

## A. BOARD MATTERS

### 1) Board of Directors

Number of Directors per Articles of Incorporation	Nine (9)
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Actual number of Directors for the year	Nine (9)
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#### (a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) <sup>1</sup>	Elected when (Annual /Special Meeting)	No. of years served as director
Basilio C. Yap	NED	N/A	Dr. Perez	7/2014	July 2014	Annual	
Dr. Ma. Cristina D. Padolina	ED	N/A	Dr. Perez	8/2006	July 2014	Annual	7
Dr. Angel C. Alcala	ID		Dr. Perez (no relation)	7/2008	July 2014	Annual	7
Dr. Emil Q. Javier	ID		Dr. Perez (no relation)	7/2002	July 2014	Annual	14
Benjamin C. Yap	ED	N/A	Dr. Perez	7/2014	July 2014	Annual	
Dr. Emilio C. Yap	NED	N/A	Dr. Perez	9/2009	July 2014	Annual	6
Dr. Alejandro C. Dizon	NED	N/A	Dr. Perez	8/2007	July 2014	Annual	8
Dr. Johnny C. Yap	NED	N/A	Dr. Perez	10/2007	July 2014	Annual	8
Ms. Corazon M. Tiongco	ED	N/A	Dr. Perez	2000	July 2014	Annual	15

Annual Stockholders' Meeting held on July 22, 2014.

Reference:  
CEU Results of ASM of July 22, 2014

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

Policies:

The Board of Directors and Management of CEU committed themselves to the principles and best practices contained in its Revised Manual on Corporate Governance and acknowledged that the Revised Manual serves as their guide to the attainment of their corporate goals.

The Shareholders, Board of Directors and Senior Management believe that corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness and ensure compliance to corporate governance policies and practices within the organization. The Board also believes that complete, adequate and timely material information should be given to the public.

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

The Board shall respect the rights of the stockholders are provided for in the Corporation Codes, namely:

- i. Right to vote on all matters that require their consent and approval;
- ii. Pre-emptive right to all stock issuances of the corporation;
- iii. Right to inspect corporate books and records
- iv. Right to information
- v. Right to dividends; and
- vi. Appraisal right

The Board has likewise adopted the corporate governance policy to protect the rights of minority stakeholders under the Revised Code of Corporate Governance:

- A director shall not be removed without

The Company's Board of Directors has adopted the principle of "one share, one vote" policy to ensure that all shareholders are treated equally with respect to voting rights, subscription rights and transfer rights. By having 2 independent directors elected during the annual stockholders' meeting the Board of Directors has established effective shareholder voting mechanisms such as "majority of minority" to protect minority shareholders against actions of controlling shareholders. The Company provides all shareholders with the notice and agenda of the annual general meeting (AGM) at least 15 business days prior to the meeting so as to allow shareholders to call a special shareholders' meeting and submit a proposal for consideration at the AGM or the special meeting. During the annual shareholders' meeting, the Board ensures the attendance of the external auditor and other relevant individuals to answer shareholder questions in such meetings.

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

The Board of Directors of Centro Escolar University reviews and approved the vision and mission of the University annually during the annual organizational meeting of the University.

(d) Directorship in Other Companies

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

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

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
N/A (No member of the company's Board of Directors holds the office of a director in other companies within its Group).	N/A (No member of the company's Board of Directors holds the office of a director in other companies within its Group).	N/A (No member of the company's Board of Directors holds the office of a director in other companies within its Group).

