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S.E.C. Registration Number

E M P I R E E A S T
L A N D
H O L D I N G S ,
I N C .

(Company's Full Name)

2 1 S T F L R . T H E W O R L D C E N T R E
3 3 0 S E N . G I L J P U Y A T M A K A T I

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

EVELYN G. CACHO
Contact Person

867-8022
Company Telephone Number

1 2 3 1
Month Day
Fiscal Year

SEC FORM
A C G R
FORM TYPE

0 6 2nd Tuesday
Month Day
Annual Meeting

(ANNUAL CORPORATE GOVERNANCE REPORT)

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

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Remarks = pls. use black ink for scanning purposes

Date: July 1, 2013

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is Filed for the Year: 2012
2. Exact Name of Registrant as Specified in its Charter: **EMPIRE EAST LAND HOLDINGS, INC.**
3. 21st Floor, The World Centre Bldg., 330 Sen. Gil Puyat Avenue, 1234
Makati City **Postal Code**
Address
4. SEC Identification Number: AS094-6430
5. (SEC Use Only)
Industry Classification Code
6. BIR Tax Identification Number: 003-942-108
7. (02) 867 8351 to 59
Issuer's Telephone Number, including area code
8. same address
Former name or former address, if changed from the last report



EMPIRE EAST LAND HOLDINGS, INC.

2012 ANNUAL CORPORATE GOVERNANCE REPORT

Empire East Land Holdings, Inc.

21/F The World Centre, 330 Sen. Gil Puyat Avenue Extension,
Makati City 1200, Philippines • Tels: (632) 867-8351 to 59

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A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	7
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Actual number of Directors for the year	7
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(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) ¹	Elected when (Annual /Special Meeting)	No. of years served as director
ANDREW L. TAN	ED	Megaworld Corporation		July 15, 1994	June 13, 2012	Annual Stockholders Meeting	19
GERARDO C. GARCIA	ID		Rommel Canto, (not related to ID)	October 1994	June 13, 2012	Annual Stockholders Meeting	18
KATHERINE L. TAN	NED	Megaworld Corporation		1994	June 13, 2012	Annual Stockholders Meeting	5
ANTHONY CHARLEMAGNE C. YU	ED	Megaworld Corporation		January 1998	June 13, 2012	Annual Stockholders Meeting	14
EVELYN G. CACHO	ED	Megaworld Corporation		February 20, 2009	June 13, 2012	Annual Stockholders Meeting	3
ENRIQUE SANTOS L. SY	NED	Megaworld Corporation		April 1996	June 13, 2012	Annual Stockholders Meeting	16
ALEJO L. VILLANUEVA, JR.	ID		Maria Rosario Justo, (not related to ID)	June 13, 2007	June 13, 2012	Annual Stockholders Meeting	6

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.

Answer: The Company has adopted a Manual of Corporate Governance following the guidelines set by the Securities and Exchange Commission in SEC Memorandum Circular No. 6 Series of 2009 (the "Code"). The Code encapsulates the Company's best practices commitment and highlights the duties and obligation of the Board of Directors, the Board Committees and officers of the Company. The Code further highlights the Company's commitment to protect the rights of its stockholders and provides, in Section 3 thereof, that the right of its stockholders to the following matters shall at all times be respected: (i) to vote on all matters that require their consent and approval, (ii) pre-emptive right to all stock issuances of the Corporation; (iii) to inspect the corporate books and records, including the Code, which shall be made available for inspection by any stockholder of the Company at reasonable hours on

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

business days; (iv) right to information; (v) dividends; and (vi) appraisal right.

Stockholders are invited to attend the annual and special stockholders' meetings of the Company and are encouraged to personally attend such meetings. If they cannot attend, they are informed ahead of time of their right to appoint a proxy in accordance with the by-laws of the Company.

Although all stockholders are treated equally, the Code also directs the Company's Board of Directors to give minority stockholders the right to propose the holding of meetings and items for discussion in the agenda that relate directly to the business of the Company.

