



REPUBLIC OF THE PHILIPPINES)  
Makati City ) S.S.

### SECRETARY'S CERTIFICATE

KNOW ALL MEN BY THESE PRESENTS:

I, NOEL A. LAMAN, of legal age, Filipino with address at the 5<sup>th</sup> Floor, The Valero Tower, 122 Valero Street, Salcedo Village, Makati City, do hereby depose and state that:

1. I am the duly elected Corporate Secretary of **DMCI HOLDINGS, INC.** (the "Corporation"), a corporation organized and existing under the laws of the Republic of the Philippines;

2. In connection with the Corporation's consolidated changes to the annual corporate governance report ("ACGR") for the year 2015, I hereby certify as follows:

(a) *Composition of the Board* - The incumbent directors of the Corporation were all elected during the annual stockholders' meeting of the Corporation held on July 29, 2015. Ms. Luz Consuelo A. Consunji was elected for the first time as a regular director of the Corporation during the said annual stockholders' meeting on July 29, 2015.

On May 14, 2015, the Board of Directors of the Corporation approved the Board Charter which provided, among others, for a review of the vision and mission of the Corporation. At the same Board meeting held on May 14, 2015, the Board of Directors of the Corporation likewise reviewed the Corporation's vision, mission, corporate values, corporate objectives and corporate strategies.

(b) *Shareholding in the Company* - The changes in shareholding reported in the ACGR pertain to changes arising from transactions of directors which have been previously disclosed to the SEC and the PSE.

(c) *Succession Policy* - On May 14, 2015, the Board of Directors of the Corporation approved the Executive Succession Policy. A copy of the policy was previously disclosed and submitted to the SEC and the PSE.

(d) *Diversity of Experience of Directors* - On May 14, 2015, the Board of Directors of the Corporation approved the Board Diversity Policy. A copy of the policy was previously disclosed and submitted to the SEC and the PSE.

(e) *Definition of Independence* - The Corporation amended its by-laws to indicate that to be an independent director, one must also be independent of the substantial shareholders of the Corporation. The amendment was approved by the Board at its meeting held on May 14, 2015, by the stockholders on July 29, 2015, and by the SEC on October 23, 2015. A copy of the amended by-laws was previously disclosed to the PSE.

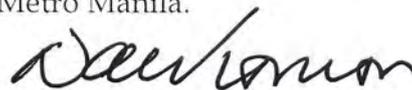
- (f) *Voting Result of the Last Annual General Meeting* - The number of votes received by each director as indicated in the consolidated changes to the ACGR is based on the votes indicated in the proxies submitted to the Corporation.
- (g) *In-house Training; Continuing Education Programs* - The changes in the ACGR pertain to the actual training/ seminars attended by the directors and key officers of the Corporation during the year 2015.
- (h) *Company Policies on Business Conduct or Ethics* - During the Board meeting on May 14, 2015, the Corporation's Board of Directors approved the Amended Code of Business Conduct and Ethics. A copy thereof was previously disclosed and submitted to the SEC and the PSE. Likewise at the said Board meeting on May 14, 2015, the Board of Directors approved the following policies/ charters:
  - (i) Risk Oversight Charter;
  - (ii) Health, Safety and General Welfare of the Employees Policy;
  - (iii) Creditors' Rights Policy;
  - (iv) Amended Audit Committee Charter;
  - (v) Amended Nomination and Election Committee Charter; and
  - (vi) Amended Policy on Related Party Transactions.

Copies of the above policies / charters were previously disclosed and submitted to the SEC and the PSE.

- (i) *Related Party Transactions* - As discussed above, the Board approved the Corporation's Amended Policy on Related Party Transactions on May 14, 2015.
- (j) *Board Meetings and Attendance* - The ACGR changes are based on the Corporation's record of attendance of directors in 2015 meetings. The Corporation submitted an advisement letter to the SEC to report the said attendance on January 4, 2016.
- (k) *Quorum Requirement for Board Decisions* - The Corporation amended its by-laws to indicate that quorum for board meetings and for board decisions shall consist of at least 2/3 of the members of the board. The amendment was approved by the Board at its meeting held on May 14, 2015, by the stockholders on July 29, 2015, and by the SEC on October 23, 2015. A copy of the amended by-laws was previously disclosed to the PSE.
- (l) *Aggregate Remuneration* - The changes pertain to actual changes in remuneration of the identified officers of the Corporation.
- (m) *Audit Committee; Nomination Committee; Remuneration Committee and Risk Oversight Committee*- The members of the committees were appointed by the Board during its regular meeting held on May 14, 2015. As regards the Audit Committee, the updates on the committee's responsibility relative to the external auditors are based on the Amended Audit Committee Charter that was approved by the Board during its meeting held on May 14, 2015.
- (n) *External Auditor's Fee* - The changes pertain to the amount of audit fees and non-audit fees and the date of release of the 2014 audited financial statements.

