

2016



**ANNUAL CORPORATE GOVERNANCE REPORT
STATEMENT OF CHANGES FOR THE YEAR 2016**

06 January 2017

Securities and Exchange Commission
SEC Building, Mandaluyong City

Attention: Director Justina F. Callangan
Director, Corporate Governance & Finance Department

Philippine Stock Exchange, Inc.
3/F Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City


Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department

Gentlemen:

In compliance with SEC Memorandum Circular No. 12, Series of 2014 or the Clarification for Changes and Updates in the Annual Corporate Governance Report (ACGR), please find attached Robinsons Retail Holdings, Inc.'s Consolidated Changes in the ACGR for the year 2016.

Thank you very much.

Very truly yours,


BACH JOHANN M. SEBASTIAN
Compliance Officer
Robinsons Retail Holdings, Inc.

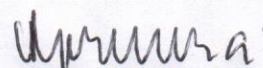
ROBINSONS RETAIL HOLDINGS, INC.

SECRETARY'S CERTIFICATE


I, ROSALINDA F. RIVERA, of legal age, Filipino, with office address at the 40th Floor, Robinsons Equitable Tower, ADB Avenue corner Poveda Street, Ortigas Center, Pasig City, being the duly elected Corporate Secretary of **ROBINSONS RETAIL HOLDINGS, INC.**, ("Corporation") with office address at 110 E. Rodriguez, Jr. Avenue, Bagumbayan, Quezon City, Metro Manila, after having been duly sworn in accordance with law, hereby depose and state that the following resolution was duly adopted by the Board of Directors of the Corporation on December 14, 2016:

"RESOLVED, that the Board of Directors of ROBINSONS RETAIL HOLDINGS, INC. ("Corporation") hereby approves the consolidated changes made to the Annual Corporate Governance Report of the Corporation for the year 2016 in accordance with SEC Memorandum Circular No. 12, Series of 2014.

APPROVED: December 14, 2016."


ROSALINDA F. RIVERA
Corporate Secretary

ATTESTED BY:


LANCE Y. GOKONGWEI
Chairman and Chief Executive Officer

SUBSCRIBED AND SWORN TO before me this ____ day of **JAN 10 2017** at **PASIG CITY** affiant exhibited to me her Social Security System ID with no. 33-2484959-1.

Doc No. 278 ;
Page No. 57 ;
Book No. II ;
Series of 2017.

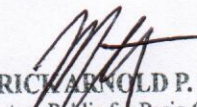

ATTY. PATRICK ARNOLD P. TETANGCO
Notary Public for Pasig City
Commission No. 207 (2016-2017)
40th Flr., Robinsons Equitable Tower,
Ortigas Center, Pasig City
IBP No. 012638; Quezon City Chapter
Roll No. 63825; 05/08/2014
PTR No. 2241402; 01/11/2016; Q.C.
MCLE No. V-0014374; 02/01/2016.

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Note: All changes and updates for the year 2016 are underlined for easy reference.

A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	9
Actual number of Directors for the year	9

(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) ¹	Elected when (Annual /Special Meeting)	No. of years served as director (as of 2016)	No. of years served as director reckoning from the election immediately following November 11, 2013 (IPO date)*
John L. Gokongwei, Jr.	ED	N/A	Ma. Luisa B. Aquino	February 4, 2002	<u>June 9, 2016</u>	Annual Meeting	<u>14</u>	<u>3</u>
James L. Go	ED	N/A	Ma. Luisa B. Aquino	February 4, 2002	<u>June 9, 2016</u>	Annual Meeting	<u>14</u>	<u>3</u>
Lance Y. Gokongwei	ED	N/A	Ma. Luisa B. Aquino	February 4, 2002	<u>June 9, 2016</u>	Annual Meeting	<u>14</u>	<u>3</u>
Robina Y. Gokongwei-Pe	ED	N/A	Ma. Luisa B. Aquino	February 4, 2002	<u>June 9, 2016</u>	Annual Meeting	<u>14</u>	<u>3</u>
Lisa Y. Gokongwei-Cheng	NED	N/A	Ma. Luisa B. Aquino	February 4, 2002	<u>June 9, 2016</u>	Annual Meeting	<u>14</u>	<u>3</u>
Faith Y. Gokongwei-Lim	ED	N/A	Ma. Luisa B. Aquino	February 4, 2002	<u>June 9, 2016</u>	Annual Meeting	<u>14</u>	<u>3</u>
Hope Y. Gokongwei-Tang	ED	N/A	Ma. Luisa B. Aquino	February 4, 2002	<u>June 9, 2016</u>	Annual Meeting	<u>14</u>	<u>3</u>
Antonio L. Go	ID	N/A	Ma. Luisa B. Aquino (no relationship with nominator)	July 4, 2013	<u>June 9, 2016</u>	Annual Meeting	<u>3</u>	<u>3</u>
Roberto R. Romulo	ID	N/A	Ma. Luisa B. Aquino (no relationship with nominator)	July 4, 2013	<u>June 9, 2016</u>	Annual Meeting	<u>3</u>	<u>3</u>

Note: *-per SEC Memorandum Circular No. 9 Series of 2011 / RRHi's IPO was held last November 11, 2013

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

The Board has adopted the Revised Corporate Governance Manual in June 2, 2015 for the Company. The Manual elaborates on the governance roles and responsibilities of the Board and its Directors. The Board ensures that all material information about the Company is disclosed to the public on a timely manner. The Board likewise is strongly committed to respect and promote the rights of stockholders in accordance with the Revised Corporate

¹ Reckoned from the election immediately following January 2, 2012.

Governance Manual, the Company's Articles of Incorporation, and By-Laws.

The Board represents the shareholders' interests in its objective to continuously improve the value of the Corporation and to achieve a successful and long-term business. The Board believes that it has to be actively responsible to ensure that the Corporation is properly managed to attain this result. In addition to fulfilling its obligations for increased shareholder value, the Board has responsibility to other stakeholders as well – customers, employees, suppliers, financiers, government, business partners, and to the communities and environment it operates in, all of whom are important to a successful business.

How often does the Board review and approve the vision and mission?

The Board shall annually review and approve the vision and mission of the Company.

(b) Directorship in Other Companies

(i) Directorship in the Company's Group²

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

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
John L. Gokongwei, Jr.	Robinson's Incorporated	Executive, Chairman Emeritus
	Robinsons Supermarket Corporation	Non-Executive
	Robinsons Convenience Stores, Inc.	Executive, Chairman Emeritus
	Consolidated Global Imports, Inc.	Non-Executive
	Robinsons Specialty Stores, Inc.	Non-Executive
	Robinsons Toys, Inc.	Non-Executive
	RRG Trademarks and Private Labels, Inc.	Non-Executive
	RRHI Trademarks Management, Inc.	Non-Executive
	RRHI Management and Consulting, Inc.	Non-Executive
James L. Go	Robinson's Incorporated	Executive, Chairman
	Robinsons Venture Corp.	Non-Executive
	Angeles Supercenter, Inc.	Non-Executive
	Eurogrocer Corp.	Executive
	Robinsons Supermarket Corporation	Executive, Chairman
	Southstar Drug, Inc.	Non-Executive
	Robinsons Convenience Stores, Inc.	Executive , Chairman
	Consolidated Global Imports, Inc.	Executive
	Robinsons Handyman, Inc.	Executive, Chairman
	Handyman Express Mart, Inc.	Non-Executive
	Walmart Handyman Inc.	Executive
	RHD Daiso-Saizen, Inc.	Non-Executive

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

	Robinsons Toys, Inc.	Non-Executive
	Robinsons Daiso Diversified Corp.	Non-Executive
	Robinsons Appliances Corp.	Non-Executive
	Robinsons Gourmet Food and Beverage, Inc.	Executive
	Robinsons Specialty Stores, Inc.	Non-Executive
	Robinsons Toys, Inc.	Non-Executive
	RRG Trademarks and Private Labels, Inc.	Non-Executive
	RRHI Trademarks Management, Inc.	Non-Executive
	RRHI Management and Consulting, Inc.	Non-Executive
Lance Y. Gokongwei	Robinson's Incorporated	Executive
	Robinsons Venture Corp.	Executive, Chairman
	Angeles Supercenter, Inc.	Executive, Chairman
	Eurogrocer Corp.	Executive, Chairman
	Robinsons Supermarket Corporation	Executive
	Southstar Drug, Inc.	Executive, Chairman
	Robinsons Convenience Stores, Inc.	Executive
	Consolidated Global Imports, Inc.	Executive, Chairman
	Everyday Convenience Stores, Inc.	Executive, Chairman
	Robinsons True Serve Hardware Philippines, Inc.	Executive, Chairman
	Robinsons Handyman, Inc.	Executive
	Handyman Express Mart, Inc.	Executive, Chairman
	Waltermart Handyman Inc.	Executive, Chairman
	RHD Daiso-Saizen, Inc.	Executive, Chairman
	Robinsons Toys, Inc.	Executive, Chairman
	Robinsons Daiso Diversified Corp.	Executive, Chairman
	Robinsons Appliances Corp.	Executive, Chairman
	Robinsons Gourmet Food and Beverage, Inc.	Executive, Chairman
	Robinsons Specialty Stores, Inc.	Executive, Chairman
	Robinsons Toys, Inc.	Executive, Chairman
	RRG Trademarks and Private Labels, Inc.	Non-Executive
	RRHI Trademarks Management, Inc.	Non-Executive
	RRHI Management and Consulting, Inc.	Non-Executive
Robina Y. Gokongwei-Pe	Robinson's Incorporated	Executive
	Robinsons Venture Corp.	Executive
	Angeles Supercenter, Inc.	Executive
	Eurogrocer Corp.	Executive
	Robinsons Supermarket Corporation	Executive
	Southstar Drug, Inc.	Executive
	Robinsons Convenience Stores, Inc.	Executive
	Consolidated Global Imports, Inc.	Executive
	Everyday Convenience Stores, Inc.	Executive
	Robinsons True Serve Hardware Philippines, Inc.	Executive
	Robinsons Handyman, Inc.	Executive
	Handyman Express Mart, Inc.	Executive
	Waltermart Handyman Inc.	Executive
	RHD Daiso-Saizen, Inc.	Executive
	Robinsons Toys, Inc.	Executive
	Robinsons Daiso Diversified Corp.	Executive
	Robinsons Appliances Corp.	Executive
	Robinsons Gourmet Food and Beverage, Inc.	Executive

	Robinsons Specialty Stores, Inc.	Executive
	Robinsons Toys, Inc.	Executive
	RRG Trademarks and Private Labels, Inc.	Non-Executive
	RRHI Trademarks Management, Inc.	Non-Executive
	RRHI Management and Consulting, Inc.	Non-Executive
Lisa Y. Gokongwei-Cheng	N/A	N/A
Faith Y. Gokongwei-Lim	Eurogrocer Corp.	Non-Executive
	Southstar Drug, Inc.	Non-Executive
	Everyday Convenience Stores, Inc.	Non-Executive
	Robinsons True Serve Hardware Philippines, Inc.	Non-Executive
	Robinsons Gourmet Food and Beverage, Inc.	Non-Executive
Hope Y. Gokongwei-Tang	Eurogrocer Corp.	Non-Executive
	Southstar Drug, Inc.	Non-Executive
	Robinsons True Serve Hardware Philippines, Inc.	Non-Executive
	Robinsons Gourmet Food and Beverage, Inc.	Non-Executive
	RRG Trademarks and Private Labels, Inc.	Non-Executive
	RRHI Trademarks Management, Inc.	Non-Executive
	RRHI Management and Consulting, Inc.	Non-Executive
Antonio L. Go	N/A	N/A
Roberto R. Romulo	N/A	N/A

(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.
John L. Gokongwei, Jr.	JG Summit Holdings, Inc.	Executive
	Universal Robina Corporation	Executive
	Robinsons Land Corporation	Executive
	Cebu Air, Inc.	Non-Executive
	Oriental Petroleum and Mineral Corporation	Non-Executive
	A. Soriano Corporation	Non-Executive
	Manila Electric Company	Non-Executive
James L. Go	JG Summit Holdings, Inc.	Executive, Chairman
	Universal Robina Corporation	Executive, Chairman
	Robinsons Land Corporation	Executive, Chairman
	Cebu Air, Inc.	Non-Executive
	Oriental Petroleum and Minerals Corporation	Executive, Chairman
	Philippine Long Distance and Telephone Company	Non-Executive
	Manila Electric Company	Non-Executive

Lance Y. Gokongwei	JG Summit Holdings, Inc.	Executive
	Universal Robina Corporation	Executive
	Robinsons Land Corporation	Executive
	Cebu Air, Inc.	Executive
	Oriental Petroleum and Minerals Corporation	Non-Executive
	Manila Electric Company	Non-Executive
Robina Gokongwei-Pe	JG Summit Holdings, Inc.	Non-Executive
	Robinsons Land Corporation	Non-Executive
	Cebu Air, Inc.	Non-Executive
Antonio L. Go	Cebu Air, Inc.	Non-Executive
	Oriental Petroleum and Minerals Corporation	Non-Executive
Roberto R. Romulo	A. Soriano Corporation	Non-Executive

(iii) Relationship within the Company and its Group

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

Director's Name	Name of the Significant Shareholder	Description of the Relationship
John L. Gokongwei, Jr.	JE Holdings, Inc.	Chairman
James L. Go	JE Holdings, Inc.	N/A
Lance Y. Gokongwei	JE Holdings, Inc.	Lance Y. Gokongwei is the Treasurer of JE Holdings, Inc.
Robina Gokongwei-Pe	JE Holdings, Inc.	Robina Gokongwei-Pe is a Director of JE Holdings, Inc.
Lisa Y. Gokongwei-Cheng	JE Holdings, Inc.	Lisa Y. Gokongwei-Cheng is the Director of JE Holdings, Inc.
Faith Y. Gokongwei-Lim	JE Holdings, Inc.	Faith Y. Gokongwei-Lim is the Director of JE Holdings, Inc.
Hope Y. Gokongwei-Tang	JE Holdings, Inc.	Hope Y. Gokongwei-Tang is the Director of JE Holdings, Inc.

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

The Board may consider the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock Corporations. Guidelines observed are stated in Article III Section A.8 of the Revised Corporate Governance Manual.

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	A Director shall exercise due discretion in accepting and holding directorships and officerships in other corporations. A Director may hold any number of directorships or	The Board may consider the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock Corporations.
Non-Executive Director		
CEO		

	<p>officerships outside the Company provided that, in the Director's opinion, these other positions do not detract or compromise the Director's capacity to diligently perform his duties as a Director of the Company and compliant with the limit that may be set by the Board.</p>	
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(c) Shareholding in the Company

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company: (as of December 31, 2016)

Name of Director	Number of Direct Shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Lance Y. Gokongwei	126,727,500	0	9.15%
Lance Y. Gokongwei &/or Elizabeth Gokongwei	35,317,499	0	2.55%
Robina Y. Gokongwei-Pe	105,952,500	0	7.65%
James L. Go	41,550,000	0	3.00%
Lisa Y. Gokongwei-Cheng	35,317,500	0	2.55%
Faith Y. Gokongwei-Lim	35,317,500	0	2.55%
John L. Gokongwei, Jr.	1	0	0.00%
Hope Y. Gokongwei-Tang	1	0	0.00%
Antonio L. Go	1	0	0.00%
Roberto R. Romulo	1	0	0.00%
TOTAL	380,182,503	0	27.45%

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 ☒

The roles and responsibilities of the Chairman of the Board of Directors and CEO are defined in the By-Laws and Revised Corporate Governance Manual to ensure that the Board gets independent views and perspectives.

The roles of Chairman and CEO are unified. However, the proper checks and balances were laid down to ensure that the Board gets the benefit of independent views and perspectives.

Identify the Chairman and CEO:

Chairman of the Board	<u>Lance Y. Gokongwei</u>
CEO	<u>Lance Y. Gokongwei</u>

(b) Roles, Accountabilities and Deliverables

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

The roles of Chairman and the Chief Executive Officer (CEO) may be separated in order to foster an appropriate balance of power, increased accountability, and better capacity for independent decision-making by the Board. A clear delineation of functions should be made between the Chairman and CEO upon their election.

If the roles of Chairman and CEO are unified, the proper checks and balances shall be laid down to ensure that the Board gets the benefit of independent views and perspectives.