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

Answer: The Board, as may be necessary, may conduct an evaluation of the Company's mission and vision, in keeping with the strategic direction set by the Board for 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.
ANDREW L. TAN	<ol style="list-style-type: none"> 1. Megaworld Corporation 2. Gilmore Property Marketing Associates, Inc. 3. Megaworld Central Properties, Inc. 4. Sherman Oak Holdings, Inc. 5. Sonoma Premier Land, Inc. 6. Suntrust Properties, Inc. 7. Valle Verde Properties, Inc. 	<ol style="list-style-type: none"> 1. Executive Director & Chairman 2. Executive Director & Chairman 3. Executive Director & Chairman 4. Executive Director & Chairman 5. Executive Director & Chairman 6. Executive Director & Chairman 7. Executive Director & Chairman
GERARDO C. GARCIA	<ol style="list-style-type: none"> 1. Megaworld Corporation 2. Suntrust Properties, Inc. 	<ol style="list-style-type: none"> 1. Independent Director 2. Non-Executive Director
KATHERINE L. TAN	<ol style="list-style-type: none"> 1. Megaworld Corporation 	<ol style="list-style-type: none"> 1. Non-Executive Director
ANTHONY CHARLEMAGNE C. YU	<ol style="list-style-type: none"> 1. Empire East Communities, Inc. 2. Laguna BelAir School, Inc. 3. Megaworld Central Properties, Inc. 4. Sherman Oak Holdings, Inc. 5. Sonoma Premier Land, Inc. 6. Valle Verde Properties, Inc. 	<ol style="list-style-type: none"> 1. Executive Director & Chairman Executive Director & Chairman 2. Non-Executive Director 3. Non-Executive Director 4. Non-Executive Director 5. Non-Executive Director
EVELYN G. CACHO	<ol style="list-style-type: none"> 1. Empire East Communities, Inc. 2. Laguna BelAirSchool, Inc. 3. Sherman Oak Holdings, Inc. 4. Sonoma Premier Land, Inc. 5. Valle Verde Properties, Inc. 	<ol style="list-style-type: none"> 1. Non-Executive Director 2. Non-Executive Director 3. Non-Executive Director 4. Non-Executive Director 5. Non-Executive Director
ENRIQUE SANTOS L. SY	<ol style="list-style-type: none"> 1. Megaworld Corporation 	<ol style="list-style-type: none"> 1. Non-Executive Director

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

(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.
Andrew L. Tan	Alliance Global Group, Inc. Global-Estate Resorts, Inc.	Executive Director/Chairman Executive Director/Chairman
Katherine L. Tan	Alliance Global Group, Inc.	Non-Executive Director
Alejo L. Villanueva, Jr.	Alliance Global Group, Inc. Suntrust Home Developers, Inc.	Independent Director Independent Director
Gerardo C. Garcia	Global-Estate Resorts, Inc.	Independent Director
Evelyn G. Cacho	Suntrust Home Developers, Inc.	Executive Director
Enrique Santos L. Sy	Megaworld Corporation	Non-Executive Director

(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
Andrew L. Tan	Megaworld Corporation Gilmore Property Marketing Associates, Inc. Megaworld Central Properties, Inc. Sherman Oak Holdings, Inc. Sonoma Premier Land, Inc. Suntrust Properties, Inc. Valle Verde Properties, Inc.	Director, Chairman & CEO Director Director Director Director Director
Katherine L. Tan	Megaworld Corporation	Director
Gerardo C. Garcia	Megaworld Corporation Suntrust Properties, Inc.	Independent Director Director
Enrique Santos L. Sy	Megaworld Corporation	Director
Anthony Charlemagne C. Yu	Empire East Communities, Inc. Laguna Bel Air School, Inc. Megaworld Central Properties, Inc. Sherman Oak Holdings, Inc. Sonoma Premier Land, Inc. Valle Verde Properties, Inc.	Director Director Director Director Director Director
Evelyn G. Cacho	Empire East Communities, Inc. Laguna Bel-Air School, Inc. Sherman Oak Holdings, Inc. Sonoma Premier Land, Inc. Valle Verde Properties, Inc.	Director Director Director Director Director

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

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	The Company has no specific policy limiting the number of board seats that its Executive and Non-Executive Directors may hold in other publicly-listed companies. For Independent Directors, the Company observes the limitation set forth in SEC Circular Memorandum No. 9 Series of 2011 and has not elected any Independent Director with more than five directorships within the Group.	
Non-Executive Director		
CEO		

(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:

