

COVER SHEET

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S.E.C. Registration Number

[illegible]

(Company's Full Name)

[illegible]

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

MA. CECILIA L. PESAYCO
Contact Persons

Contact Persons

817-8710

Company Telephone Number

Company Telephone Number

1	2
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3	1
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Month Day Fiscal Year

REVISED CORPORATE
GOVERNANCE MANUAL
(JULY 2014)

SEC FORM

FIRST WEDNESDAY
OF MAY

Month Day
Annual Meeting

Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Domestic

Foreign

Total Amount of Borrowings

To be accomplished by SEC Personnel concerned

[illegible]

File Number			

LCU

LCU

[illegible]

Document I.D.

Cashier

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STAMPS

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Remarks = pls. use black ink for scanning purposes



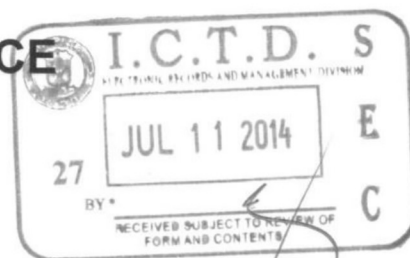
LT GROUP, INC.

REVISED CORPORATE GOVERNANCE MANUAL

TABLE OF CONTENTS

	Page
I. INTRODUCTION	
A. Objectives of the Manual	1
B. Definitions	1
C. Highlights of the Code of Corporate Governance	2
D. Administration of the Manual	2
E. Procedures on Amendments of the Manual	3
F. Control Copy	3
G. Implementation and Compliance	3
H. Penalties for Non-Compliance	4
I. Effectivity	4
II. GENERAL POLICIES	
A. Corporate Code of Conduct	5
B. Key Principles of Corporate Governance	6
III. THE BOARD OF DIRECTORS	
A. Basic Functional Description	8
B. Duties and Responsibilities	9
C. Compensation	11
D. Minimum Qualification and Disqualification Requirements	11
E. Definition of an Independent Director	14
F. Board Meetings & Quorum Requirement	16
IV. THE BOARD COMMITTEES	
A. Nomination and Compensation Committee	17
B. Audit and Risk Management Committee	19
C. Executive Committee	22
D. Corporate Governance Committee	23
V. EXTERNAL AUDIT	24
VI. THE MANAGEMENT	
A. General Policies	25
B. Duties and Responsibilities	25
VII. THE SHAREHOLDERS	28
VIII. DISCLOSURE AND TRANSPARENCY	30
IX. COMMUNICATION PROCESS	31

REVISED CORPORATE GOVERNANCE MANUAL



I. INTRODUCTION

The Securities and Exchange Commission (SEC) in a meeting held on June 18, 2009, approved the promulgation of the Revised Code of Corporate Governance (the "Code") which shall apply to registered corporations whose securities are listed on an Exchange.

Through its issuances, the SEC regulations required covered corporations to develop a Corporate Governance Manual which should embody the requirements of the Code. Accordingly, LT Group, Inc. (the "Company") has developed this Manual in accordance with the principles of good corporate governance and adopted the provisions of the Code to achieve greater transparency and accountability in the conduct of its corporate business.

A. OBJECTIVES OF THE MANUAL

1. This Manual shall institutionalize the principles of good corporate governance and shall serve as a basic reference in implementing the principles thereof.
2. This Manual seeks to inform shareholders, board members, corporate officers, and employees of their duties and expected norms of conduct within the corporate system.
3. For best practices, this Manual shall serve as the guidelines or framework of all of the subsidiaries of the Company and to the extent possible, consistent with their own existing structures, should be adopted by the subsidiaries.

B. DEFINITIONS

Corporate Governance

- the framework of rules, systems and processes in the Company that governs the performance by the Board of Directors and Management of their respective duties and responsibilities to stockholders and other stakeholders, which include, among others, customers, employees, suppliers, financiers, government and community in which it operates (SEC Memorandum Circular No. 9, Series of 2014 – Amendment to the Revised Code of Corporate Governance);

- set of relationships between a company's management, its board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined. Good corporate governance should provide proper incentives for the board and management to pursue objectives that are in the interests of the company and shareholders and should facilitate effective monitoring, thereby encouraging firms to use resources more efficiently (OECD Principles of Corporate Governance).

C. HIGHLIGHTS OF THE CODE OF CORPORATE GOVERNANCE

The areas of compliance which the SEC Code of Corporate Governance directs all concerned corporate entities to consider when developing the Manual of Corporate Governance include, among others:

- * Board of Directors: qualifications, basic functions, duties and responsibilities
- * Composition and qualifications of the Board Committees
- * Accountability and Audit
- * Disclosure and Transparency
- * Stockholders' Rights and Protection of Minority Stockholders' Interests

D. ADMINISTRATION OF THE MANUAL

The Board of Directors shall designate a Compliance Officer who will be responsible for the administration of this Manual. Upon appointment, the name of the compliance officer shall be immediately disclosed to the SEC on SEC Form 17-C.

