.*

*Such information shall include, among others, earnings results, acquisition or disposition of assets, off balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board and Management.*

*All such information shall be disclosed through the appropriate Exchange mechanisms and submissions to the Commission;*

- Other information that shall always be disclosed includes Board changes, related party transactions, shareholdings of Directors and changes to ownership;*
- All disclosed information shall be released via the approved stock exchange procedure for Company announcements as well as through the annual report. The Corporation shall cause the filing of all required information for the interest of the stakeholders;*
- The Board and Officers shall commit at all times to fully disclose material information dealings. The Corporation shall be compliant with disclosure rules and regulations being issued by competent authorities, specifically, but not limited to Sec 4.2 (Selective Disclosures of Material Information) of the Revised Disclosure Rules of the Philippine Stock Exchange.*



5) **Date of release of audited financial report:**

*April 15, 2015.*

6) **Company Website**

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

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

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

7) **Disclosure of RPT**

<b>RPT</b>	<b>Relationship</b>	<b>Nature</b>	<b>Value</b>
<i>For detailed discussion of material related party transactions, please see Note 18 of the Company's Notes to Consolidated Financial Statements attached as part of SEC 17-A 2014 report. Except as otherwise disclosed in the annual report, there are no other parties that fall outside the definition of "related parties" under Philippine Accounting Standards (PAS) 24 with whom the Company or its related parties have a relationship that enabled the parties to negotiate terms of material transactions that may not be available from others or independent parties on an arm's length basis.</i>			

**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?**

*All related party transactions are fully disclosed to the Board of Directors. Related party transactions are performed in the regular course of business and are conducted on an arm's length basis.*

**J. RIGHTS OF STOCKHOLDERS**

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

(a) **Quorum**

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

<b>Quorum Required</b>	<i>Majority of the subscribed capital stock (entitled to vote) of the Corporation are represented in person or by proxy</i>
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(b) **System Used to Approve Corporate Acts**

**Explain the system used to approve corporate acts.**

<b>System Used</b>	<i>All corporate acts/resolutions are submitted to the SEC on an annual basis at the first quarter of every year.</i>
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<b>Description</b>	<i>All corporate acts are subjected to ratification/approval of stockholders during the Annual Stockholders' Meeting.</i>
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**(c) Stockholders' Rights**

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

<b>Stockholders' Rights under The Corporation Code</b>	<b>Stockholders' Rights <u>not</u> in The Corporation Code</b>
<i>Voting Right</i>	<i>All rights are in accordance with the Corporation Code.</i>
<i>Pre-emptive Right</i>	
<i>Power of Inspection</i>	
<i>Right to information</i>	
<i>Right to dividends</i>	
<i>Appraisal Right</i>	

**Dividends**

<b>Declaration Date</b>	<b>Record Date</b>	<b>Payment Date</b>
<i>December 14, 2015</i>	<i>January 4, 2016</i>	<i>January 28, 2016</i>

**(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.

<b>Measures Adopted</b>	<b>Communication Procedure</b>
<i>The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the Corporation. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.</i>	<i>Personal distribution of materials (through courier) for the annual stockholders' meeting are made at least 15 business days prior to meeting date. Notice of Meeting includes the date, time, venue and agenda of the meeting, the record date of stockholders entitled to vote, and the date and place of proxy validation.</i>
<i>It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights.</i>	<i>All stockholders are encouraged participate in the Annual Stockholders' Meeting through the Question and Answer portion.</i>  <i>The Company has also designated investor relations officer to handle investor and shareholder queries and requests, and their contact information can easily be accessed through the Company's website.</i>
<i>The Board should take the appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders meaningful participation in meetings, whether in person or by proxy. Accurate and timely information should be made available to the stockholders to enable them to make a sound</i>	<i>All material information about the Corporation which could adversely affect its viability or the interests of the stockholders shall be publicly and timely disclosed.</i>  <i>Such information shall include, among others, earnings results, acquisition or disposition of</i>

<p><i>judgment on all matters brought to their attention for consideration or approval.</i></p>	<p><i>assets, off balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board and Management.</i></p> <p><i>All such information shall be disclosed through the appropriate Exchange mechanisms and submissions to the Commission;</i></p> <ul style="list-style-type: none"> <li><i>• Other information that shall always be disclosed includes Board changes, related party transactions, shareholdings of Directors and changes to ownership;</i></li> <li><i>• All disclosed information shall be released via the approved stock exchange procedure for Company announcements as well as through the annual report. The Corporation shall cause the filing of all required information for the interest of the stakeholders;</i></li> <li><i>• The Board and Officers shall commit at all times to fully disclose material information dealings. The Corporation shall be compliant with disclosure rules and regulations being issued by competent authorities, specifically, but not limited to Sec 4.2 (Selective Disclosures of Material Information) of the Revised Disclosure Rules of the Philippine Stock Exchange.</i></li> </ul> <p><i>The Company continuously maintain its website to provide timely information updates on its performance on operational, financial and corporate governance.</i></p>
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**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**