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Andrew L. Tan	24,277,777	10,728,555,258 (Megaworld Corp.)	78.7809000%
Gerardo C. Garcia	636,277	0	0.00472149%
Anthony Charlemagne C. Yu	1	0	0.00000001%
Katherine L. Tan	1	24,277,777 (Spouse Andrew L. Tan)	0.00000001%
Enrique Santos L. Sy	11,892	0	0.00008824%
Evelyn G. Cacho	35,240	0	0.00026150%
Alejo L. Villanueva, Jr.	1	0	0.00000001%
TOTAL	24,961,189	10,752,833,035	78.78597126%

2) Chairman and CEO

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

Yes

No

Identify the Chair and CEO:

Chairman of the Board	Andrew L. Tan
CEO/President	Anthony Charlemagne C. Yu

(b) Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	<ul style="list-style-type: none"> (i) Provides leadership to the Board and participates in the formulation of the Company's business plans; (ii) Ensures that communication lines between the CEO and the Board is open and fosters the flow of information between Management and the Board; (iii) Spearheads the meetings of the Board which are held in accordance with the Corporation's By – Laws. 	<ul style="list-style-type: none"> (i) Manages the business and affairs of the Company; (ii) Implements the corporate plans approved by the Board and as may be necessary, provide operational guidance to ensure implementation of targets; (iii) Communicates to the Board information which may aid in the performance by the Board of its duties and as may be appropriate, recommends to the Board strategic directions and/or policies.
Accountabilities	<ul style="list-style-type: none"> (i) Ensures that Company policies are consistent with its commitments in the Code; (ii) Ensures that the corporate actions approved by the Board are in line with the plans, objectives and goals set by the Company for the relevant period. (iii) Supervises the preparation of the agendas in meetings, in consultation with the CEO, Corporate Secretary and Management; 	<ul style="list-style-type: none"> (i) Effective Implementation of the plans and resolutions approved by the Board of Directors; (ii) Identify issues affecting the business of the Company and informs the Board according;
Deliverables	<ul style="list-style-type: none"> (i) Board approvals consistent with the business plans of the Company. 	<ul style="list-style-type: none"> (i) Management Report conveyed to the Board of Directors and stockholders, which details the report of the operations of the Company for the preceding year, and the state of its affairs.

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

Answer: The Amended By Laws of the Company, particularly Article III. Section 2 thereof, provides for the mode of succession of key officers of the Company, who shall be elected by every newly constituted Board at its organizational meeting. The Board, in making appointments, is guided by the standards, more particularly the definition of the roles and responsibilities to be assumed by said officers as set forth in the Code and in the Company's By-laws, in evaluating the merit of each appointee. Unless removed from office, said officers shall hold office until their successors are appointed and qualified. Vacancies are filled by the Board of Directors.

3) 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.

Answer: Yes. Aside from meeting the qualifications prescribed in the Corporation Code, the Securities Regulation Code and other relevant laws, the members of the Board maybe composed of both Executive and Non-Executive Directors who have business experience, practical understanding of the business of the Company and are members in good standing in relevant professional industry, business and professional organizations (Section 2.2, Code).

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

Answer: Yes. Section 2.2.3 of the Manual of Corporate Governance ensures that a director possesses a practical understanding of the business of the Company and has business experience.

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

	Executive	Non-Executive	Independent Director
Role	<ul style="list-style-type: none"> (i) Responsible for the formulation of the Company's strategic direction to foster success and long term growth; (ii) Ensure the effective implementation of the corporate plans and strategies formulated by the Board. 	<ul style="list-style-type: none"> (i) Responsible for the formulation of the Company's strategic direction to foster success and long term growth; (ii) Act as an independent adviser and decision maker on matters brought before the Board. 	<ul style="list-style-type: none"> (i) Responsible for the formulation of the Company's strategic direction to foster success and long term growth; (ii) Bring an independent judgment on matters brought before the Board. (iii) Promote the Company's commitment to transparency and in this regard, is a member of the Company's Compensation and Remuneration Committee as well as the Audit Committee, which must be chaired by an independent director.
Accountabilities	<ul style="list-style-type: none"> (i) Ensure that the Board conducts itself with honesty and integrity in the performance of all actions according to a high standard of best practices for the Company and its stockholders; (ii) Implement the process for the selection of directors who can add value and contribute independent 	<ul style="list-style-type: none"> (i) Ensure that the Board conduct itself with honesty and integrity in the performance of all actions according to a high standard of best practices for the Company and its stockholders; (ii) implement the process for the selection of directors who can add 	<ul style="list-style-type: none"> (i) Ensure that the Board conduct itself with honesty and integrity in the performance of all actions according to a high standard of best practices for the Company and its stockholders; (ii) implement the process for the selection of directors who can add value and contribute independent