1. The Compliance Officer will ensure that:
 - * Principles and policies listed in this Manual are implemented and followed by shareholders, board members, corporate officers, managers and staff;
 - * Adequate copies are printed and distributed to enable users to know the details of their rights and obligations within the corporate system; and
 - * Any revision and amendment to this Manual should be properly authorized, documented and included in all copies of this Manual.

2. The Compliance Officer shall identify and monitor compliance with the rules and regulations of regulatory agencies, and take appropriate corrective measures to address all regulatory concerns and issues.
3. He/she shall likewise monitor the effectiveness of the corporate governance practices and recommend changes as needed.
4. Determine violation/s of the Manual through notice and hearing, and recommend the imposable penalty for such violation thereof, subject to further review and approval of the Board of Directors;
5. Identify, monitor, and control compliance risks.

E. PROCEDURES ON AMENDMENTS OF THE MANUAL

Amendments to any part of this Manual will be endorsed to the Chairman of the Board for his/her approval. Upon approval, the Corporate Secretary will prepare a corresponding memorandum effecting the proposed change and will see to it that all holders of the Manual are furnished with copies of the amendment/s.

To incorporate the necessary correction, the section or page revised will be marked as illustrated below:

The Board of Directors	Duties and Responsibilities	Revision Date March 19, 2000	Effectivity Date June 1, 2002
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This indicates that the particular topic “Duties and Responsibilities” under “Board of Directors” was last revised on March 19, 2000.

All succeeding pages of the revised section will show the revision and effectivity dates.

The revised section will supersede the old portion which should be removed from the binder.

F. CONTROL COPY

The Corporate Secretary will hold the copy of the Manual to be used for control and final reference.

This Manual shall be available for inspection by any stakeholder of the Company within the reasonable hours of business days.

G. IMPLEMENTATION AND COMPLIANCE

The following are guidelines to be observed in the implementation of the principles and policies as prescribed in the Manual:

1. Shareholders, board members, corporate officers, managers and staff shall strictly adhere to the principles and policies of the Code of Corporate Governance;
2. Compliance Officer shall impart this Manual and periodically test compliance thereto;
3. Compliance Officer shall appear before the SEC when summoned in relation to compliance with the Manual; and

H. PENALTIES FOR NON-COMPLIANCE

The Compliance Officer shall monitor and evaluate cases on noncompliance with the Manual. Upon proper notice and hearing, the Compliance Officer shall recommend to the Chairman of the Board the imposable penalty for such violation if any, and for further review and approval of the Board members.

The penalties prescribed hereunder shall be imposed:

- First offense, reprimanded.
- Second offense, suspended. The duration of suspension shall depend on the gravity of the violation.
- Third offense, recommended for termination from office.

The commission of a third violation of this Manual by any board member of the Company shall be sufficient cause for removal from Directorship.

I. EFFECTIVITY

This Corporate Governance Manual will take effect upon approval of the Board of Directors of the Company.

SIGNED BY:


MR. MICHAEL G. TAN
President

General Policies Code of Conduct Revision Date Effectivity Date

II. GENERAL POLICIES

A. Corporate Code of Conduct

LT Group, Inc. (the “Company”) is committed to observe a high standard of ethical conduct in all of its activities. Our business shall be governed by the following standards of behavior:

1. We shall act with **integrity** in our personal and official dealings and in the discharge of our duties and responsibilities; we will work hard to establish a **good reputation** as the cornerstone of our individual and collective success;
2. We shall strive for **excellence** in our products and services, without going beyond the standards of fair play and honest competition; we shall ensure that the **profitability** of our business transactions shall not be attained at the undue expense of others;
3. We shall be **transparent** in our activities without sacrificing the confidentiality of our trade secrets, formulae and other intellectual properties. Information about the Company shall be disclosed as required under applicable laws, regulations and traditional business practices;
4. We will keep the **trust** bestowed on us by the Company’s stakeholders by managing faithfully and responsibly the resources entrusted to our stewardship; we shall always welcome checks on our accountabilities as necessary means to preserve this trust;
5. We shall maintain an **independent mental attitude** by avoiding conflict-of-interest situations; we will preserve our **loyalty** to the organization by giving priority to the organizations’ interest at all times;
6. We shall abide with all the norms of **good corporate citizenry** and will actively contribute to the socio-economic development of the country; and
7. We shall always be conscious of our **social responsibility** to our employees and to the communities in which we conduct our business; we will always consider the environment in our operating strategy and initiatives.

General Policies	Key Principles of Corporate Governance	Revision Date	Effectivity Date
		July 8, 2014	July 8, 2014

B. Key Principles of Corporate Governance

- * The Board of Directors should ensure that the Company is appropriately and effectively managed and controlled by providing strategic guidance and effective monitoring of the performance of Management. It should be fully aware of its accountability to the Company and the stakeholders.