- (o) *Dividends* - The ACGR changes are based on the actual declarations of dividends for the year 2015. In sum, the Corporation declared regular cash dividends of Php0.24/ outstanding common share and special cash dividends of Php0.24/ outstanding common share on May 14, 2015.
- (p) *Questions During the Annual Stockholders' Meeting; Result of Annual Meeting; Attendance* - The changes pertain to the actual events that transpired during the annual stockholders' meeting held on July 29, 2015, as contained in the minutes of the annual stockholders' meeting posted in the Corporation's website and in the disclosures submitted to the SEC and the PSE.
- (q) *Definitive Information Statement (DIS) and Management Report* - The changes pertain to the date of actual distribution of the DIS and management report.
- (r) *Internal Audit and Control* - The changes in the ACGR pertain to the Corporation's adoption of the internal audit charter and the appointment of Punongbayan & Araullo as internal auditor which were both approved by the Board during its meeting held on August 13, 2015.
- (s) *Role of Stakeholders* - The changes pertain to the following: (i) Company Policies - the Board approved the company policies on May 14, 2015 and disclosed the same to the SEC and PSE; (ii) Separate CSR section in the Annual Report brochure and in the company website; (iii) Policy on Safety, Health and Welfare of employees as approved by the Board on May 14, 2015, disclosed to the PSE and SEC and posted in the website; (iv) Activities relating to safety, health and welfare were updated; (v) enumerated the training and development programs for employees; and (vi) procedures for handling complaints by employees were updated.
- (t) *Corporate Social Responsibility Initiatives* - The changes pertain to actual programs and activities implemented by the Company's subsidiaries. This has been included in the Annual Report 2014 brochure and posted in the company's website.
- (u) *Board and CEO Appraisal* - The changes pertain to the fact that the Corporation conducted this performance appraisal review in 2015 and that the directors submitted their assessments on May 29, 2015.

IN WITNESS WHEREOF, I have signed this Secretary's Certificate this  
JAN 07 2016 \_\_\_\_\_ at Makati City, Metro Manila.



NOEL A. LAMAN  
Corporate Secretary

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public for and in the City of Makati, Philippines, this JAN 07 2016, by the affiant, whose identity I have confirmed through his Passport No. EC 1231940 issued on May 27, 2014 at DFA-Manila, bearing the affiant's photograph and signature, and who showed to me his Community Tax Certificate No. 04922801 issued at Makati City on February 4, 2015.

Doc. No. 269;  
Page No. 55;  
Book No. 1;  
Series of 2016.



  
**REMY ROSE A. ALEGRE**  
Appointment No. M-457  
Notary Public - City of Makati  
Until 31 December 2016  
Castillo Laman Tan Pantaleon  
& San Jose Law Firm  
The Valero Tower, 122 Valero Street  
Salcedo Village, Makati City  
PTR No. 4893767;05-06-2015;Makati City  
IBP No. 1007329;04-17-2015;Makati City Chapter  
Roll No. 64934

# SECURITIES AND EXCHANGE COMMISSION

## SEC FORM – ACGR

### ANNUAL CORPORATE GOVERNANCE REPORT

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## 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
Isidro A. Consunji	ED		Dacon Corp.	March 1995	July 29, 2015	Annual Meeting	20 yrs.
Cesar A. Buenaventura	NED		Dacon Corp.	March 1995	July 29, 2015	Annual Meeting	20 yrs.
Herbert M. Consunji	ED		Dacon Corp.	March 1995	July 29, 2015	Annual Meeting	20 yrs.
Ma. Edwina C. Laperal	ED		Dacon Corp	March 1995	July 29, 2015	Annual Meeting	20 yrs.
Victor A. Consunji	NED		Dacon Corp	March 1995	July 29, 2015	Annual Meeting	20 yrs.
Jorge A. Consunji	NED		Dacon Corp	March 1995	July 29, 2015	Annual Meeting	20 yrs.
Luz Consuelo A. Consunji	NED		Dacon Corp.	July 29, 2015	July 29, 2015	Annual Meeting	Five (5) months
Honorio O. Reyes-Lao	ID		Jose L. Merin – no family/business relationship	July 29, 2009	July 29, 2015	Annual Meeting	<b>5 yrs.</b> (based on SEC Circular No.9-2011 which took effect on Jan. 2, 2012)
Antonio Jose U. Periquet	ID		Jose L. Merin – no family/business relationship	July 28, 2010	July 29, 2015 Five (5) years	Annual Meeting	<b>5 yrs.</b> (based on SEC Circular No.9-2011 which took effect on Jan. 2, 2012)

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

**The Board of Directors have adopted the Company's Manual on Corporate Governance to provide a framework for the effective governance of the Company. The Board recognizes that its primary responsibility is to foster the long-term success of the Company and to build long-term value for**

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

the Company's shareholders, consistent with the Board's fiduciary duties. The Company has only one class of share, with one-share-one-vote policy. It gives minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the corporation. The Company is committed at all times to fully disclose material information dealings for the interest of the stakeholders.