	<p>judgment to the formulation of corporate policies;</p> <p>(iii) Appoint competent, professional, honest and highly motivated management officers;</p> <p>(iv) Provide strategic policies and guidelines to the Company on major capital expenditures and programs that can sustain long-term viability and strength;</p> <p>(v) Ensure that the Company faithfully complies with all applicable laws, regulations and best business practices;</p> <p>(vi) Formulate and implement policies and procedures that ensure integrity and transparency of related party transactions between and among the Company and its parent company, joint ventures, subsidiaries, associates, affiliates, and other related parties;</p> <p>(vii) Participation in the Relevant Board Committees.</p>	<p>value and contribute independent judgment to the formulation of corporate policies;</p> <p>(iii) Appoint competent, professional, honest and highly motivated management officers;</p> <p>(iv) Provide strategic policies and guidelines to the Company on major capital expenditures and programs that can sustain long-term viability and strength;</p> <p>(v) Ensure that the Company faithfully complies with all applicable laws, regulations and best business practices;</p> <p>(vi) Formulate and implement policies and procedures that ensure integrity and transparency of related party transactions between and among the Company and its parent company, joint ventures, subsidiaries, associates, affiliates, and other related parties;</p> <p>(vii) Participation in the relevant Board Committees.</p>	<p>judgment to the formulation of corporate policies;</p> <p>(iii) Appoint competent, professional, honest and highly motivated management officers;</p> <p>(iv) Provide strategic policies and guidelines to the Company on major capital expenditures and programs that can sustain long-term viability and strength;</p> <p>(v) Ensure that the Company faithfully complies with all applicable laws, regulations and best business practices;</p> <p>(vi) Formulate and implement policies and procedures that ensure integrity and transparency of related party transactions between and among the corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, and other related parties;</p> <p>(vii) Participation in the Relevant Board Committees. More particularly in, the Compensation and Remuneration Committee and in the Audit Committee.</p>
Deliverables	<p>(i) Board Actions, approvals and strategic direction in line with corporate goals and the Company's best practices commitment;</p> <p>(ii) Internal control system that ensures adequacy and effectiveness of the Company's checks and balances.</p>	<p>(i) Board Actions, approvals and strategic direction in line with corporate goals and the Company's best practices commitment;</p> <p>(ii) Internal control system that ensures adequacy and effectiveness of the Company's checks and balances.</p>	<p>(i) Board Actions, approvals and strategic direction in line with corporate goals and the Company's best practices commitment;</p> <p>(ii) Internal control system that ensures adequacy and effectiveness of the Company's checks and balances.</p>

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

Answer: The Company defines an Independent Director as a qualified individual in accordance with the Code, who, other than the per deim given by the Company for attendance in board meetings and his shareholdings, is independent of management and free of material or pecuniary relationship with the Company which can materially affect the exercise of independent judgment in the conduct of his responsibilities to the Company. The Company adheres to the said standard and has applied the same in the election of its Independent Directors.

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.

Answer: The Company follows the term limits for Independent Directors prescribed by the Securities and Exchange Commission in SEC Memorandum Circular No. 9, Series of 2011 and allows its Independent Directors to serve for only five (5) consecutive years from January 2, 2012. In the same manner, the Company observes the cooling-off period imposed in the said circular.

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

(a) Resignation/Death/Removal

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

Name	Position	Date of Cessation	Reason
There was no change in the composition of the Board of Directors during the covered period.			