*Voting and Preemption Rights of Stockholders presented in the Company's Definitive Information Statement sent out to all stockholders as of record date*

*All outstanding common shares of the Company as of the record date for the purpose of the Annual Stockholder's Meeting are entitled to vote at the rate of one (1) vote per share.*

*A stockholder entitled to vote at the meeting shall have the right to vote in person or by proxy the number of shares registered in his name in the stock transfer book of the Company for as many persons as there are directors to be elected. Each stockholder shall have the right to cumulate said shares and give one nominee as many votes as the number of directors to be elected, multiplied by the number of his shares shall equal, or he may distribute them on the same cumulative voting principle among as many nominees as he shall see fit; provided, that the number of votes cast by a stockholder shall not exceed the number of his shares multiplied by the number of directors to be elected.*

*Any stockholder of the Company shall have the right to dissent and demand payment of the fair value of his shares in case (i) any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence; (ii) any sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or*

substantially all of the corporate property and assets; and (iii) of merger or consolidation.

The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken for payment of the value of his shares. If the proposed corporate action is implemented or affected, the corporation shall pay to such stockholder, upon surrender of the certificate or certificates of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action. No payment shall be made to dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment.

**2. 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?**

**a. Date of sending out notices:**

*June 26, 2015*

**b. Date of the Annual/Special Stockholders' Meeting:**

*July 17, 2015*

**3. State, if any, questions and answers during the Annual/Special Stockholders' Meeting**

*No relevant questions were raised during the Annual Stockholders' Meeting held on 17 July 2015.*

**4. Result of Annual/Special Stockholders' Meeting's Resolutions**

Resolution	Approving	Dissenting	Abstaining
<p><i>A. Approved and ratified the following:</i></p> <p><i>1. The minutes of the Annual Stockholders' Meeting held on 18 July 2014</i></p> <p><i>2. The Annual Report and Audited Financial Statements for 2014</i></p> <p><i>3. The Amendment of the Sixth Article of the Articles of Incorporation to increase the number of directors from nine (9) to eleven (11)</i></p> <p><i>4. The Amendment of the By-laws: (i) to reflect the abolition of the position of Vice-Chairman and in view thereof, the deletion of any and all references to the position of Vice-Chairman in Article</i></p>	<p><i>Stockholders representing 77.82% of the total issued and outstanding capital stock of the Corporation approved and ratified these matters.</i></p>	<p><i>None</i></p>	<p><i>None</i></p>

<p><i>II, Section 2.05 and Article V, Section 5.01 of the By-laws; and (ii) to include a provision in Article V of the By-laws creating the position of Co Chairman</i></p> <p><i>5. Amendment of the By-laws: (i) Article V, Section 5.02 - to reflect that the Chairman shall be the Chief Executive Officer of the Corporation and to specify his powers and duties; and (ii) Article V, Section 5.03 - to reflect that the President shall be the Chief Operating Officer of the Corporation and to specify his powers and duties</i></p> <p><i>6. All Acts, Proceedings and Resolutions of the Board of Directors and Management since 18 July 2014 up to 17 July 2015.</i></p>			
<p><i>B. Election of Directors</i></p>	<p><i>Stockholders representing 77.82% of the total issued and outstanding capital stock of the Corporation elected the Directors of the Corporation.</i></p>	<p><i>None</i></p>	<p><i>None</i></p>
<p><i>C. Appointment of SGV &amp; Co. as External Auditor</i></p>	<p><i>Stockholders representing 77.82% of the total issued and outstanding capital stock of the Corporation appointed SGV &amp; Co. as external auditor-</i></p>	<p><i>None</i></p>	<p><i>None</i></p>

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

*The results of the annual stockholders' meeting were immediately disclosed to the public through PSE's online reporting system (Edge) within the same date of the meeting (July 17, 2015). Likewise, SEC Form 17-C was submitted to the SEC within 5 days after the occurrence of the event.*

**(e) Modifications**

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

Modifications	Reason for Modification
No modification made in the ASM regulations during the most recent year.	

**(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
<b>Annual Stockholders' Meeting</b>	<u>Directors:</u> <ul style="list-style-type: none"> <li>• Dr. Lucio C. Tan</li> <li>• Washington Z. Sycip</li> <li>• Carmen K. Tan</li> <li>• Lucio K. Tan, Jr.</li> <li>• Michael G. Tan</li> <li>• Joseph T. Chua</li> <li>• Jaime J. Bautista</li> <li>• Johnip G. Cua</li> <li>• Ben C. Tiu</li> </ul> <u>Officers:</u> <ul style="list-style-type: none"> <li>• Amador T. Sendin</li> <li>• Atty. Marivic T. Moya</li> <li>• Atty. Florentino M. Herrera III</li> </ul>	July 17, 2015	By show of hands	3.94%	73.88%	77.82%
<b>Special</b>	No special meeting held in 2015.					