The minimum internal control mechanisms for the performance of the Board's oversight responsibility include:

- a. Definition of duties and responsibilities of the Chief Operating Officer (COO) who is ultimately accountable for the Company's organizational and operational controls;
- b. Selection of the person who possesses the ability, integrity, and expertise essential for the position of COO;
- c. Evaluation of proposed senior management appointments;
- d. Selection and appointment of qualified and competent management officers; and
- e. Review of the Company's human resource policies, conflict of interest situations, compensation program for employees, and management succession plan.

In connection with an audit system within the Company, the Board shall establish and appoint members of the Audit Committee, which shall perform oversight audit function and report directly to the Board.

- * Organizational and procedural controls should be supported by an effective management information system and risk management reporting system. There should be a timely and accurate disclosure on all material matters regarding the Company, including the financial situation, performance, ownership and governance of the Company.
- * Independent audit mechanisms should be in place for monitoring the adequacy and effectivity of the organization's governance, operations, information systems. Reliability and integrity of financial and operational information, effectiveness and efficiency of operations, security of assets, and compliance with laws, rules, regulations and contracts.

General Policies	Key Principles of Corporate Governance	Revision Date	Effectivity Date
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- * The rights of stakeholders as established by law should be recognized and respected. There shall be an active cooperation between the Company and its stakeholders in creating wealth, jobs and sustainability of the Company's financial soundness.

Board of Directors	Overview/Basic Functional Description	Revision Date July 8, 2014	Effectivity Date July 8, 2014
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III. THE BOARD OF DIRECTORS

Overview

The Board of Directors is elected during the Annual Shareholders' Meeting and serves as the Company's highest governing body. It is mandated to serve as a check and balance on the Company's management and perform executive powers as vested in it by the Articles of Incorporation and By-Laws or delegated by the General Shareholders, in accordance with existing laws, rules and regulations.

A. Basic Functional Description

- * It shall be the Board's responsibility to foster the long-term success of the Company and sustain its competitiveness and profitability in a manner consistent with its corporate objectives and in the best interests of its stockholders and other stakeholders.
- * The Board shall formulate the Company's vision, mission, strategic policies, programs and procedures that shall sustain its long term viability and strength, including the means to effectively monitor Management's performance periodically.
- * A director's office is one of trust and confidence. He/she shall act in a manner characterized by honesty, integrity, transparency, accountability, and fairness.
- * Board members shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and the shareholders.
- * Where Board decisions may affect different shareholder groups differently, the board shall treat all shareholders fairly.
- * The Board shall have a working knowledge of the statutory and regulatory requirements that affect the Company and ensure compliance with applicable laws, regulations and codes of best practices, taking into account the interest of all stakeholders.

The Board is primarily accountable to the stockholders. It should provide them with a balanced and comprehensive assessment of the Company's performance, position and prospects on a quarterly basis, including interim and other reports that could adversely affects its business, as well as reports to regulators that are required by laws.

**Board of
Directors****Duties and
Responsibilities****Revision Date**
July 8, 2014**Effectivity Date**
July 8, 2014**B. Duties and Responsibilities**

- * Implement a process for the selection to ensure an effective mix of competent directors and officers;
- * Provide sound strategic policies and guidelines on major capital expenditures, and to periodically evaluate and monitor the implementation of such policies and guidelines;
- * Review, evaluate, monitor and guide corporate strategy, major plans of actions, risk policy, annual budgets and business plans periodically;
- * Ensure that the Company has good internal control and information management systems which can provide an accurate, timely, and clear financial picture. There should be a continuing review of the internal control system in order to maintain its adequacy and effectiveness;
- * Identify key risk areas and key performance indicators and make sure it is being managed properly;
- * Establish and maintain an investor relations program that will keep the stockholders informed of important developments in the Company;
- * Identify the stakeholders in the community in which the Company operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with said stakeholders;
- * Formulate, implement, monitor and manage policies and procedures for purposes of ensuring the integrity and transparency of related party transactions and potential conflicts of interest between and among the Company and its parent company, joint ventures, subsidiaries, associates, affiliates, management, board members and shareholders, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board;
- * Exercise objective judgment on corporate affairs and be independent, in particular, from Management;
- * Keep the authority of the Board within the powers of the Company as prescribed in the Articles of Incorporation, By-Laws and existing laws, rules and regulations;
- * Hold meetings as may be necessary, with minutes of the meeting duly recorded. Independent Directors are expected to attend all Board meetings.