	Chairman	Chief Executive Officer
Role	<ol style="list-style-type: none">1. Ensure that the meetings of the Board are held in accordance with the By-Laws or as the Chairman may deem necessary.2. Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the Directors and Management.3. Maintain qualitative and timely lines of communication and information between the Board and Management.4. Provide leadership to the Board and ensure that the Board works effectively and performs its duties responsibly.	<ol style="list-style-type: none">1. The CEO shall have general care, management and administration of the business operations of the Company. He shall ensure that: (a) the business and affairs of the Company are managed in a sound and prudent manner; and (b) operational, financial and internal controls are adequate and effective to ensure reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets and compliance with laws, rules, regulations and contracts.2. The CEO shall provide leadership for Management in developing and implementing business strategies, plans and budgets to the extent approved by the Board. He shall provide the Board with a balanced and understandable account of the Company's performance, financial condition, results of operations and prospects on a regular basis.
Accountabilities	See above	
Deliverables	<ol style="list-style-type: none">1. Agenda for the meetings2. Statement of Management's Responsibility for audited financial statements3. SEC Form 17-A and 17-Q4. Other reports required by law	<ol style="list-style-type: none">1. Statement of Management's Responsibility for audited financial statements2. SEC Form 17-A and 17-Q3. Other reports required by law

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

One of the Company's core organizational systems is the Advancement Planning (AP) system. The AP system is an on-going process of identifying, assessing, and developing talents to ensure leadership continuity for all key positions and providing opportunities for key talents to grow within the organization. Incumbents / identified successors are assessed on 2 elements: performance over time and potential. Moreover, each identified successor is assessed based on his/her level of readiness to occupy the higher role. Specific development interventions per successor are also identified as part of the process. Every year, the AP System is reviewed by HR and top management to check whether the planned development interventions took place, and if the level of readiness of identified successors has progressed, among others.

The Competency-Based System and Performance Management System are two other core organizational systems that we have in place which allows the company to properly utilize the Advanced Planning System.

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.

The Board, with the assistance of the Governance, Nomination and Election Committee, implements a nomination and election process to ensure that all shareholders are given the opportunity to nominate and elect directors and to ensure a mix of knowledge, expertise, experience and balance among independent, non-executive and executive competent Directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies.

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

Qualification for directorship requires that the director must have a practical understanding of the business of the Corporation and must be a member of good standing in relevant industry, business or professional organizations. The Company has non-executive directors that are well experienced that allow them to give objective views, perspectives, and decisions on matters raised to the Board.

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

	Executive	Non-Executive	Independent Director
Role	<p>A Director's Office is one of trust and confidence. A Director should act in the best interest of the Company in a manner characterized by transparency, accountability, and fairness. He should also exercise leadership, prudence, and integrity in directing the Company towards sustained progress.</p> <p>A Director should observe the following norms of conduct:</p> <ol style="list-style-type: none"> Conduct fair business transactions with the Company, and ensure that his personal interest does not conflict with the interests of the Company. The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should 	Same	Same

	<p>not participate in the decision-making process. A director who has a continuing material conflict of interest should seriously consider resigning from his position. A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the Company, or stands to acquire or gain financial advantage at the expense of the Company.</p> <p>2. Devote the time and attention necessary to properly and effectively perform his duties and responsibilities. A director should devote sufficient time to familiarize himself with the Company's business. He should be constantly aware of and knowledgeable with the Company's operations to enable him to meaningfully contribute to the Board's work. He should attend at least 75% of the Board meetings and actively participate in Board and committee meetings, review meeting materials and, if called for, ask questions or seek explanation.</p> <p>3. Act judiciously. Before deciding on any matter brought before the Board, a director should carefully evaluate the issues and, if necessary, make inquiries and request clarification.</p> <p>4. Exercise independent judgment. A director should view each problem or situation objectively. If a disagreement with other Directors arises, he should carefully evaluate and explain his position. He should not be afraid to take an unpopular position. Corollary, he should support plans and ideas that he thinks are beneficial to the Company.</p> <p>5. Have a working knowledge of the statutory and regulatory requirements that affect the Company, including its articles of incorporation and By-Laws, the rules and regulations of the Commission and, where applicable, the requirements of relevant regulatory agencies. A director should also keep abreast with industry developments and</p>		
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	<p>business trends in order to promote the Company's competitiveness.</p> <p>6. Observe confidentiality. A director should keep secure and confidential all non-public information he may acquire or learn by reason of his position as director. He should not reveal confidential information to unauthorized persons without the authority of the Board. On the other hand, a Director should not take advantage for himself and/or his related interests or benefit from knowledge which is not generally available to the market.</p> <p>7. Have a working knowledge of the Company's control systems. A director shall ensure the continuing soundness, effectiveness, and adequacy of the Company's control environment.</p> <p>8. Disclose to the Philippine Stock Exchange (PSE) and the Securities and Exchange Commission (SEC) the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This shall also include the disclosure of the Corporation's purchase of its shares from the market (e.g. share buy-back program).</p>		
Accountabilities	See above	See above	See above
Deliverables	<p>1. Exercises the powers of the Board of Directors as stated in the By-Laws</p> <p>2. Executes all resolutions and the minutes of the meetings of the Board of Directors</p>	<p>Exercises the powers of the Board of Directors as stated in the By-Laws</p>	<p>1. Exercises the powers of the Board of Directors as stated in the By-Laws</p> <p>2. Submits at the time of his election a certification confirming that he possesses the qualifications and none of the disqualifications to serve as an independent director of the Company.</p>

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

The Company adopts the definition of an "independent director" provided by SEC Memorandum Circular No. 16, Series of 2002, as well as the Company's By-laws. An independent director is 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 the Company and includes, among others, any person who:

1. Is not a director or officer or substantial stockholder of the Company or of its related companies or any of its substantial shareholders except when the same shall be an independent director of any of the foregoing;
2. Does not own more than two percent (2%) of the shares of the Company and/or its related companies or any of its substantial shareholders;
3. Is not a relative of any director, officer or substantial shareholder of the Company, any of its related companies or any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
4. Is not acting as a nominee or representative of any director or substantial shareholder of the Company, and/or any of its related companies and/or any of its substantial shareholders, pursuant to a Deed of Trust or under any contract or arrangement;
5. Has not been employed in any executive capacity by the Company, any of its related companies and/or by any of its substantial shareholders within the last two (2) years.
6. Is not retained, either personally or through his firm or any similar entity, as professional adviser, by the Company, any of its related companies and/or any of its substantial shareholders, within the last two (2) years; or
7. Has not engaged and does not engage in any transaction with the Company and/or with any of its related companies and/or with any of its substantial shareholders, whether by himself and/or with other persons and/or through a firm of which he is a partner and/or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm's length and are immaterial.

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 will comply with the term limits for independent directors prescribed under SEC Memorandum Circular No. 4, Series of 2017.

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

(a) Retirement/Resignation/Death/Removal

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

Name	Position	Date of Cessation	Reason
<u>John L. Gokongwei, Jr.</u>	<u>Chairman and CEO</u>	<u>March 18, 2016</u>	<u>Retirement</u>

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

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

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors	The directors of the Company shall be elected by plurality vote at the annual meeting of the stockholders for the year at which a quorum is present. At each election for directors, every stockholder shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of shares shall equal, or by distributing such votes as the same principle among any number of candidates.	<ul style="list-style-type: none"> • Must own at least one share of the capital stock of the Company in his own name. • A majority of the directors must be residents of the Philippines. • He must not have been convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years or a violation of the Corporation Code, committed within five years before the date of his election. • He must be of legal age.
(ii) Non-Executive Directors	The directors of the Company shall be elected by plurality vote at the annual meeting of the stockholders for the year at which a quorum is present. At each election for directors, every stockholder shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of shares shall equal, or by distributing such votes as the same principle among any number of candidates.	<ul style="list-style-type: none"> • Must own at least one share of the capital stock of the Company in his own name. • A majority of the directors must be residents of the Philippines. • He must not have been convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years or a violation of the Corporation Code, committed within five years before the date of his election. • He must be of legal age.
(iii) Independent Directors	<ol style="list-style-type: none"> 1. The Nomination Committee (the "Committee") shall have at least three (3) members, one of whom is an independent director. It shall promulgate the guidelines or criteria to govern the conduct of the nomination. The same shall be properly disclosed in the Company's information or proxy statement or such other reports required to be submitted to the Commission. 2. Nomination of independent director/s shall be conducted by 	<p>An independent director shall have the following qualifications:</p> <ol style="list-style-type: none"> 1.1 He should be a holder of at least at least one (1) share of stock of the Company; 1.2 He shall be at least a college graduate or have sufficient experience in managing the business to substitute for such formal education 1.3 He shall be at least twenty

	<p>the Committee prior to a stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.</p> <p>3. The Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent director/s.</p> <p>4. After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, as required under Part IV (A) and (C) of Annex "C" of SRC Rule 12, which list, shall be made available to the Commission and to all stockholders through the filing and distribution of the Information Statement, in accordance with SRC Rule 20, or in such other reports the Company is required to submit to the Commission. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report including any relationship with the nominee.</p> <p>5. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as independent director/s. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained nor allowed on the floor during the actual annual stockholders' meeting.</p> <p>6. Election of Independent Director/s</p>	<p>one (21) years old</p> <p>1.4 He must have a practical understanding of the business of the Corporation</p> <p>1.5 He shall have been proven to possess integrity and probity;</p> <p>1.6 He shall be diligent and assiduous in the performance of his functions; and</p> <p>1.7 He must be a member in good standing in relevant industry, business or professional organizations</p>
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	<p>6.1 Except as those required under this Rule and subject to pertinent existing laws, rules and regulations of the Commission, the conduct of the election of independent director/s shall be made in accordance with the standard election procedures of the company or its by-laws.</p> <p>6.2 It shall be the responsibility of the Chairman of the Meeting to inform all stockholders in attendance of the mandatory requirement of electing independent director/s. He shall ensure that independent director/s is elected during the stockholders' meeting.</p> <p>6.3 Specific slot/s for independent directors shall not be filled-up by unqualified nominees.</p> <p>6.4 In case of failure of election for independent director/s, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy.</p>	
b. Re-appointment		
(i) Executive Directors	Same process as stated above for selection/appointment of Executive Directors	Same criteria as stated above for selection/appointment of Executive Directors
(ii) Non-Executive Directors	Same process as stated above for selection/appointment of Non-Executive Directors	Same criteria as stated above for selection/appointment of Non-Executive Directors
(iii) Independent Directors	Same process as stated above for selection/appointment of Independent Directors	Same criteria as stated above for selection/appointment of Independent Directors
c. Permanent Disqualification		
(i) Executive Directors	Same process as stated in the criteria for permanent disqualification of Executive Directors	<p>Any of the following shall be a ground for the permanent disqualification of a Director:</p> <p>1.1. Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or</p>

		<p>sale of securities as defined in the Securities Regulation Code; (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 (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>1.2. Any person who, by reason of 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 (a) acting as underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as a director or officer of a bank, quasi-bank, trust company, investment house or as investment company; or (c) engaging in or continuing any conduct or practice in any of the capacities mentioned above or willfully violating the laws that govern securities and banking activities.</p> <p>The disqualification shall also apply if such person</p>
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		<p>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.</p> <p>1.3. 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;</p> <p>1.4. 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</p>
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		<p>aided, abetted, counseled, induced or procured the violation of any provision of the Securities Regulation Code, the Corporation Code, or any other law administered by the Commission or Bangko Sentral ng Pilipinas, or any of its rule, regulation or order;</p> <p>1.5. Any person judicially declared to be insolvent;</p> <p>1.6. 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 listed in the foregoing paragraphs; and</p> <p>1.7 Any person convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.</p>
(ii) Non-Executive Directors	Same process as stated in the criteria for permanent disqualification of Non-Executive Directors	Same
(iii) Independent Directors	Same process as stated in the criteria for permanent disqualification of Independent Directors	Same. In addition, any person earlier elected as Independent Director who becomes an officer, employee or consultant of the same corporation shall likewise be permanently disqualified.
d. Temporary Disqualification		
(i) Executive Directors	Same process as stated in the criteria for temporary disqualification of	The Board may provide for the temporary disqualification of a

	Executive Directors	<p>Director for any of the following reasons:</p> <ol style="list-style-type: none"> 1.1. Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists; 1.2. Absence in more than fifty percent (50%) of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during said incumbency, unless the absence is due to illness, death in the immediate family, or serious accident. This disqualification applies for purposes of the succeeding election; 1.3. Dismissal/termination for cause as Director of any Company covered by this Code. This disqualification shall be in effect until he has cleared himself of any involvement in the cause that gave rise to his dismissal or termination. 1.4. If the beneficial equity ownership of an Independent Director in the Company or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with. 1.5. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.
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		A temporarily disqualified Director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.
(ii) Non-Executive Directors	Same process as stated in the criteria for temporary disqualification of Non-Executive Directors	Same
(iii) Independent Directors	Same process as stated in the criteria for temporary disqualification of Independent Directors	<p>He shall be disqualified during his tenure under the following instances or causes:</p> <p>2.1 He becomes an officer or employee of the corporation where he is such member of the board of directors/trustees, or becomes any of the persons enumerated under letter (A) hereof;</p> <p>2.2 His beneficial security ownership exceeds two percent (2%) of the outstanding capital stock of the Company where he is such director;</p> <p>2.3 Fails, without any justifiable cause, to attend at least 50% of the total number of Board meetings during his incumbency unless such absences are due to grave illness or death of an immediate family;</p> <p>Such other disqualifications that the Corporate Governance Manual provides likewise apply.</p>
e. Removal		
(i) Executive Directors	<p>1. Removal must take place either at a regular meeting of the Company or at a special meeting called for that purpose;</p> <p>2. There must be previous notice to</p>	

	<p>the stockholders or members of the intention to propose such removal at the meeting;</p> <p>3. The removal must be by a vote of the stockholders holding or representing 2/3 of Outstanding Capital Stock;</p> <p>4. Removal may be with or without cause: Provided, that removal must always be with cause when a Director was elected by the minority.</p>	
(ii) Non-Executive Directors	Same	
(iii) Independent Directors	<p>In case of resignation, disqualification or cessation of independent directorship and only after notice has been made with the Commission within five (5) days from such resignation, disqualification or cessation, the vacancy shall be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum, upon the nomination of the Committee otherwise, said vacancies shall be filled by the stockholders in a regular or special meeting called for that purpose. An independent director so elected to fill a vacancy shall serve only for the unexpired term of his predecessor in office.</p>	
f. Re-instatement		
(i) Executive Directors	Same process as stated above for selection/appointment of Executive Directors	Same criteria as stated above for selection/appointment of Executive Directors
(ii) Non-Executive Directors	Same process as stated above for selection/appointment of Non-Executive Directors	Same criteria as stated above for selection/appointment of Non-Executive Directors
(iii) Independent Directors	Same process as stated above for selection/appointment of Independent Directors	Same criteria as stated above for selection/appointment of Independent Directors
g. Suspension		
(i) Executive Directors	Same process as stated above for selection/appointment of Executive Directors	Same criteria as stated above for selection/appointment of Executive Directors
(ii) Non-Executive Directors	Same process as stated above for selection/appointment of Non-Executive Directors	Same criteria as stated above for selection/appointment of Non-Executive Directors
(iii) Independent Directors	Same process as stated above for selection/appointment of Independent Directors	Same criteria as stated above for selection/appointment of Independent Directors

Voting Result of the last Annual General Meeting (held on May 20, 2016)

Nominee	Votes In Favor		Votes Against		Votes Abstaining	
	Number of shares	% to Outstanding	Number of shares	% to Outstanding	Number of shares	% to Outstanding
John L. Gokongwei	<u>979,332,089</u>	<u>70.71 %</u>	<u>114,645,027</u>	<u>8.28 %</u>	<u>15,987,820</u>	<u>1.15 %</u>
James L. Go	<u>985,954,119</u>	<u>71.19 %</u>	<u>124,010,817</u>	<u>8.95 %</u>	-	<u>0.00 %</u>
Lance Y. Gokongwei	<u>1,053,670,094</u>	<u>76.08 %</u>	<u>56,294,842</u>	<u>4.06 %</u>	-	<u>0.00 %</u>
Robina Y. Gokongwei-Pe	<u>976,099,909</u>	<u>70.48 %</u>	<u>133,865,027</u>	<u>9.67 %</u>	-	<u>0.00 %</u>
Lisa Y. Gokongwei-Cheng	<u>1,030,119,251</u>	<u>74.38 %</u>	<u>79,845,685</u>	<u>5.77 %</u>	-	<u>0.00 %</u>
Faith Y. Gokongwei-Lim	<u>1,034,971,331</u>	<u>74.73 %</u>	<u>74,993,605</u>	<u>5.41 %</u>	-	<u>0.00 %</u>
Hope Y. Gokongwei-Tang	<u>1,034,971,331</u>	<u>74.73 %</u>	<u>74,993,605</u>	<u>5.41 %</u>	-	<u>0.00 %</u>
Antonio L. Go	<u>1,109,833,766</u>	<u>80.13 %</u>	<u>131,160</u>	<u>0.01 %</u>	-	<u>0.00 %</u>
Roberto R. Romulo	<u>1,082,886,184</u>	<u>78.19 %</u>	<u>27,078,752</u>	<u>1.96 %</u>	-	<u>0.00 %</u>

6) Orientation and Education Program

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

Every director shall receive appropriate orientation upon his first appointment to the Board of Directors, in order to ensure that incoming Directors are familiar with the Company's business and governance processes. If necessary, a new Director may be required to attend a seminar on corporate governance that 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 Management³ for the past three (3) years:

The John Gokongwei Institute for Leadership and Enterprise Development or JG-ILED is the integrated leadership platform for systematic and sustainable development programs of the conglomerate. JG-ILED was established in 2005 with the following objectives: to demonstrate the enterprise commitment to continued learning, organizational growth and career development; to enable leaders to develop strategies for competitiveness, and to develop and grow our employees and create a deep bench of talents.