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

*Yes, representatives from our trust agent Philippine National Bank (formerly Allied Bank) is always present during the Annual Stockholders meeting for the said function.*

**(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, the company has only one class of shares (common) and each share carries one vote for one share.*

**(g) Proxy Voting Policies**

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

	Company's Policies
<b>Execution and acceptance of proxies</b>	<i>Any stockholders entitled to vote at any meeting of stockholders may vote either in person or by proxy. Every proxy shall be in writing, signed by the stockholder or his duly authorized attorney-in-fact, and dated, duly witnessed and acknowledged.</i>
<b>Notary</b>	<i>Not required</i>
<b>Submission of Proxy</b>	<i>All proxies must be duly presented to the Secretary for inspection and recording at least ten (10) business days before the opening of the meeting.</i>

<b>Several Proxies</b>	<i>Stockholders may vote at all meetings, the number of shares registered in their names, either in person or through a proxy duly appointed.</i>
<b>Validity of Proxy</b>	<i>No proxy shall be valid unless it shall designate the particular meeting at which it is to be voted, and no proxy shall be voted at any meeting other than the one therein designated or any adjournment thereof.</i>
<b>Proxies executed abroad</b>	<i>Not applicable</i>
<b>Invalidated Proxy</b>	<i>Proxies filed with the Secretary may be revoked by the stockholder concerned in an instrument in writing duly presented and recorded with the Secretary at least six (6) days prior to a scheduled meeting. The presence of a stockholder shall be entitled to vote at such meeting in the same manner and with the effect as if he had not executed a proxy.</i>
<b>Validation of Proxy</b>	<i>Proxies filed with the Corporate Secretary are being validated together with the Corporation's Stock and Transfer Agent.</i>
<b>Violation of Proxy</b>	

**(h) Sending of Notices**

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

<b>Policies</b>	<b>Procedure</b>
<i>A written or printed notice of meetings, either regular or special, shall be cause to be delivered or mailed by Secretary to each stockholder of record at least (10) days prior to the date set for such meeting.</i>	<i>Distribution of meeting materials through personal delivery/courier to all entitled stockholders as of record date, at least 15 business days prior to meeting date. An affidavit shall be issued by the Stock and Transfer Agent that meeting materials were sent to all stockholders at least 15 business days prior to meeting.</i>

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

<b>Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials</b>	<i>859 stockholders were entitled to receive Definitive IS and Management Report.</i>
<b>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners</b>	<i>June 26, 2015</i>
<b>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders</b>	<i>June 26, 2015</i>
<b>State whether CD format or hard copies were distributed</b>	<i>Materials in hard copies were distributed.</i>
<b>If yes, indicate whether requesting stockholders were provided hard copies</b>	<i>Not Applicable</i>

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

<b>Each resolution to be taken up deals with only one item.</b>	<b>Yes</b>
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Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	Yes
The auditors to be appointed or re-appointed.	Yes
An explanation of the dividend policy, if any dividend is to be declared.	Yes
The amount payable for final dividends.	Yes
Documents required for proxy vote.	Yes

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

*All the foregoing information was disclosed.*

## 2) Treatment of Minority Stockholders

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

Policies	Implementation
Voting Right	<p>1) Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.</p> <p>2) Cumulative voting shall be used in the election of directors.</p> <p>3) A director shall not be removed without cause if it will deny minority shareholders representation in the Board.</p>
Pre-emptive Right	<p>The Corporation's Amended Articles of Incorporation specifies that "no stockholder shall, because of his ownership of stock of the Corporation, have any pre-emptive right or other preferential right to purchase, subscribe for, or take any part of any stock or of any other securities convertible into or carrying option or warrants to purchase stock of the Corporation. Any part of any such stock or other securities may at any time be issued, optioned for sale, and sold or disposed of by the Corporation pursuant to a resolution of its Board of Directors, without first offering such stock or securities or any part thereof to existing shareholders of the Corporation" (as amended in 1993 and 1987).</p>
Power of Inspection	<p>All shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code and shall be furnished with annual reports, including financial statements, without cost or restrictions.</p>
Right to information	<p>1) The Shareholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the company's shares, dealings with the Company, relationships among Directors and key officers, and the aggregate compensation</p>