Board of Directors	Duties and Responsibilities	Revision Date July 8, 2014	Effectivity Date July 8, 2014
*	Treat all shareholders fairly where Board decisions may affect various shareholder groups differently;		
*	Ensure that the Company complies with all relevant laws, regulations and best business practices; and		
*	Provide shareholders with a balanced and comprehensive assessment of the Company's performance, position and prospects on a quarterly basis, including interim and other reports that could adversely affects its business, as well as reports to regulators that are required by laws. The Board is primarily accountable to the stockholders.		
*	Establish and maintain an alternative dispute resolution system for the amicable settlement of disputes between the Company and its stockholders, and the Company and third parties, including regulatory authorities;		
*	Each Board member is likewise expected to—		
	<ul style="list-style-type: none"> ○ Fulfill their responsibilities, have access to accurate, relevant, and timely information. They shall be given independent access to Management and the Corporate Secretary including independent professional advice at the Company's expense; ○ Devote sufficient time to their responsibilities; ○ Conduct fair business transactions with the Company and to ensure that personal interest does not bias Board decisions; ○ Act judiciously; ○ Exercise independent judgment; ○ Have working knowledge of the statutory and regulatory requirements affecting the Company, including the contents of its Articles of Incorporation and By-Laws, the requirements of the SEC, and where applicable, the requirements of other regulatory agencies; ○ Observe confidentiality; ○ Act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and the shareholders; ○ Ensure the continuing soundness, effectiveness and adequacy of the Company's control environment; 		

**Board of
Directors****Compensation/
Qualifications and
Disqualifications****Revision Date**
July 8, 2014**Effectivity Date**
July 8, 2014**C. Compensation**

In accordance with the By-Laws, the Directors, as such, shall not receive any stated salary for their services but by resolution of the Board, each director may be compensated for attendance at any regular or special meeting of the Board.

D. Minimum Qualification and Disqualification Requirements

Directors should have the following qualifications:

- * Holder of at least one thousand (1000) share of stock of the Company;
- * Bachelor's degree or equivalent experience in managing the business as gained from the profession and/or industry;
- * At least twenty one (21) years of age;
- * Proven to possess integrity and probity; and
- * Have attended a seminar on corporate governance with a duly-accredited or recognized private or government institution and submitted a copy of his/her certificate of attendance to the Compliance Officer.

Disqualification:

- * No person shall be eligible for nomination or election to the Board of Directors if such person is engaged in any commercial venture or undertaking which is in competition with the business of the Company or any of its subsidiaries. For this purpose and unless the Board of Directors, in its reasonable exercise of discretion determines otherwise, a person shall be deemed to be so engaged where:
 1. He/She is a director, officer, or the record or beneficial owner of at least 10% of any outstanding shares of any other corporation or entity engaged in any line of business of the Company or any of its subsidiaries;
 2. He/She is a director, officer, or the record or beneficial owner of at least 10% of any outstanding shares of any other corporation or

Board of Directors	Qualifications and Disqualifications	Revision Date July 8, 2014	Effectivity Date July 8, 2014
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entity engaged in any line of business which the Board determines to be in competition with the business of the Company or any of its subsidiaries; or

3. The Board, in the exercise of its judgment in good faith, determines that such person is a nominee of any person referred to in (1) or (2) above. (Company By-Laws)

- * Any person convicted by final judgment or order by a competent juridical or administrative body of any crime that: a.) involves the purchase or 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 flood broker; c.) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or an affiliated person or any of them;
- * Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the SEC 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 flood broker; b.) acting as director or officer of a bank, quasi-bank, trust company, investment house or investment company; c.) engaging in or continuing any conduct or practice in any of the capacities mentioned in the sub-paragraphs (a.) and (b.) or willfully violating the laws that govern securities and banking activities;
- * Any person who has been restrained to engage in activity involving securities and banking;
- * Any person who is currently the subject of an effective order of the SEC or any court or any 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 SEC or Bangko Sentral ng Pilipinas, or under any rule or regulation issued by the SEC or BSP;
- * Any person convicted by final judgment or order by a competent juridical or administrative body of an offense involving moral turpitude or fraudulent act or transgressions;

Board of Directors	Qualifications and Disqualifications	Revision Date	Effectivity Date
	<ul style="list-style-type: none"> * Any person finally found guilty by the SEC or court or regulating bodies to have willfully violated, or willfully 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 SEC or Bangko Sentral ng Pilipinas (BSP) or any rule, regulation or order issued by the SEC or BSP; * Any person 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; * Any person earlier elected as independent director who becomes an officer, employee or consultant of the Company; * Any person finally found guilty by foreign court or financial regulatory counterparts of the Philippines of acts, violations, or misconduct listed in the foregoing paragraphs; * Any person judicially declared to be insolvent; and * Any person finally convicted of an offence punishable by imprisonment of more than six (6) years, or violation of the Corporation Code, committed within five (5) years prior to the date of his/her election or appointment. 		

**Board of
Directors****Independent
Directors****Revision Date**
July 8, 2014**Effectivity Date**
July 8, 2014**E. Definition of an Independent Director****Independent Director**

An independent director is a person who, apart from his/her fees and shareholdings, is independent of management and free from any business or other relationships which could, or could reasonably be perceived to, materially interfere with his/her exercise of independent judgment in carrying out the responsibilities of a director of 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 he/she is 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 related to any director, officer, or substantial shareholder of the Company or any of the related companies or substantial shareholders of the Company. 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 related 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 five (5) years;
6. is not retained, either personally or through his/her firm or any similar entity, as a professional adviser of the Company, or any of its related companies and/or any of its substantial shareholders in the last five (5) years;
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/herself and/or with other persons and/or through a firm of which he/she is a partner and/or a company of which he/she is a director or substantial shareholder, other than transactions which are conducted at arms length and are immaterial or insignificant; and

**Board of
Directors****Independent
Directors****Revision Date**
July 8, 2014**Effectivity Date**
July 8, 2014

8. may hereafter be considered as an Independent Director under applicable laws, statutes, or rules and regulations of the SEC.