Under JG-ILED is the Management Development Program (MDP) which aims to enhance the leadership capability and business acumen of all JGS leaders. The following are programs under MDP: Finance for Senior Executives, Strategic Communication Program, Executive Coaching Program, and Advanced Negotiation Skills. Our leadership core has attended these programs. Three new programs were launched recently, namely: Leading and Managing Change, Strategy Planning and Execution and Becoming People Leaders.

Aside from JG-ILED, key business units implement their respective and targeted continuing education programs for their key executives / managers.

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

(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
John L. Gokongwei, Jr.	2015-onwards June 17, 2014	Exempted ⁴ Creating Advantage Through Governance	SGV & Co.
James L. Go	2015-onwards June 17, 2014	Exempted ⁵ Creating Advantage Through Governance	SGV & Co.
Lance Y. Gokongwei	<u>December 1, 2016</u> Nov 25, 2015 June 17, 2014	<u>Sustainability and ESG</u> Updates on Philippine Practice on Corporate Governance & Enterprise Risk Management Creating Advantage Through Governance	<u>thepurposebusiness</u> SGV & Co. SGV & Co.
Robina Y. Gokongwei-Pe	<u>December 1, 2016</u> June 17, 2014	<u>Sustainability and ESG</u> Creating Advantage Through Governance	<u>thepurposebusiness</u> SGV & Co.
Lisa Y. Gokongwei-Cheng	<u>December 1, 2016</u> Nov 25, 2015	<u>Sustainability and ESG</u> Updates on Philippine Practice on Corporate Governance & Enterprise Risk Management	<u>thepurposebusiness</u> SGV & Co.
Faith Y. Gokongwei-Lim	<u>December 1, 2016</u> Nov 25, 2015	<u>Sustainability and ESG</u> Updates on Philippine Practice on Corporate Governance & Enterprise Risk Management	<u>thepurposebusiness</u> SGV & Co.
Hope Y. Gokongwei-Tang	<u>December 1, 2016</u>	<u>Sustainability and ESG</u>	<u>thepurposebusiness</u>
Antonio L. Go	<u>December 1, 2016</u> Nov 25, 2015 June 17, 2014	<u>Sustainability and ESG</u> Updates on Philippine Practice on Corporate Governance & Enterprise Risk Management Creating Advantage Through Governance	<u>thepurposebusiness</u> SGV & Co.
Roberto R. Romulo	<u>Nov 23, 2016</u> June 17, 2014	<u>Digital Governance: Issues in Emerging Technologies</u> <u>Digital Transformation, Risk Management and Governance in the 21st Century</u> Creating Advantage Through Governance	<u>PLDT</u> SGV & Co.

⁴ The SEC resolved to grant the request of the Company for Mr. Mr. James L. Go to be permanently exempted from the corporate governance training requirement as per memo dated November 12, 2015 signed by Director Justina F. Callangan.

⁵ The SEC resolved to grant the request of the Company for Mr. John L. Gokongwei, Jr. to be permanently exempted from the corporate governance training requirement as per memo dated November 12, 2015 signed by Director Justina F. Callangan.

Bach Johann M. Sebastian	<u>December 1, 2016</u>	<u>Sustainability and ESG</u>	<u>thepurposebusiness</u>
	June 17, 2014	Creating Advantage Through Governance	SGV & Co.
<u>Mylene Kasiban</u>	<u>December 1, 2016</u>	<u>Sustainability and ESG</u>	<u>thepurposebusiness</u>
Diosdado Felix A. Zapata III	<u>December 1, 2016</u>	<u>Sustainability and ESG</u>	<u>thepurposebusiness</u>
	Nov 25, 2015	Updates on Philippine Practice on Corporate Governance & Enterprise Risk Management	SGV & Co.
	June 17, 2014	Creating Advantage Through Governance	SGV & Co.
<u>Graciela A. Banatao</u>	<u>December 1, 2016</u>	<u>Sustainability and ESG</u>	<u>thepurposebusiness</u>
Rosalinda F. Rivera	<u>December 1, 2016</u>	<u>Sustainability and ESG</u>	<u>thepurposebusiness</u>
	June 17, 2014	Creating Advantage Through Governance	SGV & Co.
Gilbert S. Millado, Jr.	June 17, 2014	Creating Advantage Through Governance	SGV & Co.

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
1. Conflict of Interest	The Company's Code of Business Conduct and Conflicts of Interest Policy require employees to make a conscious effort to avoid conflict of interest situations; that his judgment and discretion is not influenced by considerations of personal gain or benefit. A conflict of interest may also occur because of the actions, employment, or investments of an immediate family member of an employee.	Same	Same
2. Conduct of Business and Fair Dealings	The Company's employees that recommend, endorse, or approve the procurement or sale of goods and services should make a conscious effort to avoid any conflict of interest situation in transactions that they are involved in.	Same	Same
3. Receipt of gifts from third parties	The Company discourage the acceptance of gifts. However, gifts like advertising novelties maybe given or accepted during the Christmas season. There is no restriction in the value of the gift accepted. However, accepted gift with estimated value over Php2,000 must be disclosed to the Conflicts of interest Committee.	Same	Same
4. Compliance with Laws & Regulations	The Company ensures that all transactions comply with relevant laws and regulations. Any deficiencies are immediately rectified.	Same	Same

5. Respect for Trade Secrets/Use of Non-public Information	The Company has policies that ensure proper and authorized disclosure of confidential information. Disclosures to the public can only be done after disclosure to the SEC and PSE by the Company's authorized officers.	Same	Same
6. Use of Company Funds, Assets and Information	Employees are required to safeguard Company resources and assets with honesty and integrity. Employees must ensure that these assets are efficiently, effectively, and responsibly utilized.	Same	Same
7. Employment & Labor Laws & Policies	The Company's Human Resources Unit ensures compliance with employment and labor laws and policies.	Same	Same
8. Disciplinary action	Violation of any provision of the Code of Business Conduct may result to disciplinary action, including dismissal and reimbursement for any loss to the Company that results from the employee's action. If appropriate, a violation may result in legal action against the employee or referral to the appropriate government authorities.	Same	Same
9. Whistle Blower	<p>Any employee may discuss or disclose in writing any concern on potential violation of the Code of Business Conduct with the Conflicts of Interest Committee. Reports or disclosures can be made in writing or by email using the following contact details:</p> <p>a. email address CICOM@robinsonsretail.com.ph b. fax number 395-3888 c. mailing address Must be sent in a sealed envelope clearly marked "Strictly Private and Confidential-To Be Opened by Addressee Only".</p> <p>CICOM JG Summit Holdings, Inc. 44th Flr. Robinsons Equitable Tower ADB Avenue, Cor., Poveda Road, Pasig City</p> <p>The complaint shall be filed using the Complaint/Disclosure Form (CDF) available in the company website.</p> <p>All information received in connection with the reports or disclosures shall be strictly confidential and shall not be disclosed to any person without prior consent of CICOM.</p>	Same	Same
10. Conflict Resolution	The Conflicts of Interest Committee submits recommendations on courses of action to be taken on conflicts of interest situations. Decision is done by the Executive Committee.	Same	Same

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

Yes. The Company's Code of Business Conduct has been disseminated to all directors, senior management, and employees.

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

All new employees undergo an orientation program to familiarize themselves with the Code. Relevant disclosure and compliance statements are likewise secured prior employment or engagement with the Company. Further, all concerned employees of the Conglomerate are required to comply with the Annual Self-Disclosure Activity on an annual basis. Employees with the following position levels or functions are required to accomplish and submit the Handwritten Self-Disclosure Form (HSDF) to the Business Unit or Corporate Human Resources within fifteen (15) days after the end of each calendar year:

- All employees in the managerial and executive levels;
- All employees with procurement, retail merchandising, CAPEX project management, and leasing functions;
- Technical specialists involved in CAPEX projects
- All employees involved in engineering fabrications (whether OPEX or CAPEX)

Employees may also submit new HSDF anytime during the year if they would like to disclose new information to avoid potential conflict of interest.

4) Related Party Transactions

(a) Policies and Procedures

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

Related Party Transactions	Policies and Procedures
(1) Parent Company	Not applicable. RRHI is the Parent Company.
(2) Joint Ventures	Treated as arm's-length transaction
(3) Subsidiaries	Treated as arm's-length transaction
(4) Entities Under Common Control	Treated as arm's-length transaction
(5) Substantial Stockholders	Treated as arm's-length transaction
(6) Officers including spouse/children/siblings/parents	Treated as arm's-length transaction
(7) Directors including spouse/children/siblings/parents	Treated as arm's-length transaction
(8) Interlocking director relationship of Board of Directors	The Company, adopts by law, the rules pertaining to interlocking directors, as follows: a) If the interests of the interlocking director in the corporations are both substantial (stockholdings exceed 20% of outstanding capital stock) General Rule: A contract between two or more corporations having interlocking directors shall not be invalidated on that ground alone. Exception: If the contract is fraudulent or not fair and reasonable. b) If the interest of the interlocking director in one of the corporations is nominal while substantial in the other

	<p>(stockholdings 20% or more), the contract shall be valid provided the following conditions are present:</p> <ol style="list-style-type: none"> 1. The presence of such director in the board meeting in which the contract was approved was not necessary to constitute a quorum for such meeting; 2. That the vote of such director was not necessary for the approval of the contract; 3. That the contract is fair and reasonable under the circumstances. <p>Where (1) and (2) are absent, the contract can be ratified by the vote of the stockholders representing at least 2/3 of the outstanding capital stock or by the vote of the stockholders representing at least 2/3 of the members in a meeting called for the purpose. Provided that:</p> <ol style="list-style-type: none"> i. Full disclosure of the adverse interest of the directors/trustees involved is made on such meeting; ii. The contract is fair and reasonable under the circumstances.
--	---

(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.

None.

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	Not applicable
Name of Officer/s	Not applicable
Name of Significant Shareholders	Not applicable

(ii) Mechanism

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

	Directors/Officers/Significant Shareholders
Company	<p>The Corporate Governance Manual provides that a Director should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a Director, he should fully and immediately disclose it and should not participate in the decision-making process. A Director who has a continuing material conflict of interest should consider resigning from his position. A conflict of interest shall be considered material if the Director's personal or business interest is antagonistic to that of the Company, or stands to acquire or to gain financial advantage at the expense of the Company.</p> <p>The Company employs enhanced measures such as the</p>

	<p>creation of a Remuneration and Compensation Committee, which ensures that Full Business Interest Disclosure is part of the pre-employment requirements for all incoming Management Officers, which among others compel all Management Officers to declare under the penalty of perjury all of their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired.</p> <p>The same Committee reviews recommendations concerning the existing Human Resources Development Handbook, with the objective of strengthening provisions on conflict of interest,</p>
Group	Same as above.

5) Family, Commercial and Contractual Relations

- (a) Indicate, if applicable, any relation of a family,⁶ commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

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

- (b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description
None		

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

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

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	The Board shall establish and maintain an alternative

⁶ Family relationship up to the fourth civil degree either by consanguinity or affinity.

	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 regulatory authorities.
Corporation & Third Parties	The Company has adopted standard contracts some of which incorporate dispute resolution methods outside the courts.
Corporation & Regulatory Authorities	None. Regulatory matters are subject to strict adherence and compliance by corporations as they are governed by laws, rules, and regulations.

C. BOARD MEETINGS & ATTENDANCE

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

These are scheduled at the beginning of the year

2) Attendance of Directors

Board	Name	Date of Election (date of last election)	No. of Meetings Held during the year*	No. of Meetings Attended*	%
Chairman	Lance Y. Gokongwei	<u>June 9, 2016</u>	<u>6</u>	<u>6</u>	<u>100%</u>
Vice Chairman	James L. Go	<u>June 9, 2016</u>	<u>6</u>	<u>6</u>	<u>100%</u>
Member	John L. Gokongwei, Jr.	<u>June 9, 2016</u>	<u>6</u>	<u>6</u>	<u>100%</u>
Member	Robina Y. Gokongwei-Pe	<u>June 9, 2016</u>	<u>6</u>	<u>6</u>	<u>100%</u>
Member	Lisa Y. Gokongwei-Cheng	<u>June 9, 2016</u>	<u>6</u>	<u>5</u>	<u>83.3%</u>
Member	Faith Y. Gokongwei-Lim	<u>June 9, 2016</u>	<u>6</u>	<u>6</u>	<u>100%</u>
Member	Hope Y. Gokongwei-Tang	<u>June 9, 2016</u>	<u>6</u>	<u>6</u>	<u>100%</u>
Independent	Antonio L. Go	<u>June 9, 2016</u>	<u>6</u>	<u>6</u>	<u>100%</u>
Independent	Roberto R. Romulo	<u>June 9, 2016</u>	<u>6</u>	<u>6</u>	<u>100%</u>

*Fiscal year 2016 of RRHI is from January 1, 2016 to December 31, 2016.

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

No.

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

A majority of the board members constitute a quorum and every decision of a majority of the quorum duly assembled as a Board shall be a valid corporate act, except for the instances cited by the Corporation Code requiring the vote of a majority of all the members of the Board. Actual attendance of the Board of Director for each of the meeting for the fiscal year 2016 exceeded two-thirds of the board members.

5) Access to Information

(a) How many days in advance are board papers⁷ for board of directors meetings provided to the board?

The notice and agenda of the meeting and other relevant meeting materials shall be furnished to the Directors at least five (5) business days prior to each meeting.

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

Yes. Board members have independent access to Management and the Corporate Secretary.

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

The Secretary shall attend all meetings of the stockholders and Board of directors and shall act as Secretary thereof and record the minutes of all proceedings in a book to be kept for that purpose. He shall perform similar duties for any Committee of the Board when required. The Secretary shall cause to be given notice of all meetings of the Board of Directors and the stockholders, and shall perform such other duties as may pertain to his office. He shall keep in safe custody the seal of the Company, and, when authorized by the Board, affix it when required to any instrument,

The Corporate Secretary shall:

1. Be loyal to the mission, vision, and objectives of the Company.
2. Work fairly and objectively with the Board, Management, and stockholders.
3. Be responsible for the safekeeping and preservation of the integrity of the minutes of the meeting of the Board and its Committees, as well as other official records of the Company.
4. Gather and analyze all documents, records and other information essential to the conduct of his duties and responsibilities to the Company.
5. Provide the Board of Directors the schedule of meetings before the start of the financial year and provide notice before every meeting.
6. As to agenda, get a complete schedule thereof and put the Board on notice at least five (5) business days before every meeting.
7. Inform the members of the Board, in accordance with the By-Laws, of the agenda of their meetings together with the rationale and explanation of each item in the agenda 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. Release to the Exchange the notice of Annual Shareholders' Meeting (ASM) with detailed agendas and explanatory circulars, at least twenty eight (28) days before the date of the meeting.
9. Attend all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him from doing so.
10. Ensure that all Board procedures, rules, and regulations are strictly followed by the members.
11. Submit within five (5) business days from the end of the Corporation's fiscal year an advisement letter on the attendance of the Directors during Board meetings.