	<p><i>of directors and officers.</i></p> <p>2) <i>The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate corporate business purposes.</i></p> <p>3) <i>The minority shareholders shall have access to any and all information relating to matters for which the management is accountable for.</i></p>
<p><i>Right to dividends</i></p>	<p>1) <i>Shareholders shall have the right to receive dividends subject to the discretion of the Board.</i></p> <p>2) <i>The Corporation shall be compelled to declare dividends when its Retained Earnings shall be in excess of 100% of its paid-in capital stock, except:</i></p> <p>a) <i>When justified by definite corporate expansion projects or programs approved by the Board or;</i></p> <p>b) <i>When the Corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured or;</i></p> <p>c) <i>When it can be clearly shown that such retention is necessary under special circumstances obtaining in the Corporation, such as when there is a need for special reserve for probable contingencies.</i></p>
<p><i>Appraisal Right</i></p>	<p><i>The shareholders' shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code of the Philippines, under any of the following circumstances:</i></p> <p>1) <i>In case any Amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;</i></p> <p>2) <i>In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and</i></p> <p>3) <i>In case of merger or consolidation.</i></p>

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

*For purposes of election to the Board of Directors, any and all nominations shall be submitted to and received at the principal office of the Corporation at least thirty (30) days prior to the scheduled date of the Stockholders' Meeting and addressed to the attention of the Corporate Secretary.*

## 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.

*All announcements are reviewed by the Corporate Information Officer and must be approved by the President.*

- 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	<i>To provide a communication channels that is available not only to the investing public but also to the stakeholders.</i>
(2) Principles	<i>The company is guided by the principles of integrity, objectivity, accountability and transparency.</i>
(3) Modes of Communications	<i>Company Website: <a href="http://www.macroasiacorp.com">www.macroasiacorp.com</a> PSE Website: <a href="http://edge.pse.com.ph/">http://edge.pse.com.ph/</a> Through telephone number: (02) 840 – 2001; Email Address: <a href="mailto:info@macroasiacorp.com">info@macroasiacorp.com</a></i>
(4) Investors Relations Officer	<i>Ms. Jenna Mae V. Diaz Financial Accountant 12F PNB Allied Bank Center, 6754 Ayala Ave., Makati City Through telephone number: (02) 840 – 2001;</i>

- 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?

*Any stockholder of the Company shall have the right to dissent and demand payment of the fair value of his shares in case (i) any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence; (ii) any sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets; and (iii) of merger or consolidation.*

*The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken for payment of the value of his shares. If the proposed corporate action is implemented or affected, the corporation shall pay to such stockholder, upon surrender of the certificate or certificates of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action. No payment shall be made to dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment.*

*None of the proposed corporate actions of MacroAsia Corporation however qualifies as an instance, which allows the exercise by the stockholders of their appraisal rights.*

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

*Not Applicable. There were no related transactions similar to the above.*

## L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiative	Beneficiary
Livelihood program	Indigenous People/Residence of Brooke's Point, Palawan
Educational program	People from Brooke's Point, Palawan
Scholarship program	Indigenous People of Brooke's Point, Palawan
Contributions to fund the construction of different schools	<ul style="list-style-type: none"> <li>- Students of Liwanay Elementary School in South Cotabato</li> <li>- Students of Calungboyan Elementary School in Ilocos Sur</li> <li>- Students of Talaga Elementary School in Tanauan, Batangas</li> <li>- Students of C.P. Sta. Teresa Elementary School in Taguig</li> </ul>

#### 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	The Board of Directors conduct an assessment of its performance through a self-assessment worksheet that has been prepared based on its responsibilities incorporated in the Revised Manual on Corporate Governance	
Board Committees	The Committee conduct an assessment of its performance through a self-assessment worksheet that has been prepared based on its responsibilities incorporated in the Revised Manual on Corporate Governance	
Individual Directors	The Board of Directors conduct an assessment of its performance through a self-assessment worksheet that has been prepared based on its responsibilities incorporated in the Revised Manual on Corporate Governance	
President	The Members of the Board conduct an assessment of the President's performance through an assessment worksheet that has been prepared based on the responsibilities incorporated in the Revised Manual on Corporate Governance	

#### N. INTERNAL BREACHES AND SANCTIONS

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

Violations	Sanctions
First Violation	Violator/s shall be reprimanded
Second Violation	Violator/s shall be suspended from office; duration will depend on the gravity of the violation
Third Violation	Violator/s shall be removed from office

This Consolidated Changes in the ACGR for 2015 is hereby compiled and published in the Company website, in compliance with Securities and Exchange Commission (SEC) Memorandum Circular No. 12, Series of 2014 dated 26 May 2014, requiring all publicly listed companies to consolidate all the ACGR updates and changes and to post the same in their respective websites.

In lieu of the notarized signature page, the Consolidated Changes in the ACGR shall be accompanied by a Secretary's Certificate which sets forth the updates and changes in the ACGR.