(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

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

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.
Basilio C. Yap	Philtrust Bank	Non-Executive Director-Vice Chairman
	Manila Bulletin	Non-Executive Director-Chairman
	Centro Escolar University	Non-Executive Director-Chairman
Dr. Emilio C. Yap III	Manila Bulletin	Executive-Director
	Philtrust Bank	Executive-Director
Dr. Johnny C. Yap	Euromed Laboratories Phils.	Executive-Vice Chairman
	Philtrust Bank	Executive-Treasurer

(iii) Relationship within the Company and its Group

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

Director's Name	Name of the Significant Shareholder	Description of the relationship
Dr. Emilio C. Yap III	Emilio T. Yap	Grandfather
Dr. Johnny C. Yap	Emilio T. Yap	Grandfather

(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 Board may consider the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock corporation. The optimum number should take into consideration the capacity of a director to diligently and efficiently perform his duties and responsibilities.	No limit has yet been set on the maximum number of executive directorship in other companies. However, for listed companies the maximum number of executive directorship is five (5) board seats.
Non-Executive Director	Non-executive directors, who, at the same time, serve as full-time executives in other corporations, may be covered by a lower indicative limit of membership in other boards. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities should not be compromised	No limit has yet been set on the maximum number of non-executive directorship in other companies. However, for listed companies the maximum number of directorship is five (5) board seats.

CEO	The Chief Executive Officer may be covered by a lower indicative limit of membership in other boards. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities should not be compromised.	No limit has yet been set on the maximum number of non-executive directorship in other companies. However, for listed companies the maximum number of directorship is five (5) board seats.
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(e) Shareholding in the Company

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company:

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Basilio C. Yap	1,001	0.00	0.0003%
Dr. Ma. Cristina D. Padolina	38,316	0.00	0.0103%
Dr. Emil Q. Javier	1	0.00	0.0000%
Dr. Angel C. Alcala	1	0.00	0.0000%
Benjamin C. Yap	800	0.00	0.00002%
Dr. Alejandro C. Dizon	51,837	49,981,575	13.4210%
Corazon M. Tiongco	10,108,404	0.00	2.7143%
Dr. Emilio C. Yap III	267,173	0.00	0.0717%
Dr. Johnny C. Yap	1,000	0.00	0.0003%
<b>TOTAL</b>	<b>10,468,533</b>	<b>49,981,575</b>	<b>16.218%</b>

2) Chairman and CEO

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

Yes  /  No

Identify the Chair and CEO:

Chairman of the Board	Basilio C. Yap
Chief Academic Officer/President	Dr. Ma. Cristina D. Padolina

(b) Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	Maintain qualitative and timely lines of	Exercise general supervision of the

	communication and information between the Board and Management	business, affairs and property of the Corporation, and over its several officers and employees.
Accountabilities	<p>Ensure that the meetings of the Board are held in accordance with the by-laws or as the Chair may deem necessary;</p> <p>Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management and the directors.</p>	<p>Act as Acting Chairman at and call to order all meetings of the stockholders of the corporation.</p> <p>See that all orders and resolutions of the Board are carried into effect.</p> <p>Perform such other duties as from time to time may be assigned by the Board.</p>
Deliverables	Attendance in regular and special board meeting, ensuring the presence of a quorum for transaction of corporate business.	Submit to the Board a monthly oOperations report during regular meeting and after the close of each fiscal year, submit to the Board and stockholder at each annual meeting a complete report of the operations of the corporation for the preceding year, and the state of affairs of the corporation.

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

The President/CEO and other top management positions are elected by the Board during the Organizational meeting after the stockholders' meeting. Since the President/CEO and other top management officials are part of the Board, they are exposed and familiar with the policies set by the Board for implementation. The Board, particularly the Independent Directors who are also members of the Audit Committee observe and assess their performance closely. This also prepare others for any top management position in case of vacancy.

4) Other Executive, Non-Executive and Independent Directors

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

Yes, experience and background are considered in the choice of members of the Board. One of the Independent Director is a former Chairman of CHED, and Former Secretary of DENR. One executive director is a former Chancellor of the UP Open University and Commissioner of CHED and the other executive director is former President of Mindanao State University. Other Directors are successful businessmen and professionals.

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

Yes, one of the Independent director is a Former President of the University of the Philippines.