An Independent Director can serve as such for five (5) consecutive years, provided that a service for a period of at least six (6) months shall be equivalent to one (1) year. A “cooling-off” period of two years is required to be undergone by the Independent Director before he/she may again be eligible for election as such in the Company after his/her five-year service period. During this cooling off period, the Independent Director concerned must not have engaged in any activity that, under existing rules and regulations, disqualifies a person from being elected as an Independent Director in the Company.

After serving as an Independent Director for ten (10) years, the Independent Director shall be perpetually barred from being elected as such in the Company. (SEC Memorandum Circular No. 9, Series of 2011)

Nomination of an Independent Director

The nomination of an Independent Director shall be conducted by the Company's Nomination Committee prior to a stockholders' meeting. All recommendations for nomination shall be signed by the nominating stockholder together with the acceptance and conformity of the nominee. A list of all qualified nominees shall be prepared and presented to the Board for approval.

Upon the approval by the Board of Directors of the list of the qualified nominees, and at least forty-five days before the annual meeting of the stockholders, a Final List of Candidates, containing all the information about the nominees for Independent Directors, shall be made available to the SEC and to all stockholders through the filing and distribution of an Information Statement, in accordance with the Securities Regulation Code, or in such other reports as the Company may be required to submit to the SEC.

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 nomination shall be entertained or allowed on the floor during the actual stockholders' meeting. (Company By-Laws)

Board of Directors	Independent Directors/Board Meetings and Quorum Requirement	Revision Date July 8, 2014	Effectivity Date July 8, 2014
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Any of the following persons shall likewise be disqualified from being nominated and elected as an Independent Director:

1. An officer or employee of the Corporation where he/she shall be nominated and elected;
2. Owners of more than two percent (2%) of the total outstanding proprietary membership of the Corporation and/or any of its substantial shareholders; and
3. A director who has failed, without any justifiable cause, to attend at least fifty percent (50%) of the total number of Board meetings during his/her incumbency.

F. Board Meetings and Quorum Requirement

The Board shall meet as and when necessary at such times and places as the Chairman of the Board, or in his absence, the President may determine, or upon the request of the majority of the . Board members should attend regular and special board meetings in person. However, attendance of the Board members via teleconference is allowed.

Unless otherwise provided in the by-laws of the Company, the absence of an Independent Director shall not affect the quorum requirement. To promote transparency, the Board may however require at least one Independent Director to be present in all Board meetings. (SEC Memorandum Circular No. 6, Series of 2009)

**Board
Committees****Overview/
Nomination and
Remuneration
Committee****Revision Date**
July 8, 2014**Effectivity Date**
July 8, 2014**IV. THE BOARD COMMITTEES****Overview**

Board of Directors shall create committees to aid in complying with the principles of good corporate governance and from time to time, create special committees to handle certain issues of concern to the Board.

A. Nomination and Remuneration Committee**1. Composition and Qualifications**

The Nomination and Remuneration Committee shall be composed of at least three (3) members, one (1) of whom shall be an independent director and with knowledge of executive compensation or access to expert advice.

2. Basic Function

Ensure a formal and transparent Board nomination process, and select, compensate, monitor and, when necessary, replace key executives and oversee succession planning.

3. Duties and Responsibilities

- a. Meet at least once a year or whenever necessary;
- b. Pre-qualify and shortlist candidates for election to the Board of Directors. Nominate at least two (2) independent directors or such as to constitute at least twenty percent (20%) of the members of the Board.
- c. Re-nominate directors by considering the director's contribution and performance (e.g. attendance, preparedness, participation and candor) including, if applicable, independent directors.
- d. Consider the following guidelines in determining the number of directors to be nominated to the Board:

- * The scope and nature of the operations of the Company;

**Board
Committees****Nomination and
Remuneration
Committee****Revision Date**
July 8, 2014**Effectivity Date**
July 8, 2014

- * Age of the director; and
- * Possible conflict of interest among the directors.
- e. Establish a formal and transparent procedure for fixing the remuneration packages of individual directors. No director shall be involved in deciding his own remuneration.
- f. Provide a clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration, in the Company's annual report;
- g. Designate amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the Company successfully;
- h. Evaluate a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which among others compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired;
- i. Ensure in the Company's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and the ensuing year; and

**Board
Committees****Audit and Risk
Management
Committee****Revision Date**
July 8, 2014**Effectivity Date**
July 8, 2014**B. Audit and Risk Management Committee****1. Composition and Qualifications**

The Committee shall be composed of at least three (3) members of the Board, two (2) of whom shall be an independent director. Each member shall have accounting or financial management expertise or experience.