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

⁷ 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.

the answer be in the negative.

Yes.

(e) Committee Procedures

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

Yes ☒

No ☐

Committee	Details of the procedures
Executive	To enable the Directors to properly fulfill their duties and responsibilities, Management should provide the Directors with complete, adequate and timely information about the matters to be taken in their meetings.
Audit and Risk Management	
Governance, Nomination and Election	
Remuneration and Compensation	<p>Reliance on information volunteered by Management would not be sufficient in all circumstances and further inquiries may have to be made by a Director to enable him to properly perform his duties and responsibilities. Hence, the Directors are given independent access to Management and to the Corporate Secretary.</p> <p>The information may include the background or explanation on matters brought before the Board, disclosures, budgets, forecasts, and internal financial documents.</p>

6) External Advice

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

Procedures	Details
The Directors, either individually or as a Board, and in furtherance of their duties and responsibilities, shall have access to independent professional advice at the Company's expense.	Same

7) Change/s in existing policies

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

Existing Policies	Changes	Reason
None		

D. REMUNERATION MATTERS

1) Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	Based on the compensation structure and policies of the Company on salary adjustments, promotions and performance assessments.	
(2) Variable remuneration	None	
(3) Per diem allowance	Each director shall receive a reasonable per diem for his attendance at meetings	
(4) Bonus	Determined upon achievement of performance based matrix	
(5) Stock Options and other financial instruments	None	
(6) Others (specify)	Rice, medicine allowance and leave credits	

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

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

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	Performance based matrices		
Non-Executive Directors	Each director shall receive a reasonable per diem for his attendance at meeting		

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

Remuneration Scheme	Date of Stockholders' Approval
<u>Ratification of acts of the Board of Directors, its Committees, officers and Management</u>	<u>June 9, 2016</u>
Ratification of acts of the Board of Directors, its Committees, officers and Management	July 16, 2015
Ratification of acts of the Board of Directors, its Committees, officers and Management	June 25, 2014

3) Aggregate Remuneration

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

(in ₱ million)				
ACTUAL	Year	Salaries	Bonuses	Total
President and Chief Operating Officer and four (4) most highly compensated senior officers of certain business segments of the Corporation: 1. Robina Y. Gokongwei-Pe – President and Chief Operating Officer 2. Dahlia T. Dy – Managing Director - South Star Drug, Inc. 3. Justiniano S. Gadia – General Manager - Robinsons Supermarket 4. Johnson T. Go – General Manager - Robinsons Department Store 5. Roena P. Sarte – General Manager - Ministop	2013	34.45	2.37	36.82
	2014	36.61	2.52	39.13
	2015	38.51	2.66	41.17
	<u>2016</u>	<u>39.92</u>	<u>2.70</u>	<u>42.62</u>
Aggregate compensation paid to all other general managers, heads for shared services and directors as a group unnamed	2013	45.06	3.29	48.35
	2014	48.30	3.57	51.86
	2015	55.71	4.51	60.22
	<u>2016</u>	<u>76.52</u>	<u>5.09</u>	<u>81.61</u>

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

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	Healthcare coverage and benefits are provided by the Company through a		

	health maintenance organization.
(g) Car Plan	
(h) Others (Specify)	
Total	

4) Stock Rights, Options, and Warrants

(a) Board of Directors

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

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock
Not applicable				

(b) Amendments of Incentive Programs

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

Incentive Program	Amendments	Date of Stockholders' Approval
None		

5) Remuneration of Management

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

Name of Officer/Position	Total Remuneration
None	

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

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

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive				N/A			
Audit and Risk Management	4		2	<p>The Audit and Risk Management Committee shall have the following functions:</p> <ol style="list-style-type: none">1. Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal controls, audit process and monitoring of compliance with applicable laws, rules and regulations.2. Provide oversight over Management’s activities in managing credit, market, liquidity, operational, legal and other risks of the Company. This function may include regular receipt from Management of information on risk exposures and risk management activities.3. Perform oversight functions over the Company’s Internal and External Auditors. It should ensure that the Internal and External Auditors are given reasonable access to all material records, properties and personnel to enable them to perform their respective audit functions.4. Review the Annual Internal Audit Plan to ensure its conformity with the objectives of the Company. The Plan shall include the audit scope, resources and budget necessary to implement it.5. Recommend the appointment, re-appointment and removal of External Auditor.6. Prior to the commencement of the audit, discuss with the External Auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and			

				<p>minimize duplication of efforts.</p> <p>7. Ensure the establishment of an Internal Audit Department and the appointment of a Corporate Auditor and the terms and conditions of its engagement and removal.</p> <p>8. Monitor, evaluate and confirm the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology security.</p> <p>9. Review the reports submitted by the Internal and External Auditors.</p> <p>10. Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following:</p> <ul style="list-style-type: none"> • any change/s in accounting policies and practices; • major judgmental areas; • significant related party transactions • significant adjustments resulting from the audit; • going concern assumptions; • compliance with accounting standards; and • compliance with tax, legal and regulatory requirements. <p>11. Coordinate, monitor and facilitate compliance with laws, rules and regulations.</p> <p>12. Evaluate and determine the non-audit work, if any, of the External Auditor, and review periodically the non-audit fees paid to the External Auditor in relation to their significance to the total annual income of the External Auditor and to the Company's overall consultancy expenses. The Committee shall disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. If the non-audit work is allowed, this should be disclosed in the Company's Annual Report.</p> <p>13. Establish and identify the reporting line of the Corporate Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit and Risk Management Committee.</p> <p>14. The Audit and Risk Management Committee shall</p>
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				ensure that, in the performance of the work of the Corporate Auditor, he shall be free from interference by outside parties.
Governance, Nomination and Election	4		1	<p>The Governance, Nomination and Election Committee shall be responsible for overseeing the development and implementation of corporate governance principles and policies and ensuring that the nomination and election of new members of the Board is transparent with the end objective of having the Board increase shareholder value and aligned with the Corporation's strategic direction. For this purpose, the Governance, Nomination and Election Committee shall:</p> <ol style="list-style-type: none"> 1. Pre-screen, evaluate the qualifications and shortlist all candidates nominated to become a Director in accordance with pertinent provisions of the Articles of Incorporation and By Laws of the Company, as well as established guidelines on qualifications, disqualifications and succession planning. 2. Recommend guidelines in the selection of nominee/s for Director/s which may include the following based on the perceived needs of the Board at a certain point in time: <ul style="list-style-type: none"> • Nature of the business of the Corporations which he is a Director of • Age of the Director nominee • Number of directorships/active memberships and officerships in other corporations or organizations • Possible conflict of interest 3. Recommend guidelines in the determination of the optimum number of directorships/ active memberships and officerships in other corporations allowable for Directors. The capacity of Directors to serve with diligence shall not be compromised. 4. Recommend to the Board regarding the size and composition of the Board in view of long term business plans, and the needed appropriate skills and characteristics of Directors. 5. Assess the effectiveness of the Board's processes and procedures in the election or replacement of Directors. 6. Assist the Board of Directors in performing the

				<p>corporate governance duties in compliance with the Corporation's Manual, the Revised Code of Corporate Governance, the Corporate Governance Guidelines and the listing rules of the Philippines Stock Exchange.</p> <p>7. Monitor, evaluate and confirm the Corporation's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue.</p> <p>8. Use professional search firms or other external sources of candidates when searching for candidates to the Board or Management as deemed necessary.</p>
Remuneration and Compensation	4		1	<p>The Remuneration and Compensation Committee recommends for Board approval a formal and transparent policy and system of remuneration and evaluation of the Directors and Management Officers. For this purpose, the Committee shall:</p> <ol style="list-style-type: none"> 1. Recommend a formal and transparent procedure for developing a policy on executive remuneration and evaluation and for fixing the remuneration packages of Directors and Management Officers that is consistent with the Company's culture, strategy, and business environment. 2. Recommend the amount of remuneration, which shall be in a sufficient level to attract and retain Directors and Management Officers who are needed to run the company successfully. 3. Disallow any Director to decide his remuneration. 4. Ensure that Full Business Interest Disclosure is part of the pre-employment requirements for all incoming Management Officers, which among others compel all Management Officers to declare under the penalty of perjury all of their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired. 5. Review recommendations concerning the existing Human Resources Development Handbook, with the objective of strengthening provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically

				met in their respective posts.
				6. Provide in the Company's Annual Reports, information and proxy statements a clear, concise and understandable disclosure of aggregate compensation of its Executive Officers for the previous fiscal year and the ensuing year as prescribed by the Commission or other regulatory agency.
Others (specify)	None			

2) Committee Members

(a) Executive Committee

Office	Name	Date of last Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee**	No. of years served as director reckoning from the election immediately following January 2, 2012*

(b) Audit and Risk Management Committee

Office	Name	Date of last Appointment	No. of Meetings Held***	No. of Meetings Attended**	%	Length of Service in the Committee**	No. of years served as director reckoning from the election immediately following January 2, 2012*
Chairman (ID)	Antonio L. Go	<u>June 9, 2016</u>	4	4	100%	<u>3 years</u>	<u>4</u>
Member (ED)	John L. Gokongwei, Jr.	<u>June 9, 2016</u>	4	4	100%	<u>3 years</u>	<u>4</u>
	James L. Go	<u>June 9, 2016</u>	4	4	100%	<u>3 years</u>	
	Lance Y. Gokongwei	<u>June 9, 2016</u>	4	4	100%	<u>3 years</u>	
	Robina Gokongwei-Pe	<u>June 9, 2016</u>	4	4	100%	<u>3 years</u>	
Member (ID)	Roberto R. Romulo	<u>June 9, 2016</u>	4	4	100%	<u>3 years</u>	<u>4</u>

Note: *-per SEC Memorandum Circular No. 9 Series of 2011

**as of 2016

*** for the year 2015

Disclose the profile or qualifications of the Audit Committee members.

1. The Board establishes the Audit and Risk Management Committee and appoints the members of the Committee.
2. This Audit and Risk Management Committee reports functionally to the Board.
3. The Audit and Risk Management Committee shall be composed of at least three (3) members from the Board, at least one (1) of whom shall always be an Independent Director. The Board shall ensure that each member should have adequate competence and/or experience on accounting, finance and audit to enable them to discharge their responsibilities.
4. The Board shall appoint an Independent Director as Committee Chairman.
5. The Audit and Risk Management Committee, as a body, shall have neither executive nor managerial powers and duties in the Company except those relating to the management of the Corporate Auditor.

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

Following are the responsibilities of the Audit and Risk Committee relative to the external auditor:

1. Perform oversight functions over the Corporation's Internal and External Auditors. It should ensure that the Internal and External Auditors are given reasonable access to all material records, properties and personnel to enable them to perform their respective audit functions.
2. Recommend the appointment, re-appointment and removal of External Auditor.
3. Prior to the commencement of the audit, discuss with the External Auditor the nature, scope, and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts.
4. Review the reports submitted by the Internal and External Auditors.
5. Evaluate and determine the non-audit work, if any, of the External Auditor, and review periodically the non-audit fees paid to the External Auditor in relation to their significance to the total annual income of the External Auditor and to the Corporation's overall consultancy expenses. The Committee shall disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. If the non-audit work is allowed, this should be disclosed in the Company's Annual Report.

(c) Governance, Nomination and Election Committee

Office	Name	Date of last Appointment	No. of Meetings Held***	No. of Meetings Attended***	%	Length of Service in the Committee**	No. of years served as director reckoning from the election immediately following January 2, 2013*
Chairman (ED)	John L. Gokongwei, Jr.	<u>June 9, 2016</u>	1	1	100%	<u>3 years</u>	<u>3</u>
Member (ED)	James L. Go	<u>June 9, 2016</u>	1	1	100%	<u>3 years</u>	<u>3</u>
	Lance Y. Gokongwei	<u>June 9, 2016</u>	1	1	100%	<u>3 years</u>	
	Robina Gokongwei-Pe	<u>June 9, 2016</u>	1	1	100%	<u>3 years</u>	
Member (ID)	Roberto R. Romulo	<u>June 9, 2016</u>	1	1	100%	<u>3 years</u>	<u>3</u>

Note: *-per SEC Memorandum Circular No. 9 Series of 2011

**as of 2016

*** for the year 2015

(d) Remuneration and Compensation Committee

Office	Name	Date of last Appointment	No. of Meetings Held***	No. of Meetings Attended***	%	Length of Service in the Committee **	No. of years served as director reckoning from the election immediately following January 2, 2013*
Chairman (ED)	John L. Gokongwei, Jr.	<u>June 9, 2016</u>	Discussed at Board Meetings			3 years	<u>3</u>
Member (ED)	James L. Go	<u>June 9, 2016</u>				3 years	<u>3</u>
	Lance Y. Gokongwei	<u>June 9, 2016</u>					
	Robina Gokongwei-Pe	<u>June 9, 2016</u>					
Member (ID)	Antonio L. Go	<u>June 9, 2016</u>				3 years	<u>3</u>

Note: *-per SEC Memorandum Circular No. 9 Series of 2011

**as of 2016

*** for the year 2015

(e) Others (Specify)

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

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
There are no other committees constituted by the Board of Directors.						

3) Changes in Committee Members

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

Name of Committee	Name	Reason
Executive	None	
Audit and Risk Management		
Governance, Nomination and Election Committee		
Remuneration and Compensation		
Others (specify)		

4) Work Done and Issues Addressed

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

Name of Committee	Work Done	Issues Addressed
Executive	N/A	N/A
Audit and Risk Management	Review of the following areas: cash management and revenue, inventory management, asset management, operating expenses, special projects, unreleased checks, leave balances, scrap disposal.	No significant issues that would put the Company at major risk.
Nomination and Election Committee	Recommendation of nominees to be included in the final list of independent directors.	No significant issues that would put the Company at major risk.
Remuneration and Compensation	Recommendation of budgets for merit increase and salary adjustments.	No significant issues that would put the Company at major risk.
Others (specify)	None	

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	N/A	N/A
Audit and Risk Management	Internal audit plan for the coming fiscal year	No significant issues that would put the Company at major risk
Nomination and Election Committee	Pre-screen qualifications of nominees for independent directors	No significant issues that would put the Company at major risk
Remuneration and Compensation	Review and evaluate existing remuneration policies and procedures	No significant issues that would put the Company at major risk

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

The Company aims to create a systematic, disciplined approach to evaluate and improve the effectiveness of risk management. For that purpose, an Internal Audit Committee is formed to examine and evaluate whether the Company's risk management, controls, and processes, as designed by Management, are adequate, efficient, and functioning.

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

At the end of each calendar year, the Chief Executive Officer (CEO) and Chief Audit Executive (CAE) executes a written attestation that a sound internal audit, control and compliance system is in place and working effectively. The attestation is presented to and confirmed by the Audit and Risk Management during the meeting.

(c) Period covered by the review;

The Audit and Risk Management Committee periodically reviews the risk management system of the company through its meetings and review of required reports. The functions of the Audit and Risk Management Committee may include regular receipt from Management of information on risk exposures and risk management activities.

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

This is done on an annual basis. In consultation with the Chief Executive Officer and Management Officers, the Internal Audit Committee prepares a detailed and flexible Annual Internal Audit Plan using risk-based, process focused methodology. This Annual Internal Audit Plan is submitted to the Audit and Risk Management Committee for approval.

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

Not applicable.