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

	Executive	Non-Executive	Independent Director
Role	To design, develop and	To constructively challenge	The role of independent

	implement strategic plans for the company in a cost-effective and time-efficient manner.	and contribute to the development of business strategies. To scrutinize the performance of management in meeting agreed goals and objectives and monitoring and in succession planning.	directors is to provide an outside perspective, supporting the chair in leading the board and to assist the board in the development of policy-making and planning.
Accountabilities	Responsible for the day-to-day operation of the organization, including managing committees and staff and developing business plans in collaboration with the board for the future of the organization	Not involved in the day-to-day running of business. Monitors the executive activity and contributes to the development of business strategies.	Evaluate management performance and making sure that financial information provided to shareholders is accurate and complete independent directors should also ensure that a robust risk-management system is in place.
Deliverables	Accountable to the Chairman of the Board and reports to the board on a regular basis. The board may offer suggestions and ideas about how to improve the company, but the Executive Director decides whether or not, and how, to implement these ideas.	Non-executive directors should satisfy themselves that financial information is accurate and that financial controls and systems of risk management are robust and defensible.  Non-executive directors are responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing senior management and in succession planning.	There must be at least one independent director in Nominations, Audit and Remuneration Committee. The Independent director shall perform its duties in accordance with the respective committee charters.

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

Independence for the Company is an essential part of professionalism and professional behavior. It refers to the avoidance of being unduly influenced by a vested interest and to being free from any constraints that would prevent a correct course of action being taken. It is an ability to 'stand apart' from inappropriate influences to be able to make the correct and uncontaminated decision.

Centro Escolar University in its continuous commitment to the information needs of our people and our democratic institutions maintains its independence by being a vehicle of fidelity and impartiality, while upholding its dedication of bringing good news to the public.

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

The company in compliance with SEC Memorandum Circular No 9 series of 2011, have a term limit for independent directors of five (5) consecutive years. After completion of the five (5) year service period, an independent director shall be ineligible for election as such in the company until he has undergone a "cooling off"

period of two (2) years. An independent director re-elected after the “cooling off” period can serve for another five (5) consecutive years, provided that, after serving as independent director for ten (10) years, the independent director shall no longer be considered.

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
Dr. Emilio T. Yap	Chairman of the Board	April 7, 2014	Death

SEC 17C Dr. Emilio T. Yap died April 7, 2014

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

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

Procedure	Process Adopted	Criteria
<b>a. Selection/Appointment</b>		
(i) Executive Directors	Evaluation by the Board on the recommendation of the Nomination Committee, ratified at Annual Stockholder’s Meeting	<ul style="list-style-type: none"> <li>a. College education or equivalent academic degree.</li> <li>b. Practical understanding of the business of the corporation</li> <li>c. Membership in good standing in relevant industry, business or professional organization</li> <li>d. Previous business experience.</li> </ul>
(ii) Non-Executive Directors	Evaluation by the Board on the recommendation of the Nomination Committee, ratified at Annual Stockholder’s Meeting.	<ul style="list-style-type: none"> <li>a. College education or equivalent academic degree</li> <li>b. Practical understanding of the business of the corporation</li> <li>c. Membership in good standing in relevant industry, business or professional organization</li> <li>d. Previous business experience</li> </ul>
(iii) Independent Directors	Evaluation by the Board on the recommendation of the Nomination Committee, ratified at Annual Stockholder’s Meeting.	<ul style="list-style-type: none"> <li>a. College education or equivalent academic degree</li> <li>b. Practical understanding of the business of the corporation</li> <li>c. Membership in good standing in relevant industry, business or professional organization</li> <li>d. Previous business experience</li> </ul>