2. Basic Function

The Committee shall primarily assist the Board in fulfilling its oversight responsibilities. It shall review the financial reporting process, system of internal control and management of financial risk, audit process, Company's process for monitoring compliance with laws and regulations and its own code of corporate governance.

The Audit Committee shall meet at least quarterly.

3. Duties and Responsibilities

- * Ensure the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for monitoring risk, financial control, and compliance with the law, rules and regulations;
- * Perform oversight over Management's activities in managing credit, market, liquidity, operational legal and other risks of the Company. This function shall include regular receipt from Management of information on risk exposures and risk management activities;
- * 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;
- * Consider the independence and objectivity of the External Auditor, including reviewing the range of services provided in the context of all consulting services bought by the Company;

Board Committees	Audit and Risk Management Committee	Revision Date July 8, 2014	Effectivity Date July 8, 2014
	<ul style="list-style-type: none"> * Meet with the External Auditors, without the presence of the Company's Management, at least annually. Ensure that the External Auditors act independently, and such is given unrestricted access to all records, properties and personnel to enable it to perform its audit functions; * Review the effectiveness of the financial management systems and information technology security including internal control of the entire accounting process from documentation of financial transactions to the preparation, interpretation and analysis of financial reports of Management, and the External Auditor; * Review the quarterly, half-year and annual financial statements before their submission to the Board; * 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 the duties of the External Auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Company's annual report; * Make recommendations to the Board regarding the reappointment of the External Auditors; * Ensure that the Audit Committee Charter is in writing and that arrangements are made for all employees to be aware of it; and * Adapt to the international accounting and auditing standard procedures, practices and methodologies. * Monitor the risk environment of the Company, inclusive of its subsidiaries, and provide direction for the activities that will mitigate, to an acceptable level, the risks that may adversely affect the Company's ability to achieve its goals. 		
	<ul style="list-style-type: none"> i. Oversee operational, legal, and other risks and shall primarily be responsible for monitoring the statutory requirements of the Company. It shall assess the probability of each risk becoming reality and shall 		

**Board
Committees****Audit and Risk
Management
Committee****Revision Date**
July 8, 2014**Effectivity Date**
July 8, 2014

estimate its possible effect and cost. Priority areas of concern are risks that are the most likely to occur and are costly when such do happen.

- ii. Oversee the policies and procedures relating to the identification, analysis, management, monitoring and reporting of financial and non-financial risks. It shall develop a plan defining the strategies for managing and controlling the major risks. It shall identify practical strategies to reduce the chance of harm and failure or minimize losses if the risk becomes real.
- iii. Oversee and evaluate the adequacy and effectiveness of the different internal control system, which effectively ensures the integrity of the financial reports and protection of the assets for the benefit of all stockholders and other stakeholders of the Company and its subsidiaries.
- iv. Communicate the risk management plan and loss control procedures to affected parties.
- v. Conduct regular discussions on the Company's current risk exposure based on regular Management reports and instruct concerned units and/or offices on how to reduce such exposure.
- vi. Evaluate the risk management plan to ensure its continued relevancy, comprehensiveness and effectiveness. Strategies should be revisited, in constant search for emerging or changing exposures, staying abreast of developments that affect the likelihood of harm or loss.
- vii. Regularly report to the Board of Directors the Company's over-all risk exposure, the actions taken to reduce the risks, and recommend further action or plans as necessary. Consequently ensures that the Board shall take appropriate corrective action, when necessary, in addressing control and compliance functions with regulatory agencies.

- * The Committee shall likewise review and pass upon related party transactions before these are elevated to the Board.

**Board
Committees****Executive
Committee****Revision Date**
July 8, 2014**Effectivity Date**
July 8, 2014**C. Executive Committee****1. Composition and Qualifications**

The Committee shall be composed of seven (7) members of the Board, elected annually by the Board during its organizational meeting.

2. Duties and Responsibilities

- * The Committee shall hold meetings, at least once every quarter or as often as necessary.
- * The Executive Committee shall act, by majority vote of all its members, on such specific matters within the competence of the Board of Directors as may be delegated to it by a majority vote of the Board, except with respect to (1) approval of any action for which shareholders' approval is also required; (2) the filling of vacancies in the Board; (3) the amendment or repeal of By-Laws or the adoption of new By-Laws; (4) the amendment or repeal of any resolution of the Board, which by its express terms is not so amendable or repeal able; and (5) a distribution of cash dividend to shareholders;
- * All actions of the Committee shall be reported to the Board at the Board meeting following any action taken by the Committee and shall be subject to revisions and alterations by the Board; provided, that no rights of third persons shall be affected by any such revision or alteration;
- * The Committee may determine its rules and procedures subject to the approval of the Board of Directors; and
- * Approve the business plan, operating budget, and capital expenditure each year, which shall be subject to confirmation by the Board.