2) Risk Policy

(a) Company

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

Risk Exposure	Risk Management Policy	Objective
<i>Credit risk</i>	<p>Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.</p> <p>The Group's trade and other receivables are actively monitored by the Collection Services Department to avoid significant concentrations of credit risk.</p> <p>The Group has adopted a no-business policy with customers lacking an appropriate credit history where credit records are available.</p> <p>The Group manages the level of credit risk it accepts through a comprehensive credit risk policy setting out the assessment and determination of what constitutes credit risk for the Group. The Group's policies include the following: setting up of exposure limits by each counterparty or group of counterparties; right of offset where counterparties are both debtors and creditors; reporting of credit risk exposures; monitoring of compliance with credit risk policy; and review of credit risk policy for pertinence and the changing environment.</p>	<p>The primary objective of the Group's risk and financial management framework is to protect the Group's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities.</p> <p>Key management recognizes the critical importance of having efficient and effective risk management systems in place.</p>
<i>Market risk</i>	N/A	N/A
<i>Foreign currency risk</i>	<p>Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.</p> <p>The Group manages its foreign currency risk exposure by matching, as much as</p>	<p>The primary objective of the Group's risk and financial management framework is to protect the Group's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities.</p>

	possible, receipts and payments in each individual currency.	Key management recognizes the critical importance of having efficient and effective risk management systems in place.
<i>Interest rate risk</i>	<p>Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.</p> <p>The Group's exposure to market risk for interest rates relates primarily to the amounts due to related parties at current market rates.</p> <p>The Group manages its interest rate risk by using current rates of money market placements when computing for interest rates that will be charged to the related party.</p>	
<i>Liquidity risk</i>	<p>Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments.</p> <p>The Group seeks to manage its liquidity profile to be able to finance its capital expenditures and operations. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows.</p>	

(b) Group

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

Risk Exposure	Risk Management Policy	Objective
<i>Credit risk</i>	<p>Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.</p> <p>The Group's trade and other receivables are actively monitored by the Collection Services Department to avoid significant concentrations of credit risk.</p> <p>The Group has adopted a no-business</p>	<p>The primary objective of the Group's risk and financial management framework is to protect the Group's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities.</p> <p>Key management recognizes the critical importance of having efficient</p>

	<p>policy with customers lacking an appropriate credit history where credit records are available.</p> <p>The Group manages the level of credit risk it accepts through a comprehensive credit risk policy setting out the assessment and determination of what constitutes credit risk for the Group. The Group's policies include the following: setting up of exposure limits by each counterparty or group of counterparties; right of offset where counterparties are both debtors and creditors; reporting of credit risk exposures; monitoring of compliance with credit risk policy; and review of credit risk policy for pertinence and the changing environment.</p>	and effective risk management systems in place.
<i>Market risk</i>	N/A	N/A
<i>Foreign currency risk</i>	<p>Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.</p> <p>The Group manages its foreign currency risk exposure by matching, as much as possible, receipts and payments in each individual currency.</p>	<p>The primary objective of the Group's risk and financial management framework is to protect the Group's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities.</p> <p>Key management recognizes the critical importance of having efficient and effective risk management systems in place.</p>
<i>Interest rate risk</i>	<p>Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.</p> <p>The Group's exposure to market risk for interest rates relates primarily to the amounts due to related parties at current market rates.</p> <p>The Group manages its interest rate risk by using current rates of money market placements when computing for interest rates that will be charged to the related party.</p>	
<i>Liquidity risk</i>	Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments.	

	The Group seeks to manage its liquidity profile to be able to finance its capital expenditures and operations. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows.	
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(c) Minority Shareholders

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

Risk to Minority Shareholders
Due to statutory limitations on the obligations of majority shareholders with respect to minority shareholders, minority shareholders are subject to the risk of the exercise by the majority shareholders of their voting power. However, the Corporation Code provides for minority shareholders' protection in certain instances wherein a vote by the shareholders representing at least two-thirds of the Company's outstanding capital stock is required. The Corporation Code also grants shareholders an appraisal, right allowing a dissenting shareholder to require a corporation to purchase his shares in certain instances.

3) Control System Set Up

(a) Company

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

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
<i>Credit risk</i>	Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.	<p>The Company's trade and other receivables are actively monitored by the Collection Services Department to avoid significant concentrations of credit risk.</p> <p>The Company has adopted a no-business policy with customers lacking an appropriate credit history where credit records are available.</p> <p>The Group manages the level of credit risk it accepts through a comprehensive credit risk policy setting out the assessment and determination of what constitutes credit risk for the Group. The Group's policies include the following: setting up of exposure limits by each</p>

		counterparty or group of counterparties; right of offset where counterparties are both debtors and creditors; reporting of credit risk exposures; monitoring of compliance with credit risk policy; and review of credit risk policy for pertinence and the changing environment.
<i>Market risk</i>	N/A	N/A
<i>Foreign currency risk</i>	Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.	The Group manages its foreign currency risk exposure by matching, as much as possible, receipts and payments in each individual currency.
<i>Interest rate risk</i>	Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market risk for interest rates relates primarily to the amounts due to related parties at current market rates.	The Group manages its interest rate risk by using current rates of money market placements when computing for interest rates that will be charged to the related party.
<i>Liquidity risk</i>	Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments.	The Group seeks to manage its liquidity profile to be able to finance its capital expenditures and operations. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows.

(b) Group

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

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
<i>Credit risk</i>	Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.	The Company's trade and other receivables are actively monitored by the Collection Services Department to avoid significant concentrations of credit risk. The Company has adopted a no-business policy with customers

		<p>lacking an appropriate credit history where credit records are available.</p> <p>The Group manages the level of credit risk it accepts through a comprehensive credit risk policy setting out the assessment and determination of what constitutes credit risk for the Group. The Group's policies include the following: setting up of exposure limits by each counterparty or group of counterparties; right of offset where counterparties are both debtors and creditors; reporting of credit risk exposures; monitoring of compliance with credit risk policy; and review of credit risk policy for pertinence and the changing environment.</p>
<i>Market risk</i>	N/A	N/A
<i>Foreign currency risk</i>	Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.	The Group manages its foreign currency risk exposure by matching, as much as possible, receipts and payments in each individual currency.
<i>Interest rate risk</i>	<p>Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.</p> <p>The Group's exposure to market risk for interest rates relates primarily to the amounts due to related parties at current market rates.</p>	The Group manages its interest rate risk by using current rates of money market placements when computing for interest rates that will be charged to the related party.
<i>Liquidity risk</i>	Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments.	The Group seeks to manage its liquidity profile to be able to finance its capital expenditures and operations. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows.

(c) Committee

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

Committee/Unit	Control Mechanism	Details of its Functions
Board of Directors (BOD)	The BOD of the Company and the respective BOD of each subsidiary are ultimately responsible for the oversight of the Group's risk management processes that involve identifying, measuring, analyzing, monitoring and controlling risks. Each BOD has created the board-level Audit and Risk Management Committee to spearhead the managing and monitoring of risks.	The minimum internal control mechanisms for the performance of the Board's oversight responsibility may include: 1. Definition of the duties and responsibilities of the CEO; 2. Selection of the person who possesses the ability, integrity and expertise essential for the position of CEO; 3. Evaluation of proposed Senior Management appointments; 4. Evaluation of appointments of Management Officers; and 5. Review of the Corporation's human resource policies, conflict of interest situations, compensation program for employees and management succession plan.
Audit and Risk Management Committee	The Audit and Risk Management Committee shall assist the Group's BOD in its fiduciary responsibility for the over-all effectiveness of risk management systems, and both the internal and external audit functions of the Group. Furthermore, it is also the AC's purpose to lead in the general evaluation and to provide assistance in the continuous improvements of risk management, control and governance processes.	The Audit and Risk Management Committee aims to ensure that: a. financial reports comply with established internal policies and procedures, pertinent accounting and auditing standards and other regulatory requirements; b. risks are properly identified, evaluated and managed, specifically in the areas of managing credit, market, liquidity, operational, legal and other risks, and crisis management; c. audit activities of internal and external auditors are done based on plan, and deviations are explained through the performance of direct interface functions with the internal and external auditors; and d. the Group's BOD is properly assisted in the development of policies that would enhance the

		risk management and control systems.
Internal Controls Group	With the leadership of the Company's Chief Financial Officer (CFO), internal control is embedded in the operations of the company and each BU thus increasing their accountability and ownership in the execution of the BU's internal control framework.	To accomplish the established goals and objectives, BUs robust and efficient process controls to ensure: <ul style="list-style-type: none"> a. Compliance with policies, procedures, laws and regulations b. Economic and efficient use of resources c. Check and balance and proper segregation of duties d. Identification and remediation control weaknesses e. Reliability and integrity of information f. Proper safeguarding of company resources and protection of company assets through early detection and prevention of fraud.
Compliance Officer	The Compliance Officer assists the BOD in complying with the principles of good corporate governance.	He shall be responsible for monitoring actual compliance with the provisions and requirements of the Corporate Governance Manual and other requirements on good corporate governance, identifying and monitoring control compliance risks, determining violations, and recommending penalties on such infringements for further review and approval of the BOD, among others.

Risk Management Support Groups

The Company's BOD created the following Corporate Center Units (CCU) to support the risk management activities of the Company's and its BUs:

1. Corporate Advertising and Public Relations (CAPR) – manages the brand image risk of the Conglomerate. CAPR ensures that communication initiatives that extend to the public are consistent with the established corporate image by monitoring the implementation and content of public relations programs and above-the-line media activities for the various BUs and Affiliates.
2. Corporate Affairs (CA) – acts as the official spokes group of the Company to national and local government offices as well as to the media to address reputational risk. CA helps in establishing strong relationships with internal and external partners and stakeholders that will enable the Conglomerate to promote a positive appreciation of corporate goals, initiatives and activities as well as champion advocacies and shape legislation critical to the business.
3. Corporate Governance Management Systems (CGMS) - ensures compliance with government regulatory requirements for Publicly Listed Companies (PLC), formulates and disseminates risk-controlled policies and procedures and approval authority matrices.

Under the supervision of CGMS and Corporate Procurement, the Corporate Supplier Accreditation Team (CORPSAT) administers supplier accreditation and enterprise-wide procurement policies to address procurement risks and ensure availability of goods and services of high quality and standards to all BUs.

4. Corporate Insurance Department (CID) - administers the insurance programs of BUs to mitigate risks concerning property, public liability, business interruption, money and fidelity, and employer compensation insurances.
5. Corporate Planning (CORPLAN) – facilitates and administers the strategic planning, budgeting and performance review of the BUs.
6. Corporate Resources Group (CRG) consisting of:
 - a. Corporate Human Resources – ensures continuity of business operations by having the right and adequate pool of talents through succession planning, employee training and employee engagement.
 - b. Corporate Outsourcing – manages risks related to the engagement of third party management services.
 - c. Corporate Security and Safety – administers enterprise-wide implementation of policies affecting physical security of resources exposed to various forms of risks.
7. Corporate Tax Group – provides advisory and assists Top Management in ensuring risks related to tax are addressed and regulatory requirements are appropriately complied with.
8. Corporate Treasury – assists Top Management in managing finance-related risks including interest, foreign exchange, liquidity, investment and debt management etc.
9. General Counsel Group – sets the strategy and implementing guidelines from a legal perspective to address regulatory risks and ensure that the Conglomerate conducts its business in compliance with laws and regulations.

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 covers systematic measures which include reviews, checks and balances, methods and procedures. The company conducts its business in an orderly and efficient manner, safeguards its assets and resources, deters and detects errors and fraud, ensures the accuracy and completeness of its accounting data, prepares reliable and timely financial and management information and complies with the Company policies and procedures.

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

The Board through the Audit and Risk Committee monitors, evaluates and annually confirms the adequacy and effectiveness of the Corporation's internal control system, including financial reporting control and information technology security.

The company understands that the primary responsibility for the design, implementation and maintenance of internal control rest on Management; while the Board and its Audit and Risk Management Committee oversee actions of Management and monitor the effectiveness of controls put in place.

Audit and Risk Management Committee's purpose is to lead in the general evaluation and to provide assistance in the continuous improvements of risk management, control and governance processes. Monitor and evaluate the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology security. And this committee meets quarterly and as often as necessary.

(c) Period covered by the review;

Preceding financial year.

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

Every quarter, the Corporate Internal Audit reports to the Audit and Risk Management Committee the summary of results of audit engagements / reviews and audits covering operational units of the Company and specific areas identified by Management. Material issues and its remedial measures, as reported by the Corporate Internal Audit group are monitored by Management and Audit and Risk Committee.

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

Not applicable.

2) Internal Audit

(a) Role, Scope and Internal Audit Function

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
Corporate Internal Audit's role is to provide an independent and objective assurance and consulting services within the Company, designed to add value and improve the Corporation's operations.	-Scope of internal audit includes the examination and evaluation of the Company's risk management, controls, and processes.	In-house	Mr. Emmanuel B. De Pano	Corporate Internal Audit, headed by Corporate Audit Executive, reports functionally to the Audit and Risk Management of the Board of Directors

(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?

Ensure the establishment of an Internal Audit Department and the appointment of a Corporate Auditor and the terms and conditions of its engagement and removal.

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

The Corporate Internal Auditor functionally reports directly to the Audit and Risk Management Committee. As such, the Audit and Risk Management Committee establishes and identifies the reporting line of the Internal Auditor to enable the Internal Audit Group to properly fulfill its duties and responsibilities. The Audit and Risk Management ensures that, in the performance of the work of the Internal Audit, said group shall be free from interference by outside parties.

- (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
<u>Melanie San Juan</u>	<u>Transferred to URC-International</u>
<u>Riolane Paragas</u>	<u>Transferred to another company (Bank of Makati)</u>
<u>Kathleen Cristina Cesar</u>	<u>Transferred to another company (Deutsche Bank)</u>
<u>Lalaine Arcilla</u>	<u>For health issue</u>
<u>Maricris Ganitnit</u>	<u>Transferred to another company (Anchor Land)</u>
<u>Janmarc Jenesis Martinez</u>	<u>Transferred to another company (Metrobank)</u>

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

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

Progress Against Plans	On-going
Issues⁸	No significant issues that would put the Company at major risk.
Findings⁹	No significant findings that would put the Company at major risk.
Examination Trends	No significant examination trends were noted.

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

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

⁸ "Issues" are compliance matters that arise from adopting different interpretations.

⁹ "Findings" are those with concrete basis under the company's policies and rules.

(f) Audit Control Policies and Procedures

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

Policies & Procedures	Implementation
<ol style="list-style-type: none"> 1. Prepare a forward Strategic Audit Plan to set the direction and approach of audits in the long term. 2. In consultation with the Chief Executive Officer and Management Officers, prepare a detailed and flexible Annual Internal Audit Plan using risk-based, process focused methodology. This Annual Internal Audit Plan is submitted to the Audit and Risk Management Committee for approval. 3. Implement the approved Annual Internal Audit Plan in an effective, professional, and timely manner. 4. Report in a timely manner significant issues noted during the audit relating to the adequacy, efficiency, and effectiveness of policies, controls, processes, and activities of the Corporation. As directed by or under the policies of the Audit Committee, furnishes auditees and/or any other member of Management copies of the reports. 5. Recommend any improvement in policies and procedures, systems of controls, processes, and other financial and operational matters to assist Management in the effective discharge of their responsibilities, in order to minimize or prevent waste, extravagance, negative image, and fraud. Management is responsible to implement specific recommendations. 6. Draw attention to any failure to take remedial actions. 7. Report quarterly to the Audit and Risk Management Committee on the performance of the Internal Audit, which includes the status of audits, compliance with Annual Internal Audit Plan, significant interim changes, and the sufficiency of available 	<p>The Chief Audit Executive of annually attests that the company has internal audit, controls, and compliance system in place and working effectively; in all material respects, compliant with the standards set out in the Corporate Audit Policy Manual. These processes provide an assurance that enables the senior management of the company to understand, manage and satisfactorily control risk exposures.</p> <p>Furthermore, the Chief Audit Executive states that the Audit Committee of the company is constituted and operates in accordance with the independence and governance requirements of the Manual.</p>

resources to Internal Audit.	
8. Keep informed the Audit and Risk Management Committee of emerging trends and successful practices in the field of internal audit.	
9. Coordinate with External Auditors and ensure that the audit works are complementary to optimize coverage at a reasonable cost.	
10. Comply with standards that are promulgated by the relevant professional and regulatory bodies.	
11. At the end of each calendar year, the Chief Executive Officer (CEO) and Chief Audit Executive (CAE) executes a written attestation that a sound internal audit, control and compliance system is in place and working effectively. The attestation will be presented by the CAE during the Audit Committee meeting. The attestation is presented to and confirmed by the Audit and Risk Management Committee during the meeting.	