<b>b. Re-appointment</b>		
(i) Executive Directors	Evaluation by the Board on the recommendation of the Nomination Committee, ratified at Annual Stockholder's Meeting.	<ul style="list-style-type: none"> <li>a. College education or equivalent academic degree</li> <li>b. Practical understanding of the business of the corporation</li> <li>c. Membership in good standing in relevant industry, business or professional organization</li> <li>d. Previous business experience</li> </ul>
(ii) Non-Executive Directors	Evaluation by the Board on the recommendation of the Nomination Committee, ratified at Annual Stockholder's Meeting.	<ul style="list-style-type: none"> <li>a. College education or equivalent academic degree</li> <li>b. Practical understanding of the business of the corporation</li> <li>c. Membership in good standing in relevant industry, business or professional organization</li> <li>d. Previous business experience</li> </ul>
(iii) Independent Directors	Evaluation by the Board on the recommendation of the Nomination Committee, ratified at Annual Stockholder's Meeting	<ul style="list-style-type: none"> <li>a. College education or equivalent academic degree</li> <li>b. Practical understanding of the business of the corporation</li> <li>c. Membership in good standing in relevant industry, business or professional organization</li> <li>d. Previous business experience</li> </ul>
<b>c. Permanent Disqualification</b>		
(i) Executive Directors	No director has been disqualified in accordance with the criteria	<ol style="list-style-type: none"> <li>1. Conviction by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined under the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them.</li> <li>2. Any person who, by reason of his misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures</li> </ol>



		<p>commission merchant, commodity trading advisor, or floor 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 sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.</p> <p>3. Any person who 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 Commission or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization.</p> <p>4. Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts.</p> <p>5. Any person who has been adjudged by final judgment or order of the Commission, court or competent administrative body to have willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code, or any other law administered by the Commission or SSP, or any of its rule, regulation or order.</p> <p>6. Any person judicially declared as insolvent.</p> <p>7. Any person found guilty by final judgment or order of a foreign court or</p>
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		<p>equivalent financial regulatory authority of acts, violations or misconduct similar to an or the acts, violations or misconduct enumerated in sub-paragraphs (1) to (5) above.</p> <p>8. Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.</p>
(ii) Non-Executive Directors	No director has been disqualified in accordance with the criteria	<p>1. Conviction by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined under the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them.</p> <p>2. Any person who, by reason of his misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as 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 sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.</p> <p>3. Any person who 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</p>

		<p>him under the Commission or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization.</p> <p>4. Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts.</p> <p>5. Any person who has been adjudged by final judgment or order of the Commission, court or competent administrative body to have willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code, or any other law administered by the Commission or SSP, or any of its rule, regulation or order.</p> <p>6. Any person judicially declared as insolvent.</p> <p>7. Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to an or the acts, violations or misconduct enumerated in sub-paragraphs (1) to (5) above.</p> <p>8. Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.</p>
(iii) Independent Directors	No director has been disqualified in accordance with the criteria	1. Conviction by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined under the

		<p>Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them.</p> <p>2. Any person who, by reason of his misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as 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 sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.</p> <p>3. Any person who 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 Commission or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization.</p> <p>4. Any person convicted by final judgment or order by a court or competent administrative body of an</p>
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		<p>offense involving moral turpitude, fraud, embezzlement, theft, estafa counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts.</p> <p>5. Any person who has been adjudged by final judgment or order of the Commission, court or competent administrative body to have willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code, or any other law administered by the Commission or SSP, or any of its rule, regulation or order.</p> <p>6. Any person judicially declared as insolvent.</p> <p>7. Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to an or the acts, violations or misconduct enumerated in sub-paragraphs (1) to (5) above.</p> <p>8. Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.</p>
<b>d. Temporary Disqualification</b>		
(i) Executive Directors	No director has been temporary disqualified in accordance with the criteria	<p>1. Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists.</p> <p>2. Absence in more than fifty (50%) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during his incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purpose4s of the succeeding election.</p> <p>3. Dismissal or termination for cause as director of any corporation covered by this Code. This disqualification shall be in effect until he has cleared himself</p>