**Board
Committees****Corporate
Governance
Committee****Revision Date**
July 8, 2014**Effectivity Date**
July 8, 2014**D. Corporate Governance Committee****1. Composition and Qualifications**

The Corporate Governance Committee shall assist the Board of Directors in fulfilling its corporate governance responsibilities. It shall be composed of five (5) members, at least two (2) of whom shall be Independent Directors.

2. Duties and Responsibilities

- a. The Committee shall meet every quarter;
- b. Ensure the Board's and the Board committees' effectiveness and due observance of corporate governance principles and guidelines;
- c. Oversee periodic performance evaluation of the Board and its committees and executive management, and conduct an annual self-evaluation of its performance. Periodic performance reviews include the subsidiaries, including their respective Boards and management;
- d. Evaluate and recommend whether or not a Director is able to and has been adequately carrying out his/her duties as Director, bearing in mind the Director's contribution and performance; and
- e. Review and recommend the manner by which the Board's performance may be evaluated and propose an objective performance criteria approved by the Board. Such performance indicators shall address how the Board has enhanced long-term shareholder's value.

External Audit	Overview/General Policies	Revision Date	Effectivity Date
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V. EXTERNAL AUDIT

Overview

Independent external audits give the corporate shareholders, managers and employee a second professional opinion about the corporate financial position. They boost the corporate credibility and prospects for attracting new investment by increasing transparency and ensuring greater accountability.

General Policies

- * Unless otherwise delegated, the External Auditor shall be selected and appointed by the stockholders upon recommendation of the Audit Committee.
- * Resignation, dismissal or cessation of an External Auditor shall be reported in the Company's annual report explaining in detail the reason/s of such move. (e.g. disagreement on accounting principles and practices, financial statement disclosure or auditing scope or procedure)
- * The External Auditor of the Company shall not be at the same time the Internal Auditor of the Company. The Company shall ensure that other non-audit work shall not be in conflict with the functions of the External Auditor.
- * Independent accounting firm or its handling partner shall be replaced every five (5) years or earlier;
- * The External Auditor may provide the Company with arms length advice on issues of accounting, taxation, and legislative compliance, as well as analysis of the Company's finances and operations; and
- * In case of discrepancies between the Company's annual report, information statement or proxy statement and that of the External Auditor, the latter shall be allowed to present his/her views in the said reports.

Management	Overview/General Policies/ Duties and Responsibilities	Revision Date	Effectivity Date
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VI. THE MANAGEMENT

Overview

The Management controls the Company's day-to-day operations within the guidelines set by the shareholders and with the oversight of the Company's Board of Directors. In the discharge of its functions, Management must adhere to the Corporation Code of the Philippines, Articles of Incorporation, By-Laws, including those governing the activities of Management, and internal policies.

A. General Policies

- * The Board shall ensure proper number of non-executive directors to ensure independence of the Board;
- * Directors should be subject to a low limit on membership in other corporate boards; as much as possible, executive directors should work full time for the Company;
- * The Chairman of the Board and Chief Executive Officer should be separate from the President and Chief Operating Officer; (Company By-Laws)
- * Management officers and Executive directors should avoid any situation involving conflict of interest. They should inhibit themselves in decisions wherein theirs or related party's interest are involved.

B. Duties and Responsibilities

1. Chairman/Chief Executive Officer (CEO)

The CEO is the head of the Management team and is primary accountable for achieving the Company's business objectives.

The CEO performs the following functions:

- a. Manages the Company's day-to-day operations, sets overall business directions and strategic plans;
- b. Represents the Company in interaction with shareholders and other major stakeholders;

Management	Duties and Responsibilities	Revision Date	Effectivity Date
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- c. Implements major corporate initiatives as approved by the Shareholders and the Board of Directors and reports back to these bodies; Hires and dismisses employees at the management level, except officers elected by the shareholders or by the board of directors;
- d. Delegates duties to deputies and determines the scope of their authority; and
- e. Issue orders and implements transactions within the authority of the CEO.

2. President/Chief Operating Officer (COO)

- a. Acts as the Deputy CEO and assists the CEO and replaces him during the CEO's absences to fulfill corporate obligations to its customers, suppliers, employees and shareholders.
- b. Prepares monthly, quarterly, and annual report on the Company's operations and performance.

3. Chief Finance Officer (CFO)

- a. Ensures that the Company's cash position is sufficient to meet its obligations and that money is spent wisely to ultimately increase the Company market value.
- b. Involved in strategic planning of the Company's activities along with other members of the management team, as well as making important financial and investment decisions.
- c. Manages the coordination and control of various departments such as the accounting, finance and treasury departments, to assure a wise and balanced distribution of financial resources.

4. Corporate Secretary

The Corporate Secretary must be a Filipino Citizen. He/she shall be loyal to the mission, vision and business objectives of the Company. He/she should possess administrative and interpersonal skills and working knowledge of the Company's operations. If he/she is not the general counsel, he/she must be aware of laws, rules and regulations necessary in the performance of his/her duties and responsibilities. He/she must also understand financial and accounting information.