(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):

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
To provide independence of the Internal Audit Group, the Chief Audit Executive reports directly to the Audit and Risk Management Committee in a manner outlined in the Audit Charter. The Audit and Risk Management Committee performs oversight functions	The Company and its officers, staff and any other person who are privy to the material non-public information are prohibited to communicate material non-public information about the Company to any person, unless the Company is ready to simultaneously disclose the material non-public information to the Commission and to the	The Company and its officers, staff and any other person who are privy to the material non-public information are prohibited to communicate material non-public information about the Company to any person, unless the Company is ready to simultaneously disclose the material non-public information to the Commission and to the	The Company and its officers, staff and any other person who are privy to the material non-public information are prohibited to communicate material non-public information about the Company to any person, unless the Company is ready to simultaneously disclose the material non-public information to the Commission and to the

<p>over the Company's internal and external auditors. It should act independently from each other and that both auditors are given unrestricted access to records, properties and personnel to enable them to perform their respective audit functions. The Board evaluates and determines the non-audit work, if any, of the External Auditor, and review periodically the non-audit fees paid to the External Auditor in relation to their significance to the total annual income of the External Auditor and to the Corporation's overall consultancy expenses. The Committee shall disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. If the non-audit work is allowed, this should be disclosed in the Corporation's Annual Report.</p>	<p>Exchanges except if the disclosure is made to:</p> <ul style="list-style-type: none"> • A person who is bound by duty to maintain trust and confidence to the Company such as but not limited to its auditors, legal counsels, investment bankers, financial advisers; and • A person who agrees in writing to maintain in strict confidence the disclosed material information and will not take advantage of it for his personal gain. 	<p>Exchanges except if the disclosure is made to:</p> <ul style="list-style-type: none"> • A person who is bound by duty to maintain trust and confidence to the Company such as but not limited to its auditors, legal counsels, investment bankers, financial advisers; and • A person who agrees in writing to maintain in strict confidence the disclosed material information and will not take advantage of it for his personal gain. 	<p>Exchanges except if the disclosure is made to:</p> <ul style="list-style-type: none"> • A person who is bound by duty to maintain trust and confidence to the Company such as but not limited to its auditors, legal counsels, investment bankers, financial advisers; and • A person who agrees in writing to maintain in strict confidence the disclosed material information and will not take advantage of it for his personal gain.
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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.**

Compliance with the principles of good governance is one of the objectives of the Board of Directors. To assist the Board in achieving this purpose, the Board has designated a Compliance Officer, who reports to the Chairman, who shall be responsible for monitoring the actual compliance of the Company with the provisions and requirements of good governance, identifying and monitoring control compliance risks, determining violations, and recommending penalties for such infringements for further review and approval of the Board, among others. The Governance, Nomination and Election Committee shall monitor, evaluate and confirm the Corporation's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue.

H. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' welfare	The Company has Customer Relations Policy and procedures to ensure that customers' welfare are protected and questions addressed	Customers are informed with the Company's customer relations contacts to ensure that their welfare and questions are addressed.
Supplier/contractor selection practice	We have Supplier Accreditation Policy to ensure that the Company's suppliers and contractors are qualified to meet its commitments to the company.	Suppliers and contractors undergo accreditation and orientation on company policies.
Environmentally friendly value-chain	The Company complies with government mandated policies on the environment.	Required environment management systems and energy management are rigidly complied with by the company.
Community interaction	The Company focuses on uplifting the socio-economic condition of the country through education.	The Company partners with organizations that promote education of Filipinos through grants, endowments, scholarships, and educational facilities.
Anti-corruption programmes and procedures?	The Company has policies that cover Business Conduct, Conflict of Interest Policy, Offenses Subject to Disciplinary Action Policy, among others.	New employees are oriented regarding policies and procedures related to Business Conduct and similar policies. All employees are given periodic reminders. Further, all concerned employees of the Conglomerate are required to comply with the Annual Self-Disclosure Activity on an annual basis.
Safeguarding creditors' rights	<p>The Company upholds creditors' right by honoring contracted obligations and providing information required under the Revised Disclosure Rules and the Securities Regulation Code, if applicable, audited financial statements prepared compliant with applicable financial reporting standards, and other periodic reports compliant with the provisions of law, loan covenants and other regulatory requirements.</p> <p>This policy aims to:</p> <ol style="list-style-type: none"> 1. Provide the guiding principles to ensure protection of creditors' rights. 2. To identify the duties of responsible departments in protecting the rights of creditors. 	There is regular communication with creditors through briefings and the like.

	This policy shall cover the documentation, reporting and disclosure requirements to promote transparency for the protection of the rights of creditors of the Company.	
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2. **Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?**

No. The Company's Corporate Responsibility Report is part of the Annual Report.

3. **Performance-enhancing mechanisms for employee participation.**

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

The Company abides by safety, health, and welfare standards and policies set by the Department of Labor and Employment. Likewise, the Company has Security and Safety Manuals that are implemented and regularly reviewed to ensure the security, safety, health, and welfare of the employees in the work place.

Moreover, the Company has the following policies in place to promote the advocacy of employees' safety, health and welfare:

- **Health, Safety and Welfare** – The Company is committed to undertake all reasonable steps to ensure the health, safety and welfare for the best interest of our stakeholders and the communities where we live and work by complying with the provisions of law, industry rules and regulations, standards of independent accreditation bodies where the Company obtained accreditation and contractual obligations.
- **Drug-Free Workplace** – The Company aims to safeguard the integrity and personal well-being of its employees from the harmful effects of dangerous drugs. The company shall likewise defend its employees against all acts or omissions due to dangerous drugs that are detrimental to their development and preservation.
- **Workplace Policy on the Prevention and Control of HIV and AIDS, Hepatitis B and Tuberculosis** – The policy aims to provide employees with information and guidance in the diagnosis, treatment and prevention of HIV and AIDS, Hepatitis B and Tuberculosis in the workplace, ensure that the employees' rights against discrimination and confidentiality maintained and promote a healthy and safe work environment in accordance with the statutory requirements.
- **Retirement Program** – This policy elaborates and covers the retirement and separation benefits of qualified employees of the Company, its local subsidiaries and affiliates.
- **Company and Government Mandated Leaves** – This shall prescribe the policies regarding leave benefits of employees. The fundamental principle of this policies is to standardized leave entitlement, its availment and the implementing guidelines for each business unit.

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

To ensure that the employees of the Company maintain a healthy balance between work and life, health and wellness programs are organized for these employees. Professionals are invited to conduct classes of Zumba, Tai Chi, and other activities in our work site. The Company has also partnered with fitness gyms to offer special membership rates to employees. This is in addition to the free use of gym facilities in the different installations.

Year on year, the Company has facilitated an Annual Physical Exams (APE) to the employees. Further, the Company offers vaccinations such as against flu and cervical cancer not only to employees but to their dependents as well. The Company has worked with healthcare providers in identifying top diseases based on utilization report and has invited resource speakers to talk about preventive measures.

To ensure the safety of the Company's employees, a Corporate Emergency Response Team (CERT) has been created that will be activated and will become the "command center", orchestrating initiatives across the conglomerate during a crisis. Also, the CERT shall be responsible for the periodic review of contingency plans and the institution's emergency preparedness and response procedures to ensure that effective responses and responsible policies are in place to deal with crisis or emergency situations.

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

The Company continuously provides learning and development opportunities for its employees through the John Gokongwei Institute for Leadership and Enterprise Development or what is commonly known as JG-ILED.

JG-ILED is the leadership platform for systematic and sustained development programs across the conglomerate. Its mission is to enable a high performing organization that will facilitate the learning process and develop the intellectual and personal growth of all employees through targeted and customized trainings and development programs.

JG-ILED curriculum comprises of the following:

Core Program – programs designed to ensure employees have the foundation needed to perform job effectively. It also covers key people skills training that will help supervisors and managers in leading their teams to perform to the optimum level.

- Basic Management Program (BMP)
- Coaching for Effectiveness (CFE)
- Problem Solving and Decision Making (PSDM)
- Employee Discipline Program (EDP)
- Achieving Customer Service Excellence (ACE)

Management Development Program – program that aims to enhance the leadership capability and business acumen of all JGS leaders.

- Finance for Senior Executives
- Strategic Communication Program
- Executive Coaching Program
- Advanced Negotiation Skills
- Leading and Managing Change
- Strategy Planning and Execution
- Becoming People Leaders

Human Resources Development Program – courses designed to ensure employees have a common understanding of the HR processes and systems by which the company operates.

- Job Evaluation
- Competency-Based System
- Organization Design and Manpower Planning
- Labor Relations Management
- Performance Management System
- Targeted Selection – Competency Based Interviewing

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

The Company has policies on annual merit increase, promotion and salary adjustments that are tied-up to the employees' performance assessments.

The Company promotes a culture of recognition and value for key and high performing employees who demonstrate excellence at the workplace. Recognition programs are maximized to promote and reinforce behavior that are consistent with the values and desired culture of the company.

Performance will be the main driver for total rewards. Rewards programs are therefore differentiated across businesses and among employees according to their contributions and levels of performance with a significant share given to high performers.

The Company provides adequate benefits to cover the needs of its employees, where possible, through shared accountability between the Company and its employees.

The rewards philosophy adopts an integrated approach, embodied by the 3Ps in compensation: Pay for the Position, Pay for the Performance, and Pay for the Person. The Company pays for the Position through its job evaluation system. It Pays for Performance through its performance management system which is linked to its merit increases. The Company pays for the Person through its competency-based and succession planning systems.

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.

Employees can submit complaints to the Conflict of Interest Committee (CICOM) or any officer of the Company who would relay said complaints to the Committee. Reports or disclosures can be made in writing or by email using the following contact details:

	Details
a. email address	CICOM@robinsonsjretail.com.ph
b. fax number	395-3888
c. mailing address	CICOM JG Summit Holdings, Inc. 44th Flr. Robinsons Equitable Tower ADB Avenue, Cor., Poveda Road, Pasig City
Must be sent in a sealed envelope clearly marked "Strictly Private and Confidential-To Be Opened by Addressee Only"	

The complaint shall be filed using the Complaint/Disclosure Form (CDF) which will be available in the Company Website. All information received in connection with the reports or disclosures shall be strictly confidential and shall not be disclosed to any person without prior consent of CICOM.

Protection from Retaliation

The Company commits to protect those who report in good faith from retaliation, harassment and even informal pressures. It will take the necessary and appropriate action to do so in its enforcement. A Whistleblower, who on account of his Complaint, is subjected to actual or threatened retaliation or harassment, shall be afforded protection in accordance with the applicable company policies.

I. DISCLOSURE AND TRANSPARENCY

1. Ownership Structure

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

Shareholder	Number of Shares	Percent	Beneficial Owner
JE Holdings, Inc.	484,749,997	35.00%	Same as record owner
PCD Nominee Corporation (Non-Filipino)	<u>339,201,590</u>	<u>24.49%</u>	PCD Participants & their clients
Lance Y. Gokongwei	126,727,500	9.15%	Same as record owner
Robina Y. Gokongwei-Pe	105,952,500	7.65%	Same as record owner
PCD Nominee Corporation (Filipino)	<u>143,412,457</u>	<u>10.35%</u>	PCD Participants & their clients

Name of Director	Number of Direct Shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Lance Y. Gokongwei	126,727,500	0	9.15%
Lance Y. Gokongwei &/or Elizabeth Gokongwei	35,317,499	0	2.55%
Robina Y. Gokongwei-Pe	105,952,500	0	7.65%
James L. Go	41,550,000	0	3.00%
Lisa Y. Gokongwei-Cheng	35,317,500	0	2.55%
Faith Y. Gokongwei-Lim	35,317,500	0	2.55%
John L. Gokongwei, Jr.	1	0	0.00%
Hope Y. Gokongwei-Tang	1	0	0.00%
Antonio L. Go	1	0	0.00%
Roberto R. Romulo	1	0	0.00%
TOTAL	380,182,503	0	27.45%

2. Does the Annual Report disclose the following:

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

Attendance details of each director/commissioner in respect of meetings held	No
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 training and/or continuing educational program attended by each director is reported on a separate disclosure. The number of Board meetings and attendance details are reported annually to the Commission in a separate disclosure. Details of remuneration are indicated in the Definitive Information Statement that is likewise disclosed annually or as needed.

3. External Auditor's fee

Name of Auditor	Audit Fee	Non-Audit Fee
SyCip, Gorres, Velayo & Co.	P6,359,160	P288,750*

* covers the quarterly Use of IPO Proceeds Report being validated by the External Auditor

4. Medium of Communication

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

The following modes of communication are being used by the company to disseminate information:

- Electronic and regular mail
- Telecommunication facilities
- Hard copy of documents
- Website

5. Date of release of audited financial report:

The Audited Consolidated Financial Statements for fiscal year ended December 31, 2015 was submitted to the SEC on April 14, 2016.

6. Company Website

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

Business operations	Yes, for companies under RRHI, <u>under Retail Segments tab</u>
Financial statements/reports (current and prior years)	Yes, under Investor Relations <u>and Disclosures tabs</u>
Materials provided in briefings to analysts and media	Yes, under Investor Relations tab
Shareholding structure	Yes, under <u>Our Company tab</u>
Group corporate structure	Yes, under <u>Our Company tab</u>

Downloadable annual report	Yes, under Annual Reports tab found under Investor Relations and <u>Disclosures</u> tabs
Notice of AGM and/or EGM	Yes, under <u>SEC Filings</u> found under <u>Disclosures</u> tab
Company's constitution (by-laws, memorandum and articles of association)	Yes, under <u>Our Company</u> tab

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

7. Disclosure of RPT

RPT	Relationship	Nature	Value
Please refer to Note 25 of the Notes to the Audited Consolidated Financial Statements as of December 31, 2015.			

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

The Company policy with respect to related party transactions is to ensure that these transactions are entered into on terms comparable to those available from unrelated third parties.

J. RIGHTS OF STOCKHOLDERS

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

(a) Quorum

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

Quorum Required	A majority of the subscribed capital, present in person or represented by proxy, shall be sufficient at a stockholders' meeting to constitute a quorum for the election of directors and for the transaction of any business whatsoever, except in those cases in which the Corporation Code requires the affirmative vote of a greater proportion.
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(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	Included in the agenda of the stockholders' meeting
Description	Every stockholder shall be entitled to vote for each share of stock held by him, which shall be by viva voce or show of hands

(c) Stockholders' Rights

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

Stockholders' Rights under The Corporation Code	Stockholders' Rights <u>not</u> in The Corporation Code
Stockholders' Rights concerning Annual/Special Stockholders Meeting are in accordance with provisions stated in the Corporation Code.	The stockholders' rights concerning Annual/Special Stockholders' Meeting are consistent with those laid down in the Corporation Code.

Dividends

Declaration Date	Record Date	Payment Date
<u>June 9, 2016</u>	<u>June 29, 2016</u>	<u>July 25, 2016</u>

(d) Stockholders' Participation

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

Measures Adopted	Communication Procedure
Stockholders are given the opportunity to ask questions during the stockholders' meeting	<ol style="list-style-type: none">1. Stockholders are provided with the disclosures, announcements and reports filed with SEC, PSE through public records, press statements and the Company's website.2. The Corporate Secretary shall:<ol style="list-style-type: none">a) Inform the members of the Board, in accordance with the By-Laws, of the agenda of their meetings together with the rationale and explanation of each item in the agenda 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.b) Release to the Exchange the notice of Annual Shareholders' Meeting (ASM) with detailed agendas and explanatory circulars, at least twenty eight (28) days before the date of the meeting. The notice of the 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.

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

The Company complies with the Corporation Code and the Securities Regulations Code on the above matters.

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

The Company released to the Exchange the notice of Annual Shareholders' Meeting (ASM) with detailed agendas and explanatory circulars, at least twenty eight (28) days before the date of the meeting. The company complies with the SRC Rule 20 (Disclosures to stockholders prior to meeting) which provides that the information statement, including the notice of meeting, shall be distributed to stockholders at least 15 business days before the date of the stockholders' meeting. The shares of the Company were listed in the Philippine Stock Exchange on November 11, 2013. The relevant date pertaining to the last joint special meeting of the Board of Directors and Stockholders of the company is set forth below:

- a. Date of sending out notices: May 18, 2016
- b. Date of the Annual/Special Stockholders' Meeting: June 9, 2016

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

The usual questions during the Annual Stockholders' meeting pertain to dividends of the Company.

5. Result of Annual/Special Stockholders' Meeting's Resolutions – June 9, 2016

Resolution	Approving	Dissenting	Abstaining
Election of Board of Directors	More than a majority vote	N/A	Less than 2%
Election of external auditor	More than a majority vote	N/A	Less than 1%

Name of Director	In Favor	Against	Abstain
John L. Gokongwei, Jr.	979,332,089	114,645,027	15,987,820
James L. Go	985,954,119	124,010,817	-
Lance Y. Gokongwei	1,053,670,094	56,294,842	-
Robina Y. Gokongwei-Pe	976,099,909	133,865,027	-
Lisa Y. Gokongwei-Cheng	1,030,119,251	79,845,685	-
Faith Y. Gokongwei-Lim	1,034,971,331	74,993,605	-
Hope Y. Gokongwei-Tang	1,034,971,331	74,993,605	-
Antonio L. Go	1,109,833,776	131,160	-
Roberto R. Romulo	1,082,886,184	27,078,752	-

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

The results of the resolutions approved by the stockholders at the annual meeting of the stockholders of the company held on June 9, 2016 were disclosed to the Philippine Stock Exchange on June 10, 2016 and to the Securities and Exchange Commission on June 10, 2016.