		<p>from any involvement in the cause that gave rise to his dismissal or termination.</p> <p>4. If any of the judgments or order cited in the grounds of disqualification has not become final.</p> <p>A temporary disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.</p>
(ii) Non-Executive Directors	No director has been temporary disqualified in accordance with the criteria	<p>1. Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists.</p> <p>2. Absence in more than fifty (50%) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during his incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purpose4s of the succeeding election.</p> <p>3. Dismissal or termination for cause as director of any corporation covered by this Code. This disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination.</p> <p>4. If any of the judgments or order cited in the grounds of disqualification has not become final.</p> <p>A temporary disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.</p>
(iii) Independent Directors	No director has been temporary disqualified in accordance with the criteria	<p>1. Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations.</p>

		<p>The disqualification shall be in effect as long as the refusal persists.</p> <p>2. Absence in more than fifty (50%) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during his incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purpose4s of the succeeding election.</p> <p>3. Dismissal or termination for cause as director of any corporation covered by this Code. This disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination.</p> <p>4. If any of the judgments or order cited in the grounds of disqualification has not become final.</p> <p>A temporary disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.</p>
<b>e. Removal</b>		
(i) Executive Directors	No director has been removed in accordance with the criteria	Any of the above instances for permanent disqualification.
(ii) Non-Executive Directors	No director has been removed in accordance with the criteria	Any of the above instances for permanent disqualification.
(iii) Independent Directors	No director has been removed in accordance with the criteria	Any of the above instances for permanent disqualification.
<b>f. Re-instatement</b>		
(i) Executive Directors	No director has been reinstated in accordance with the criteria	Any person who is permanently disqualified as a director shall not be eligible for reinstatement.
(ii) Non-Executive Directors	No director has been reinstated in accordance with the criteria	Any person who is permanently disqualified as a director shall not be eligible for reinstatement.
(iii) Independent Directors	No director has been reinstated in accordance with the criteria	Any person who is permanently disqualified as a director shall not be eligible for reinstatement.
<b>g. Suspension</b>		
(i) Executive Directors	No director has been suspended in accordance with the criteria	Any of the above instances for temporary disqualification.

(ii) Non-Executive Directors	No director has been suspended in accordance with the criteria	Any of the above instances for temporary disqualification.
(iii) Independent Directors	No director has been suspended in accordance with the criteria	Any of the above instances for temporary disqualification.

#### Voting Result of the last Annual General Meeting

Name of Director	Votes Received
Basilio C. Yap	Unanimous vote of all stockholders present and represented during the annual stockholders meeting.
Dr. Ma. Cristina D. Padolina	Unanimous vote of all stockholders present and represented during the annual stockholders meeting.
Emilio C. Yap III	Unanimous vote of all stockholders present and represented during the annual stockholders meeting.
Dr. Alejandro C. Dizon	Unanimous vote of all stockholders present and represented during the annual stockholders meeting.
Dr. Johnny C. Yap	Unanimous vote of all stockholders present and represented during the annual stockholders meeting.
Ms. Corazon M. Tiongco	Unanimous vote of all stockholders present and represented during the annual stockholders meeting.
Benjamin C. Yap	Unanimous vote of all stockholders present and represented during the annual stockholders meeting.

#### 5) Orientation and Education Program

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

ICD Orientation/Seminar

(b) State any in-house training and external courses attended by Directors and Senior Management<sup>3</sup> for the past three (3) years:

one (1)

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

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



Name of Director/Officer	Date of Training	Program	Name of Training Institution
Dr. Emil Q. Javier	November 22, 2014	Orientation Course on Corporate Governance	THE INSTITUTE OF CORPORATE DIRECTORS
Basilio C. Yap Dr. Ma. Cristina D. Padolina Emilio C. Yap III Johnny C. Yap Ms. Corazon M. Tiongco Benjamin C. Yap	October 18, 2014	Orientation Course on Corporate Governance	THE INSTITUTE OF CORPORATE DIRECTORS