Management	Duties and Responsibilities	Revision Date July 8, 2014	Effectivity Date July 8, 2014
	<ul style="list-style-type: none">a. Prepares, signs and logs the minutes of the Management meetings and oversees the delivery of legally required notices to members of Management, shareholders, third parties, state agencies and others;b. Inform the members of the Board, in accordance with the By-Laws, of the Agenda of their meetings and assist them in obtaining timely and accurate corporate information in making sound business judgment and in performance of their responsibilities and obligations;c. Assists the CEO in preparing and holding meetings of Management;d. Supervises the maintenance, preparation and submission of reports and other documents to state agencies in accordance with applicable legislation;e. Attends all Board meetings, except when justifiable causes, such as, but not limited to, illness, death in the immediate family and serious accidents, prevent him/her from doing so;f. Maintain record of the minutes of the meetings of the Board and its committees, as well as other official records of the Company;g. Ensure that all Board procedures, rules and regulations are strictly followed by the membersh. Work fairly and objectively with the Board of Directors, Management, stockholders and other stakeholders; andi. If he/she is also the Compliance Officer, perform all the duties and responsibilities of the said office provided for in this Manual.		

Shareholders**Rights and
Protection****Revision Date**
July 8, 2014**Effectivity Date**
July 8, 2014

VII. THE SHAREHOLDERS

THE RIGHTS AND PROTECTION OF SHAREHOLDERS

The Board shall be committed to respect the following rights of the stockholders:

A. Voting Right

- ! Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.
- ! A director shall not be removed without reasonable cause if it will deny minority shareholders representation in the Board.

B. Power of Inspection

All shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code and will be furnished with annual reports, including financial statements, without cost or restrictions.

C. Right to Information

- ! The minority shareholders shall be granted the right to propose the holding of a meeting, and the rights to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.
- ! The minority shareholders shall be furnished with relevant information as required by law about the Company on a timely and regular basis.

D. Right to Dividends

- ! Shareholders shall have the right to receive dividends subject to the discretion of the Board.
- ! The Company shall be compelled to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except:

Shareholders	Rights and Protection	Revision Date	Effectivity Date
		July 8, 2014	July 8, 2014

- a. When justified by definite corporate expansion projects or programs approved by the Board;
- b. When the Company is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or
- c. When it can be clearly shown that such retention is necessary under special circumstances in obtaining in the Company, such as when there is a need for special reserve for probable contingencies.

E. Appraisal Right

The shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares under any of the circumstances set forth in Section 81 of the Corporation Code of the Philippines, and in the manner provided for under Section 82 of the said Code.

F. Duty of Directors

- * The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the Company. The stockholders should be encouraged to personally attend such meetings and should be apprised ahead of time of their right to appoint a proxy.
- * The Board shall promote shareholder rights, remove impediments to the exercise of shareholders' rights and provide adequate avenue for them to seek redress for breach of their rights.
- * The Board shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. 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.

**Disclosure and
Transparency****Overview****Revision Date**
July 8, 2014**Effectivity Date**
July 8, 2014**VIII. DISCLOSURE AND TRANSPARENCY****Overview**

A strong disclosure is a pivotal feature of market-based monitoring of companies and is central to shareholders' ability to exercise their voting rights. Disclosure also helps improve public understanding of the structure and activities of enterprises, corporate policies and performance with respect to environmental and ethical standards, and companies' relationships with the communities in which they operate.

Disclosures should include, but not limited to:

- * Reports and disclosures stated in this Manual shall be submitted to the SEC by the respective committee through the Compliance Officer.
- * The Board shall commit at all times to fully disclose material information relative to the Company. It shall cause the filing of all required information through the appropriate Exchange mechanisms for listed companies and submissions to the SEC for the interest of the Company's stockholders and other stakeholders.
- * All material information that, the judgment of the Board or the Company's Management, could potentially affect share price in a significant manner, or the interest of its stockholders and other stakeholders, shall be publicly disclosed, so long as such disclosure does not violate regulations of the SEC, the Philippine Stock Exchange (PSE) or any governmental body, nor any legal or binding agreement. Such information shall include but shall not be limited to earnings, results, acquisition or disposal of significant assets, board changes, material related party transactions, shareholdings of directors and change of ownership.
- * All disclosed information shall be released via the approved PSE/SEC procedure for Company announcements, as well as through the annual report.

**Communication
Process****Revision Date**
July 8, 2014**Effectivity Date**
July 8, 2014**IX. COMMUNICATION PROCESS**

This Manual shall be available for inspection by any stockholder of the Company at reasonable hours on business days.

All Directors, executive officers, division and department heads are tasked to ensure the thorough dissemination of this Manual to all employees and related third parties, and to likewise enjoin compliance in the process.

An adequate number of printed copies of this Manual must be reproduced under the supervision of the HRD, with a minimum of at least one (1) hard copy of the Manual per department.

For more information regarding the Corporation, please contact:

ATTY. MA . CECILIA L. PESAYCO

Compliance Officer

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