(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 stockholders send their nomination to the Nomination Committee. The Nomination Committee determines if a nominee possesses the qualifications and none of the disqualifications for the position. Qualified Nominees are entitled to be voted upon during the Annual Stockholders Meeting.	The directors shall have such qualifications prescribed in the Corporation Code, the Securities Regulation Code and other relevant laws, as well as (i) a college degree; (ii) business experience; (iii) practical understanding of the business of the Corporation, and (iv) membership in good standing in a relevant industry, business or professional organization.
(ii) Non-Executive Directors		
(iii) Independent Directors		

b. Re-appointment		
(i) Executive Directors	<p>For Executive and Non-Executive Directors, re-appointment is allowed, following the above-enumerated process for the selection of the members of the Board of Directors.</p> <p>For Independent Directors, re-appointment is allowed as long as the term limits for Independent Directors in SEC Memorandum Circular No. 9, Series of 2011 is observed. The appointment process follows the above-enumerated selection process.</p>	<p>The same criteria is imposed for appointment and re-appointment, to wit: The directors shall have such qualifications prescribed in the Corporation Code, the Securities Regulation Code and other relevant laws, as well as</p> <ul style="list-style-type: none"> (i) a college degree; (ii) business experience; (iii) practical understanding of the business of the Corporation, and (iv) membership in good standing in a relevant industry, business or professional organization.
(ii) Non-Executive Directors		
(iii) Independent Directors		
c. Permanent Disqualification		
(i) Executive Directors	<p>All matters pertaining to the qualification and/or disqualification of a director are referred to the Nomination Committee. The Nomination Committee reviews and evaluates the qualifications of all persons nominated to the Board.</p>	<p>Any of the following shall be a ground for permanent disqualification of a director:</p> <ul style="list-style-type: none"> (i) Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that <ul style="list-style-type: none"> (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 floor broker; (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; (ii) 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
(ii) Non-Executive Directors		
(iii) Independent Directors		

		<p>(a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures, commission merchant, commodity trading advisor, or floor broker,</p> <p>(b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company;</p> <p>(c) engaging in or continuing any conduct or practice in any of the capacities mentioned in subparagraphs above, or willfully violating the laws that govern securities and banking activities.</p> <p>The disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engaged 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>(iii) Any person convicted by final judgment or order by a competent judicial or administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent act or transgression;</p> <p>(iv) Any person who has been</p>
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		<p>adjudged by final judgment or order of the Commission or a court or other competent administrative body 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 Commission or Bangko Sentral ng Pilipinas, or any rule, regulation or order of the Commission or Bangko Sentral ng Pilipinas;</p> <p>(v) Any independent director who becomes an officer, employee or consultant of the Corporation shall cease to be an independent director until such time that his disqualification is lifted pursuant to the Securities Regulation Code and the rules and regulations of the Commission;</p> <p>(vi) Any person judicially declared to be insolvent;</p> <p>(vii) Any person finally found guilty by 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>(viii) Conviction 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>
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d. Temporary Disqualification

(i) Executive Directors	<p>A temporarily disqualified director is given 60 business days to take appropriate actions that will remedy or correct such disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.</p>	<p>Any of the following shall be a ground for the temporary disqualification of a director:</p> <p>(i) Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in</p>
(ii) Non-Executive Directors		
(iii) Independent Directors		

		<p>effect as long as his refusal persists;</p> <p>(ii) Absence in more than fifty percent (50%) of all meetings, both regular and special, of the Board during his incumbency, unless the absence is due to justifiable causes such as, illness, death in the immediate family or serious accident. This disqualification applies for purposes of the succeeding election;</p> <p>(iii) Dismissal or termination for cause from directorship in another corporation covered by the Revised Code of Corporate Governance. 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;</p> <p>(iv) 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, he shall cease to be an independent director. The disqualification shall be lifted if the limit is later complied with, or</p> <p>(v) Conviction that has not yet become final referred to in the grounds for the permanent disqualification of directors.</p>
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e. Removal

(i) Executive Directors	<p>The Company follows the procedure for the removal of directors provided in the Corporation Code.</p>	<p>Removal of a director from office may be due to death, voluntary resignation and/or permanent disqualification from office consistent with the criteria enumerated in sub-section c (Permanent Disqualification) of this Table.</p>
(ii) Non-Executive Directors		
(iii) Independent Directors		

f. Re-instatement		
(i) Executive Directors	A temporarily disqualified director is given 60 business days to take appropriate actions that will remedy or correct such disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent	Satisfactory corrective action performed by the director within the 60 day period, addressing the specific cause for disqualification.
(ii) Non-Executive Directors		
(iii) Independent Directors		
g. Suspension		
(i) Executive Directors	The Company follows the procedure provided for in the Corporation Code.	Suspension is based on the grounds provided for in the Company's Manual of Corporate Governance.
(ii) Non-Executive Directors		
(iii) Independent Directors		