- (ii) How often does the Board review and approve the vision and mission? – **The Board reviews the vision and mission of the Company every five (5) years or as often as deemed necessary as provided in the Board Charter.**

(b) 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.
Isidro A. Consunji	D.M. Consunji, Inc. Semirara Mining and Power Corp. DMCI Project Developers, Inc. DMCI Mining Corp. DMCI Power Corp. DMCI Masbate Corp. DMCI-MPIC Water Company Inc. Maynilad Water Services, Inc. Sem-Calaca Power Corp. Southwest Luzon Power Generation Corp. Sem Calaca Res Corporation (formerly DMCI Calaca Corp.) Semirara Claystone, Inc. Dacon Corporation DFC Holdings, Inc.	Non-Executive Executive/Chairman Executive/Chairman Executive/Chairman Executive/Chairman Executive Non-Executive Non-Executive Executive/Chairman Executive/Chairman Executive/Chairman Executive Executive
Cesar A. Buenaventura	D.M. Consunji, Inc. Semirara Mining and Power Corp.	Non-Executive Non-Executive
Herbert M. Consunji	Semirara Mining and Power Corp. D.M. Consunji, Inc. DMCI Mining Corp. DMCI Power Corp. DMCI-MPIC Water Company Inc. Sem-Calaca Power Corp. Southwest Luzon Power Generation Corp. Sem Calaca Res Corporation (formerly DMCI Calaca Corp.) Subic Water & Sewerage Co. Inc.	Non-Executive Non-Executive Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive/Chairman
Ma. Edwina C. Laperal	Semirara Mining and Power Corp. DMCI Project Developers, Inc. D.M. Consunji, Inc. Sem-Calaca Power Corp.	Non-Executive Executive Executive Non-Executive

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

	Dacon Corp. DFC Holdings, Inc.	Non-Executive Non-Executive
Victor A. Consunji	D.M. Consunji, Inc. Semirara Mining and Power Corp. DMCI Mining Corp. DMCI Power Corp. DMCI Masbate Corp. Sem-Calaca Power Corp. Southwest Luzon Power Generation Corp. Sem Calaca Res Corporation (formerly DMCI Calaca Corp.) Dacon Corp. DFC Holdings, Inc.	Non-Executive Executive Non-Executive Executive Non-Executive Executive Executive Executive Executive Executive/Chairman Non-Executive
Jorge A. Consunji	D.M. Consunji, Inc. Semirara Mining and Power Corp. DMCI Project Developers, Inc. DMCI Mining Corp. DMCI Power Corp. DMCI Masbate Corp. Sem-Calaca Power Corp. Southwest Luzon Power Generation Corp. DMCI-MPIC Water Company Inc. Maynilad Water Services, Inc. Dacon Corp. DFC Holdings, Inc.	Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive Non-Executive
Honorio O. Reyes-Lao	None	Not applicable
Antonio Jose U. Periquet	None	Not applicable

*\*Change in corporate name*

(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.
David M. Consunji	None	
Cesar A. Buenaventura	iPeople Inc. Petroenergy Resources Corp. Concepcion Industrial Corp.	
Isidro A. Consunji	Atlas Consolidated Mining and Development Corp. Crown Equities, Inc.	Non-Executive Non-Executive
Herbert M. Consunji	None	
Ma. Edwina C. Laperal	None	
Victor A. Consunji	None	
Jorge A. Consunji	None	
Honorio O. Reyes-Lao	Philippine Business Bank	Non-Executive
Antonio Jose U. Periquet	ABS-CBN Holdings Corp. ABS-CBN Corp. Ayala Corporation Bank of the Philippine Islands Max's Group, Inc.	Independent Director Independent Director Independent Director Independent Director Independent Director

	Philippine Seven Corp.	Independent Director
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(iii) Relationship within the Company and its Group