(e) Modifications

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

Modifications	Reason for Modification
None	

(f) Stockholders' Attendance

(i) Details of Attendance in the Annual/Special Stockholders' Meeting Held: June 9, 2016

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	John L. Gokongwei, Jr.	<u>June 9, 2016</u>	<u>As stated in the Definitive Information Statement (DIS):</u> <u>Voting Procedure:</u> <u>The vote required for approval or election:</u> <u>Pursuant to Article VI, Section 6 of the By-Laws of the Corporation, a majority of the outstanding capital stock, present in person or represented by proxy, shall constitute a quorum at a stockholders' meeting for the election of directors and for the transaction of any business, except in those cases in which the Corporation Code requires the affirmative vote of a greater proportion.</u> <u>The method by which votes will be counted:</u> <u>Article VI, Section 7 of</u>	<u>62.45%</u>	<u>17.69%</u>	<u>80.14%</u>
	James L. Go					
	Lance Y. Gokongwei					
	Robina Gokongwei-Pe					
	Lisa Y. Gokongwei-Cheng					
	Faith Y. Gokongwei-Lim					
	Hope Y. Gokongwei-Tang					
	Antonio L. Go					
	Roberto R. Romulo					
	Bach Johann M. Sebastian					
	Diosdado Felix A. Zapata III					
	Mylene Kasiban					
	Graciela A. Banatao					
	Rosalinda F. Rivera					
	Gilbert S. Millado Jr.					

			<p><u>the By-Laws of the Corporation provides that at each meeting of the stockholders, every stockholder, in person or by proxy, shall be entitled to vote the number of shares registered in his name which has voting rights upon the matter in question. The votes for the election of directors, and, except upon demand by any stockholder, the votes upon any question before the meeting, except with respect to procedural questions determined by the Chairman of the meeting, shall be by viva voce or show of hands.</u></p> <p><u>Article VI, Section 8 of the By-Laws also provides that stockholders may vote, at all meetings, the number of shares registered in their respective names, either in person or by proxy duly given in writing and duly presented and received by the Secretary for inspection and recording not later than five (5) business days before the time set for the meeting, except such period shall be reduced to one (1) business day for meetings that are adjourned due to lack of quorum. No proxy bearing a signature which is not legally acknowledged by the</u></p>			
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			<p><u>Secretary shall be honored at the meetings. Proxies shall be valid and effective for five (5) years, unless the proxy provides for a shorter period, and shall be suspended for any meeting wherein the stockholder appears in person.</u></p> <p><u>Article II, Section 1.1 of the By-Laws provides that the directors of the Corporation shall be elected by plurality vote at the annual meeting of the stockholders for that year at which a quorum is present. At each election for directors, every stockholder shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, or by distributing such votes on the same principle among any number of candidates.</u></p> <p><u>The Secretary shall record all the votes and proceedings of the stockholders and of the directors in a book kept for that purpose.</u></p>			
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- (ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs?

Yes, SGV & Co. was appointed as the independent party to count and/or validate the votes at the Company's ASM held on June 9, 2016.

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

Yes

(g) Proxy Voting Policies

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

	Company's Policies
Execution and acceptance of proxies	The stockholders may vote at all meetings the number of shares registered in their respective names, either in person or by proxy, duly given in writing and duly presented to and received by the Secretary for inspection and recording not later than five (5) working days before the time set for the meeting, except such period shall be reduced to one (1) working day for meetings that are adjourned due to lack of the necessary quorum. No proxy bearing a signature which is not legally acknowledged by the Secretary shall be honored at the meetings.
Notary	Not required
Submission of Proxy	See above
Several Proxies	Not applicable
Validity of Proxy	The proxies shall be valid and effective for five (5) years, unless the proxy provides for a shorter period, and shall be suspended for any meeting wherein the stockholder appears in person.
Proxies executed abroad	Not applicable
Invalidated Proxy	
Validation of Proxy	<u>Internal</u> validation of proxies shall be held at the date, time and place as may be stated in the Notice of stockholders' meeting which in no case shall be five calendar days prior to the date of stockholders meeting. <u>Further, the Company appointed SGV & Co. as the independent party to count and/or validate the votes at the Company's ASM held on June 9, 2016.</u>
Violation of Proxy	Any violation of this rule on proxy shall be subject to the administrative sanctions provided for under Section 144 of the Corporation Code and Section 54 of the Securities Regulation Code, and shall render the proceedings null and void.

(h) Sending of Notices

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

Policies	Procedure
The Company complies with the SRC Rule 20 (Disclosures to stockholders prior to meeting) which provides that the information statement, including the notice of meeting, shall be distributed to stockholders at least 15 business days before the date of the stockholders' meeting.	By courier and mail The Notice of Annual Stockholders' Meeting with agenda explanation was posted in the Exchange on <u>April 21, 2016</u> .

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	<u>28</u>
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	<u>May 18, 2016</u>
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	<u>May 18, 2016</u>
State whether CD format or hard copies were distributed	CD format
If yes, indicate whether requesting stockholders were provided hard copies	There were no requests made for hard copies

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

Each resolution to be taken up deals with only one item.	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	Yes
The auditors to be appointed or re-appointed.	Yes
An explanation of the dividend policy, if any dividend is to be declared.	Yes
The amount payable for final dividends.	Yes
Documents required for proxy vote.	The Company does not solicit proxy votes

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

2) Treatment of Minority Stockholders

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

Policies	Implementation
<p>The Company recognizes that the strongest proof of good corporate governance is what is publicly seen and experienced by its stockholders. Therefore, the following provisions are issued for the guidance of all internal and external parties concerned, as governance covenant between the Company and all its stockholders.</p> <p>The Board shall be committed to respect the following rights of the stockholders in accordance with the Corporation Code and the Company's Articles of Incorporation and By-Laws:</p> <ul style="list-style-type: none"> • Right to Vote on All Matters that Require Their Consent or Approval • Right to Inspect Corporate Books and Records • Right to Information • Right to Dividends • Appraisal Right <p>The Board shall be transparent and fair in the conduct of the annual and special stockholders meetings of the Company. The stockholders shall be encouraged to personally attend such meetings. If they cannot attend, they shall 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.</p> <p>It shall be 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 violation of their rights.</p> <p>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 judgment on all matters brought to their attention for consideration or approval.</p>	<p>Implemented</p>

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

Yes.

K. INVESTORS RELATIONS PROGRAM

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

RRHI makes use of its local area network to email and inform employees of new developments in the company (ie. hiring of new senior officers, promotions, accolades/awards received by the company and its subsidiaries and affiliates, etc). Usually, it is Corporate HR which is in charge of this, after securing clearance from Senior Management.

For communications outside of the company, usually it is the Investor Relations Officer and Corporate Secretary's Office which discloses the information to the public through disclosure to the SEC, PSE, and to the media, after securing clearance and approval from the Corporate Planning Vice President and the senior management.

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

	Details
(1) Objectives	To provide timely, relevant and accurate information to the public
(2) Principles	Transparency to shareholders and the general public
(3) Modes of Communications	Via disclosures to PSE, press releases, meetings with investors, presentations to shareholders, etc
(4) Investors Relations Officer	<p>Bach Johann M. Sebastian SVP for Corporate Planning Telephone # 395-2182 Fax # 395-2253 bj.sebastian@jgsummit.com</p> <p>Gina R. Dipaling Corporate Planning Manager and Investor Relations Officer Telephone # 631-1490 Fax # 635-0751 to 64 ext. 555 gina.dipaling@robinsonsretail.com.ph</p>

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

- the transaction must create value to the market
- the transaction must be value-accretive and have synergies with JG and/or its subsidiaries

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

The Company actively evaluates potential mergers and acquisitions. Once management believes that the transaction is in-line with the Company's strategies and will be value-accretive based on internal valuation and analysis, the board appoints an independent party to evaluate the fairness of the transaction price.

L. CORPORATE ` RESPONSIBILITY INITIATIVES

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

Corporate Social Responsibility Report

Business Unit: Robinsons Supermarket Corporation				
<u>Description of Activity/Initiative</u> <u>(include specific internal organization involved)</u>	<u>Beneficiary / Organization</u>	<u>Highlights/ Accomplishments</u>	<u>Perceived Impact</u>	<u>Date of Implementation / Point of Contact</u>
<u>Bright Smiles, Bright Future</u> <u>(Robinsons Supermarket Corp. and Colgate CSR Project)</u> <u>February 15- March 31, 2016</u> <u>PHP 5 donation will be given to World Vision for every purchase of Colgate Participating Products</u>	<u>World Vision</u>	<ul style="list-style-type: none"> <u>Donated PHP334,495 to World Vision</u> 	<ul style="list-style-type: none"> <u>Fund will be used to support Robinsons Supermarket's 115 sponsored kids in World Vision</u> 	<u>February 15 – March 31, 2016</u> <u>Date of turnover of check: April 18, 2016</u>
<u>Bags of Hope (9th year)</u> <u>Unilever – Robinsons Supermarket (RSC) Tie-up</u> <u>PHP 5 donation will be given to World Vision for every Bags of Hope purchased at the store</u>	<u>World Vision</u>	<ul style="list-style-type: none"> <u>Donated PHP1,101,000 worth of school supplies to World Vision</u> 	<ul style="list-style-type: none"> <u>School supplies will benefit 15,000 students from World Vision assisted communities</u> 	<u>Turnover : August 28, 2016 at Robinsons Magnolia Mall</u>
<u>World Bread Day</u> <u>PHP 5 donation will be given to World Vision for every premium item.</u>	<u>World Vision</u>	<ul style="list-style-type: none"> <u>Accumulated PHP320,000 from the promo</u> 	<ul style="list-style-type: none"> <u>Fund will be used to support RSC's 115 sponsored kids in World Vision</u> 	<u>October 1 -31, 2016</u> <u>*amount still for turnover as of November 8, 2016</u>

Business Unit: Robinsons Supermarket Corporation				
<u>Description of Activity/Initiative (include specific internal organization involved)</u>	<u>Beneficiary / Organization</u>	<u>Highlights/ Accomplishments</u>	<u>Perceived Impact</u>	<u>Date of Implementation / Point of Contact</u>
<u>Give Wellness</u> <u>Customers bike to reach PHP100,000 worth of donations to World Vision</u>	<u>World Vision</u>	<ul style="list-style-type: none"> • <u>To donate PHP100,000 to World Vision</u> • <u>200 participants joined the two-day activity</u> 	<ul style="list-style-type: none"> • <u>Fund will be used to support RSC's 115 sponsored kids in World Vision</u> 	<u>Turnover/ Event date :</u> <u>November 5, 2016</u>
<u>Green Fund</u>	<u>Quezon City Public Schools</u>	<ul style="list-style-type: none"> • <u>RSC to donate 1,500 school chairs to Pasong Tamo Elementary School (first beneficiary school)</u> • <u>RSC is the first retailer to utilize its Green Fund for a project in Quezon City (QC)</u> • <u>School chairs are made from recycled plastic.</u> 	<ul style="list-style-type: none"> • <u>RSC commits to donate at least 11,000 school chairs in select QC public schools.</u> 	<u>Ceremonial Turnover – November 14, 2016</u>

ANNEX A: Pictures of Activities

1. Activity: Bright Smiles, Bright Future(Robinsons Supermarket Corp.and Colgate CSR Project)

<u>Caption:</u>	<u>Check Turnover to World Vision</u>
<u>In photo (From Left):</u>	<u>Manvedra Singh, Commercial director of Colgate Philippines; Stephen Lau, VP/ General Manager of Colgate Philippines; Jun Gordones, Director of World Vision; Jody dela Cruz, executive director of World Vision Philippines ; Robina Gokongwei-Pe, President and COO of RRHI ; Jody Gadia, General Manager of Robinsons Supermarket</u>
<u>Date picture was taken:</u>	<u>April 18, 2016</u>



2. Activity: Bags of Hope (Robinsons Supermarket Corporation and Unilever Project)

Caption:	<u>Unilever and Robinsons Supermarket give Bags of Hope to World Vision</u>
In photo (From Left):	<u>Miriam Quiambao, host of the activity ; Mr. Jody Gadia, General Manager of RSC ; Ms. Mai Apilado, AVP for Merchandising, RSC ; Mr. Jun Gordones, Director for World Vision Philippines ; Mr. Benjie Yap, Customer Development Vice-President, Unilever ; and Mr. Jay Go, Modern Trade Director, Unilever.</u>
Date picture was taken:	<u>August 28, 2016</u>



Business Unit: Robinsons Townville Malls

<u>Description of Activity/Initiative (include specific internal organization involved)</u>	<u>Beneficiary / Organization</u>	<u>Highlights/ Accomplishments</u>	<u>Perceived Impact</u>	<u>Date of Implementation / Point of Contact</u>
<p><u>Robinsons ACTS (CSR Program of Robinsons Townville Malls)</u></p> <p><u>Activity 1: RECYCLING</u></p> <p><u>The kid beneficiaries were taught the importance of taking care of the environment through storytelling and an art workshop using recycled materials.</u></p>	<p><u>Each Robinsons Townville mall has a beneficiary found within the community where it belongs:</u></p> <ul style="list-style-type: none"> <u>Townville Cabanatuan-Bgy. San Juan ACCFA</u> <u>Townville Pulilan-AKAP Pulilan</u> <u>Townville Meycauayan-Bgy. Camalig</u> <u>Townville Regalado-Bgy. Fairview</u> <u>Townville BF Parañaque-My Father's House</u> <u>Townville Buhay Na Tubig-Children's Joy</u> <p><u>Robinsons Abreeza-Balay Dangupan</u></p>	<ul style="list-style-type: none"> <u>Advocating the spirit of volunteerism, 79 volunteers participated in this project</u> <u>59 of the volunteers came from the pool of regular customers who signed up for the project while the 20 volunteers came from Robinsons Supermarket Corp. (RSC) employees</u> <u>100 kids benefited from the activities that included storytelling, art workshop and a hearty snack</u> <u>100 sets of Daiso colored pens and coloring books sponsored by DENR were also given to the children</u> 	<ul style="list-style-type: none"> <u>The children were very happy with the activities and were looking forward to more activities from Robinsons ACTS for the year</u> <u>Due to the great response from RSC employee volunteers, the next activity would be opened up to all RRHI employees.</u> 	<ul style="list-style-type: none"> <u>May 29, 2016- My Father's House</u> <u>May 30, 2016- Akap Pulilan</u> <u>June 3, 2016- Bgy. Camalig</u> <u>June 19, 2016- Bgy. Fairview</u> <u>June 25, 2016- Bgy. San Juan ACCFA</u> <u>July 24, 2016- Balay Dangupan</u>