Voting Result of the last Annual General Meeting held on June 13, 2012

Name of Director	Votes Received
Andrew L. Tan	7,721,009,030 shares
Katherine L. Tan	7,721,009,030 shares
Gerardo C. Garcia	7,721,009,030 shares
Anthony Charlemagne C. Yu	7,721,009,030 shares
Evelyn G. Cacho	7,721,009,030 shares
Enrique Santos L. Sy	7,721,009,030 shares
Alejo L. Villanueva, Jr.	7,721,009,030 shares

5) Orientation and Education Program

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

Answer: The Company has no formal orientation program for new directors, but all directors are required to attend the seminar/training conducted by the Institute of Corporate Directors.

- (b) State any in-house training and external courses attended by Directors and Senior Management³ for the past three (3) years:

Answer: NONE

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

Answer: NONE

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

B. CODE OF BUSINESS CONDUCT & ETHICS

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

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	<p>All directors should conduct themselves with honesty and integrity in the performance of their duties and functions to ensure a high standard of best practices for the Company (Section 2.2.6, Code).</p> <p>A director should conduct fair business transaction with the Company and ensure that his personal interest does not conflict with the interests of the company [Section 2.2.7 (i), Code].</p>	<p>The Company expects each employee to observe the highest standards of business ethics. An employee cannot engage in any activity that will create conflict or interfere with the performance of his responsibilities (Company Code of Discipline).</p>	<p>The Company expects each employee to observe the highest standards of business ethics. An employee cannot engage in any activity that will create conflict or interfere with the performance of his responsibilities (Company Code of Discipline).</p>
(b) Conduct of Business and Fair Dealings	<p>All directors should conduct themselves with honesty and integrity in the performance of their duties and functions to ensure a high standard of best practices for the Company (Section 2.2.6, Code).</p>	<p>The Company expects each employee to observe the highest standards of business ethics. An employee cannot engage in any activity which would create conflict or interfere with the performance of his responsibilities (Code of Discipline).</p>	<p>The Company expects each employee to observe the highest standards of business ethics. An employee cannot engage in any activity which would create conflict or interfere with the performance of his responsibilities (Code of Discipline).</p>
(c) Receipt of gifts from third parties	N/A	Receipt of gifts from third parties is not allowed.	Receipt of gifts from third parties is not allowed.
(d) Compliance with Laws & Regulations	<p>The Board shall ensure the Company's faithful compliance with all applicable laws, regulations and best business practices (Section 2.2.6, Code).</p>	<p>The Company, thru the Board, shall ensure the Company's faithful compliance with all applicable laws, regulations and best business practices (Section 2.2.6, Code).</p>	<p>The Company, thru the Board, shall ensure the Company's faithful compliance with all applicable laws, regulations and best business practices (Section 2.2.6, Code).</p>
(e) Respect for Trade Secrets/Use of Non-public Information	<p>The Company respects the proprietary ownership of trade secrets and observes the confidentiality of non-public information.</p>	<p>The Company respects the proprietary ownership of trade secrets and observes the confidentiality of non-public information.</p>	<p>The Company respects the proprietary ownership of trade secrets and observes the confidentiality of non-public information.</p>

	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 authority of the Board [2.2.7 (vi), Code].		
(f) Use of Company Funds, Assets and Information	The Board shall provide sound strategic policies and guidelines to the Company on major capital expenses and, establish programs that can sustain its long term viability and strength. The Board shall periodically monitor the implementation if such policies and strategies, including the business plans and operating budget (Section 2.2.6, Code).	All employees are advised to take care of the property of the Company and treat it like his own asset. Careless use or intentional damage to Company property shall make an employee liable for damages (Code of Discipline).	All employees are advised to take care of the property of the Company and treat it like his own asset. Careless use or intentional damage to Company property shall make an employee liable for damages (Code of Discipline).
(g) Employment & Labor Laws & Policies	The Board shall ensure the Company's faithful compliance with all applicable laws, regulations and best business practices (Section 2.2.6, Code).		
(h) Disciplinary action	The Code provides the grounds for permanent and temporary disqualification of a member of the Board.	Disciplinary actions are initiated, processed and violations of Company rules and regulations are handled in accordance with the Company's Code of Conduct.	Disciplinary actions are initiated, processed and violations of Company rules and regulations are handled in accordance with the Company's Code of Conduct.
(i) Whistle Blower	All information received from whistle blowers and/or anonymous sources are referred to the Grievance Committee of the Company which consists of the HR, Audit, and the Legal Department Head.		
(j) Conflict Resolution	One of the functions of the Board is to establish and maintain an alternative dispute resolution system in the Company that can amicably settle conflicts or differences between the Company and its stockholders and third parties (Section 2.2.6, Code).	Misunderstandings, differences in opinion and disputes among members of the Company are referred to the Grievance Committee (Code of Conduct).	Misunderstandings, differences in opinion and disputes among members of the Company are referred to the Grievance Committee (Code of Conduct).

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

Answer: Yes. To ensure that all directors, senior management and employees of the Company has access to the Code of Conduct at all times, the Code was disseminated online through the intranet system of the Company, which may be accessed by all employees.

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

Answer: Compliance with the Company's Code of Conduct is lodged with the Human Resources Department. The said department is in charge of processing all complaints for violations thereof, in accordance with established due process standards.

4) Related Party Transactions

(a) Policies and Procedures

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

Related Party Transactions	Policies and Procedures
(1) Parent Company	The Company, in the normal course of business, enters into transaction with related companies primarily consisting of lease of properties and advances for real estate transactions, working capital requirements and other business related purposes. Rental for lease properties and interest on interest-bearing advances are within market rates.
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	The Company has no related party transaction with a director/officer, their family, siblings or parents.
(7) Directors including spouse/children/siblings/parents	
(8) Interlocking director relationship of Board of Directors	

(b) Conflict of Interest

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	The Company has no knowledge of a conflict of interest situation between the Company and its significant shareholders and officers. In any case the Code and the Code of Conduct provisions on Conflict of Interest shall serve as basis in handling the issue.
Name of Officer/s	
Name of Significant Shareholders	

(ii) Mechanism

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

	Directors/Officers/Significant Shareholders
Company	The Company has no knowledge of a conflict of interest situation between the Company and its significant shareholders and officers. In any case the Code and the Code of Conduct provisions on Conflict of Interest shall serve as basis in handling the issue.
Group	

5) Family, Commercial and Contractual Relations

(a) Indicate, if applicable, any relation of a family,⁴ 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
ANDREW L. TAN and KATHERINE L. TAN	Family	Spouses

(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
Megaworld Corporation	Joint venture	Joint development of selected projects.

(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
The management of the Company is not aware of any shareholder agreement that may impact on the control, ownership and strategic direction of the Company.		

⁴Family relationship up to the fourth civil degree either by consanguinity or affinity.

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 Company abides by and adheres to the judicial dispute resolution processes adopted by judicial and regulatory authorities.
Corporation & Third Parties	The Company abides by and adheres to the judicial dispute resolution processes adopted by judicial and regulatory authorities.
Corporation & Regulatory Authorities	The Company abides by and adheres to the judicial dispute resolution processes adopted by judicial and regulatory authorities.

C. BOARD MEETINGS AND ATTENDANCE

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

Answer: The meetings of the Board of Directors are scheduled at the beginning of the year. The Board may, from time to time, be convened for special meetings, as may be necessary to address operational exigencies.

2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Andrew L. Tan	June 13, 2012	6	5	83%
Member	Katherine L. Tan	June 13, 2012	6	5	83%
Member	Anthony Charlemagne C. Yu	June 13, 2012	6	6	100%
Member	Evelyn G. Cacho	June 13, 2012	6	6	100%
Member	Enrique Santos L. Sy	June 13, 2012	6	6	100%
Independent	Gerardo C. Garcia	June 13, 2012	6	6	100%
Independent	Alejo L. Villanueva, Jr.	June 13, 2012	6	6	100%

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

Answer: No

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

Answer: The Company follows the quorum requirement of the Corporation Code.

5) Access to Information

(a) How many days in advance are board papers⁵ for board of directors meetings provided to the board?

Answer: Board papers are provided to the Board, together with the notices, in accordance with the Company's By-Laws

⁵ 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.