Business Unit: Robinsons Townville Malls


Description of Activity/Initiative (include specific internal organization involved)	Beneficiary / Organization	Highlights/ Accomplishments	Perceived Impact	Date of Implementation / Point of Contact
Activity 2: KEEPING MYSELF HEALTHY <u>The kid beneficiaries were taught the value of taking care of themselves by eating right, proper hygiene and exercise. Activities included singing, dancing and a fun zumba session for the kids.</u>	<u>Each Robinsons Townville mall has a beneficiary found within the community where it belongs:</u> <ul style="list-style-type: none"> <u>Townville Cabanatuan-Brgy. San Juan ACCFA</u> <u>Townville Pulilan-AKAP Pulilan</u> <u>Townville Meycauayan-Bgy. Camalig</u> <u>Townville Regalado-Bgy. Fairview</u> <u>Townville BF Parañaque-My Father's House</u> <u>Townville Buhay Na Tubig-Children's Joy</u> <u>Robinsons Abreeza-Balay Dangupan</u> 	<ul style="list-style-type: none"> <u>90 volunteers, composed of customers and RRHI employees, participated</u> <u>120 kids benefited from this leg</u> <u>The kids were given toiletries from Procter and Gamble and t-shirts from Robinsons Department Store</u> <u>Food was sponsored by Robinsons Appliances, Midea and Swift</u> 	<ul style="list-style-type: none"> <u>The children imbibed the values being taught to them through a fun way of learning</u> <u>More people are becoming involved in the project; Curve Entertainment has volunteered to arrange the jingle for Robinsons ACTS</u> 	<ul style="list-style-type: none">
Activity 3: ONE LOVE A DAY <u>To celebrate Christmas, the kids receive Christmas gifts from the volunteers as well as have a fun carolling session with the mall tenants.</u>	<u>Each Robinsons Townville mall has a beneficiary found within the community where it belongs:</u> <ul style="list-style-type: none"> <u>Townville Cabanatuan-Bgy. San Juan ACCFA</u> <u>Townville Pulilan-AKAP Pulilan</u> <u>Townville Meycauayan-Bgy. Camalig</u> <u>Townville</u> 	<ul style="list-style-type: none"> <u>The children received Christmas gifts from the volunteers and made Christmas cards which they gave to the volunteers.</u> <u>The kids also had a fun carolling session with the mall tenants capped off by snacks and refreshments.</u> 	<ul style="list-style-type: none"> <u>The children were very happy with the gifts they received from the volunteers.</u> 	<ul style="list-style-type: none"> <u>November 5, 2016-Akap Pulilan</u> <u>November 6, 2016-My Father's House</u> <u>November 12, 2016-Bgy. San Juan ACCFA</u> <u>November 13, 2016-Children's Joy</u> <u>November 19, 2016-Bgy. Camalig</u> <u>November 20,</u>

	<u>Regalado- Bgy. Fairview</u> <ul style="list-style-type: none"> • <u>Townville BF Parañaque-My Father's House</u> • <u>Townville Buhay Na Tubig-Children's Joy</u> • <u>Robinsons Abreeza-Balay Dangupan</u> 	<ul style="list-style-type: none"> • <u>Robinsons Specialty Stores sponsored t-shirts and Daiso Japan gave colored pens.</u> • <u>For food, Swift and CDO provided hotdogs, Suncrest Food Corp and Gardenia Bakeries donated bread while Summit gave bottled water.</u> • <u>The children were also taught the Robinsons ACTS songs.</u> <p><i><u>*for November 5 and 6 activities</u></i></p>		<u>2016-Bgy. Fairview</u> <ul style="list-style-type: none"> • <u>December 3, 2016-Balay Dangupan</u>
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ANNEX A: Pictures of Activities

Robinsons ACTS

1. Activity: Recycling

<u>Caption:</u>	<u>Toni Pet facilitates the art workshop at Bgy. Fairview, Quezon City for Robinsons Townville Regalado.</u>
<u>Date picture was taken:</u>	<u>June 19, 2016</u>
	

2. Activity: Keeping Myself Healthy

<u>Caption:</u>	<u>The children of Bgy. Camalig were taught how to exercise through a fun zumba session at Robinsons Townville Meycauayan.</u>
<u>Date picture was taken:</u>	<u>August 12, 2016</u>
	

3. Activity: One Love A Day (Pulilan)

<u>Caption:</u>	<u>The differently-abled children of Pulilan, Bulacan showed off their Christmas cards bearing heart-warming messages for the volunteers.</u>
<u>Date picture was taken:</u>	<u>November 5, 2016</u>



4. Activity: One Love A Day (BF-My Father's House)

<u>Caption:</u>	<u>The children of My Father's House beamed with delight as they received their early Christmas gifts from the volunteers.</u>
<u>Date picture was taken:</u>	<u>November 6, 2016</u>



Business Unit: Robinsons Department Store				
<u>Description of Activity/Initiative (include specific internal organization involved)</u>	<u>Beneficiary / Organization</u>	<u>Highlights/ Accomplishments</u>	<u>Perceived Impact</u>	<u>Date of Implementation / Point of Contact</u>
<p><u>Gift Giving and Taekwondo Bright Future Program:</u></p> <p>Since 2010, Robinsons Department Store has been providing support, goodwill and practical help to Right Start Foundation's major programs for underprivileged children.</p> <p>Donations are given to the kids of Right Start Foundation.</p>	<u>Right Start Foundation</u>	<p>Robinsons Department Store (RDS) supports Right Start's Taekwondo for a Bright Future Program. RDS donated funds to help sustain the program, trainings and competitions throughout 2016. On the other hand, its trade partner Goldwing Enterprises donated uniforms for the kids.</p>	<p>Funds donated will be used under the Program such as but not limited to the following:</p> <ul style="list-style-type: none"> -Gear -Coach and Trainer's Allowances -Tournament Fees -Promotional Fees 	<u>February 16, 2016 to February 15, 2017</u>
<p><u>Offsite selling and donation through placement of collection cans:</u> RDS supports the Maria Lena Buhay Memorial Foundation, Inc., the country's first oral school for hearing-impaired children established in 1987.</p>	<u>Maria Lena Buhay Memorial Foundation</u>	<p>RDS actively supports the foundation's benefit sale events. For 2016, RDS donated items for the foundation's offsite selling events in February, March, April, June, August, September and November.</p> <p>RDS continues to provide assistance to the foundation through placement of collection cans in its Metro Manila stores.</p>	<u>The donations help the operations of the school.</u>	<u>January to December 2016</u>

Business Unit: Robinsons Department Store

Description of Activity/Initiative (include specific internal organization involved)	Beneficiary / Organization	Highlights/ Accomplishments	Perceived Impact	Date of Implementation / Point of Contact
<p><u>Segunda Mano Donations-in-kind Program</u></p> <p><u>Old items that are no longer needed or idle assets such as slow moving or non-moving stocks, overrun inventory, corporate giveaways, reusable fixture, and equipment/furniture are offered to the public at affordable prices through Segunda Mano charity outlets.</u></p>	<p><u>Caritas Manila</u></p>	<p><u>RDS started to support Caritas in 2016 by giving assorted items as donations. Donation items were turned over in May, July and August 2016.</u></p>	<p><u>Proceeds from the charity auction help sustain various pro-poor programs and will be used to fund Caritas Manila's flagship program, Youth Servant Leadership and Education Program which provides educational financial assistance and servant leadership training to more than 5,000 unprivileged youth from all over the country.</u></p>	<p><u>May, July and August 2016</u></p>

ANNEX A: Pictures of Activities

1. Activity: Right Start Taekwondo for a Bright Future Program

<u>Caption:</u>	<u>These kids are the beneficiaries of Robinsons Department Store's partnership with Right Start Foundation.</u>
<u>Date picture was taken:</u>	<u>February 2016</u>



Business Unit: South Star drug and The Generics Pharmacy (TGP)				
<u>Description of Activity/Initiative (include specific internal organization involved)</u>	<u>Beneficiary / Organization</u>	<u>Highlights/ Accomplishments</u>	<u>Perceived Impact</u>	<u>Date of Implementation / Point of Contact</u>
<u>Scholarship program of South Star Drug with a university for its Pharmacy students</u>	<u>Select 3rd and 4th year students of the university</u>	<u>38 scholars supported by South Star Drug for their full tuition and miscellaneous fees, internship fees and payment for review school.</u>	<u>Student-scholars will be able to complete their education up to graduation and board review.</u>	<u>Program began in June 2015</u>
<u>South Star Drug conducts free clinics, bone screening, cholesterol and fasting blood sugar screening in various stores</u>	<u>Different barangays</u>	<ul style="list-style-type: none"> <u>3,700 Patients in 74 stores were checked and given health/medical consultation.</u> <u>Patients came from different towns and cities like Bulacan, Lucena, Lipa, Mandaluyong, Las Pinas, Pasig, Dasmariñas and Quezon City.</u> 	<u>South Star Drug was able to provide health consultation especially on the bone density of the patients.</u>	<u>July to October 2016</u>
<u>SulongKalusugan</u> <u>It is a whole day free medical mission of The Generics Pharmacy, organized for various communities in and out of Metro Manila, serving from 100 to 500 patients – men, women and children. This is an on-going program, serving communities, rolled out five to six times a year, in cooperation with local government units and pharmaceutical suppliers.</u>	<u>2016:</u> <u>October 1: Imus, Cavite</u> <u>October 8: Cabuyao, Laguna</u> <u>October 15: Taytay Rizal</u> <u>October 22: Legazpi City, Albay</u> <u>November 12 – San Teodoro, Oriental Mindoro</u>	<u>Under-served and un-served communities were reached</u>	<u>It's a complete health event, not just medical consultation as it has brief medical lectures, Zumba/aerobics class, games, giveaways etc.</u>	<u>2016:</u> <u>October 1: Imus, Cavite</u> <u>October 8: Cabuyao, Laguna</u> <u>October 15: Taytay Rizal</u> <u>October 22: Legazpi City, Albay</u> <u>November 12 – San Teodoro, Oriental Mindoro</u>

<p><u>The Generics Pharmacy offers free in-store medical/health services in partnership with suppliers and also provides free blood pressure monitoring and random blood sugar checks for those who cannot afford to buy these medical home devices on their own.</u></p>	<p><u>Various clients including from lower income segments for TGP</u></p>	<p><u>Patients who cannot afford the unit visit TGP outlets to avail of on-site blood glucose monitoring</u></p>		<p><u>Daily</u></p>
<p><u>Better Health Advocacy by TGP</u></p> <p><u>Regular donations of prescription drugs, vitamins, and common over the counter medicines through various medical missions and free clinics in coordination with various socio-civic organizations, local government units, churches, schools/universities, and private firms</u></p>	<p><u>Various men, women and children from the lower income level</u></p>	<p><u>Countless calamity victims were helped through these sustained donations of medicines and free medical consultations.</u></p>	<p><u>Provided help and medicines at the time most needed.</u></p>	

Business Unit: True Value and Handyman				
<u>Description of Activity/Initiative (include specific internal organization involved)</u>	<u>Beneficiary / Organization</u>	<u>Highlights/ Accomplishments</u>	<u>Perceived Impact</u>	<u>Date of Implementation / Point of Contact</u>
<u>River Clean-up Drive</u> <u>True Value Donations in-kind of cleaning materials and equipment through non-governmental organizations</u>	<u>Marikina City Environmental Management Office (CEMO) and Barangay Tumana, Marikina</u>	<u>Donated several rolls of trashbags, gloves, Trash Pickers, Small Rakes & Big Rakes</u>	<u>True Value joined forces with other concerned individuals and institutions in the global observance of <i>Bless the Water</i>, a day where people all over the world honor water as our sacred life source. True Value participated in the Marikina River Clean-up Activity</u>	<u>March 20, 2016</u>
<u>Brigada Eskwela 2016</u> <u>True Value regularly participates in BrigadaEskwela through the Ateneo Center for Educational Development (ACED) as part of the Dept. of Education's school maintenance and rehabilitation in order to assist public schools in Quezon City in cleaning as well as repainting blackboards and cabinets</u>	<u>Recipient Schools:</u> <ul style="list-style-type: none"> <u>Manuel Quezon Elem. School, MRB Compound, Bgy. Commonwealth, Q.C.</u> <u>Payatas Elem. School, Q.C.</u> <u>Aurora Elem. School, Bgy. Aurora, Q.C.</u> 	<u>True Value donated several gallons of True Value unleaded paints (which are good for the environment and for people, especially kids), painting implements such as brushes, rollers and cleaning supplies (ie. brooms, mops and dust pans), trash cans and flashlights.</u>	<ul style="list-style-type: none"> <u>True Value Philippines is aligned with True Value USA in assisting deserving public schools in their campaign "Painting a Brighter Future" through the use of True Value unleaded paints.</u> <u>There are many BrigadaEskwela volunteers but the True Value donations are a big plus as these materials are really needed to implement the project.</u> 	<u>May 2016</u>

Business Unit: True Value and Handyman				
<u>Description of Activity/Initiative (include specific internal organization involved)</u>	<u>Beneficiary / Organization</u>	<u>Highlights/</u>	<u>Description of Activity/Initiative (include specific internal organization involved)</u>	<u>Beneficiary / Organization</u>
<p><u>Servathon Activity: Citronella Candle Making</u></p> <p>True Value annually joins <i>Hands on Manila</i>, a non-governmental organization working to promote volunteerism in the Philippines.</p>	Residents of Bgy. 842, Zone 92, Pandacan Manila	30 volunteer employees participated in Citronella candle making with the finished products donated and distributed to select households in selected communities.	This product helps prevent mosquito bites among residents, especially children, in select urban and indigent communities in Manila during night time.	September 24, 2016
<p><u>Trade-in Promos</u></p> <p>Handyman donated all traded-in items to different beneficiaries from all trade-in promos every month</p>	<ul style="list-style-type: none"> Habitat for Humanity-ReStore Association of Mouth and Foot Painting Artists Mano Amiga Tahanang Walang Hagdanan, Inc. 	<ul style="list-style-type: none"> Handyman donated rice cookers, fans and flashlights gathered from nationwide trade-in promos for MAY and JULY. Handyman donated hand tools and power tools gathered from nationwide trade-in promos for FEBRUARY and JUNE. Handyman donated hand tools and water heaters gathered from nationwide trade-in promos for August and 	<ul style="list-style-type: none"> The beneficiary used the proceeds in Habitat's mission which is to help Filipino families in need of decent homes. The beneficiary used the proceeds in their mission of helping orthopedically handicapped persons. The beneficiary used the proceeds in their mission to provide education and development services tailored to the needs of the Filipino 	<ul style="list-style-type: none"> May 1 – 30, 2016 and July 1 – August 31, 2016 February 1-29, 2016 and June 1-30, 2016 August 1-31, 2016 and October 1-31, 2016 September 1-30, 2016 and November 1-30, 2016

		<u>October.</u> <ul style="list-style-type: none"> Handyman donated power tools gathered from nationwide trade-in promos for September and November. 	<u>community.</u> The beneficiary used the proceeds in their mission of helping orthopedically handicapped persons.	
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ANNEX A: Pictures of Activities

1. Activity: River Clean up Drive (True Value)

<u>Caption:</u>	Turnover of products to Bgy. Tumana Kagawads Jimmy Ceguerar, Mike Quibrall, Lito Colasino and Meanne Gonzalez, barangay staff. Donated products came from trade partners NKD International Trading Corp., SICABA Import and Export Corp., ATLAS Home Products, Inc. and HOME AID Depot, Inc.
<u>Date picture was taken:</u>	March 19, 2016



2. Activity: BrigadaEskwela (True Value)

Caption:	True Value donations for BrigadaEskwela 2016. Photo shows True Value Officers with Mrs. Carmela Oracion, Executive Director of ACED.
Date picture was taken:	March 19, 2016 at the Ateneo Center for Educational Development office.



3. Activity: Candle-Making for Servathon(True Value)

Caption:	30 employees participated in the Citronella candle making to be donated to select urban and indigent communities in Manila.
Date picture was taken:	September 24, 2016 at the PICC Forum



4. Activity: Hanabishi Rice Cooker Trade-in Promo (Handyman)

<u>Caption:</u>	<u>The first turn-over of collected rice cookers to beneficiary, Habitat for Humanity ReStore.</u>
<u>Date picture was taken:</u>	<u>June 28, 2016</u>



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 may create an internal self-rating system that can measure the performance of the Board and Management in accordance with the criteria provided for in the Corporate Governance Manual. The creation and implementation of such self-rating system, including its salient features, may be disclosed in the Company's Annual Report.	
Board Committees	Audit and Risk Management Committee conducts annual performance evaluation in compliance with SEC Memorandum Circular No.4, Series of 2012.	Guidelines for the assessment of the performance of audit committees of companies listed on the exchange under SEC Memorandum Circular No. 4, Series of 2012.
Individual Directors	The Board may create an internal self-rating system that can measure the performance of the Board and Management in accordance with the criteria provided for in the Corporate Governance Manual. The creation and implementation of such self-rating system, including its salient features, may be disclosed in the Company's Annual Report.	
CEO/President		

N. INTERNAL BREACHES AND SANCTIONS

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

To strictly observe and implement the provisions on corporate governance, the following penalties shall be imposed, after notice and hearing, on the company's Directors, Management, Officers, and employees:

Violations	Sanctions
First Violation	The subject person shall be reprimanded.
Second Violation	Suspension from office shall be imposed to the subject person. The duration of the suspension shall depend on the gravity of the violation.
Third Violation	The maximum penalty of removal from office shall be imposed. The commission of a third violation of this by any Director of the Corporation or its subsidiaries and affiliates shall be a sufficient cause for removal from directorship.