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

Director's Name	Name of the Significant Shareholder	Description of the relationship
Isidro A. Consunji	Dacon Corp./DFC Holdings, Inc.	Director of the corporation
Cesar A. Buenaventura	None	None
Herbert M. Consunji	None	None
Ma. Edwina C. Laperal	Dacon Corp./DFC Holdings, Inc.	Director of the corporation
Victor A. Consunj	Dacon Corp./DFC Holdings, Inc.	Director of the corporation
Jorge A. Consunji	Dacon Corp./DFC Holdings, Inc.	Director of the corporation
Luz Consuelo A. Consunji	None	None
Honorio O. Reyes-Lao	None	None
Antonio Jose U. Periquet	None	None

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

**The Company takes note of the guidelines on the number of board seats in other listed companies, but it is not strictly implementing such policy. Likewise, the company sees to it that the members of the board are committed to exercise their roles and responsibilities as directors regardless of the number of board seats they have in other companies.**

**Based on the 2015 Board Attendance which the Company filed to the SEC and PSE, none of the incumbent Directors has absented for more than 50% from all meetings of the Board of Directors, both regular and special, in any twelve month period during their incumbency.**

	Guidelines	Maximum Number of Directorships in other companies
<b>Executive Director</b>	The Nomination Committee shall consider the following guidelines in determining the number of directorships for the members of the Board: <ul style="list-style-type: none"> <li>• The nature of the business of the Corporation which he is a director;</li> <li>• Age of the director;</li> <li>• Number of directorships/active memberships and officerships in other corporations or organizations; and</li> <li>• Possible conflict of interest.</li> <li>• Diversity Policy of the Board</li> </ul> The optimum number shall be	The CEO and other executive directors shall submit themselves to a low indicative limit on membership in other corporate Boards. The same low limit shall apply to independent, non-executive directors who serve as fulltime executives in other corporations. In any case, the capacity of directors to serve with diligence shall not be compromised.
<b>Non-Executive Director</b>		
<b>CEO</b>		

	related to the capacity of a director to perform his duties diligently in general.	
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(c) Shareholding in the Company

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

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Isidro A. Consunji	65,000.00	21,046,690	0.1590%
Cesar A. Buenaventura	900,000.00	5,700,000	0.0497%
Herbert M. Consunji	23,000.00	0	0.0000%
Ma. Edwina C. Laperal	3,315,000.00	83,134,335	0.6511%
Victor A. Consunji	5,000.00	54,588,045	0.4112%
Jorge A. Consunji	5,000.00	589,565	0.0045%
Luz Consuelo A. Consunji	1,000	250,000	0.0019%
Honorio O. Reyes-Lao	175,000.00	0	0.0000%
Antonio Jose U. Periquet	125,000.00	3,251,850	0.0245%
<b>TOTAL</b>	<b>4,618,000.00</b>	<b>168,560,485</b>	<b>1.3019%</b>

*As of December 31, 2015*

2) Chairman and CEO

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

Yes

No

The following are the check and balances laid down to ensure independent views:

- The duties and responsibilities of the Chairman and President are separately identified in the Board Charter, Manual on Corporate Governance and By-Laws.
- The Board sees to it that major decisions are made by at least 75% of the board member. Policies are created to ensure the effectiveness of the business operations of the company and the performance of the each board director. Such policies and regulatory procedures are: Articles of Incorporation, Amended By-Laws, Insider Trading, Board Diversity, Board Charter, Code of Business Conduct and Ethics, among others – to ensure that decisions and events are not solely controlled by the Chairman and President.
- The Chairman and President is not a member of any Board Committee to ensure independent decisions. The Board Committees are mainly composed of independent and non-executive directors and are tasked to recommend and report to the Board any major business decisions.

Identify the Chair and CEO:

Chairman of the Board	Isidro A. Consunji
CEO/President	Isidro A. Consunji

On November 18, 2014, Mr. David M. Consunji resigned as Chairman and Member of the Board of Directors. The Board likewise appointed Mr. Isidro A. Consunji as Chairman and CEO while Mr.

David A. Consunji was appointed as Chairman Emeritus.

(b) Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	<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 President/CEO, Management and the directors</p> <p>Maintain qualitative and timely lines of communication and information between the Board and Management.</p>	<p>Develop strategy proposals for recommendation to the Board and ensure that agreed strategies are reflected in the business;</p> <p>Develop annual plans, consistent with agreed strategies, for presentation to the Board for support.</p>
Accountabilities	<p>Ensure effective operation of the Board and its committees in conformity with the highest standards of corporate governance;</p> <p>Ensure effective communication with shareholders, host governments and other relevant constituencies and that the views of these groups are understood by the Board</p>	<p>Be responsible to the Board for the performance of the business consistent with agreed plans, strategies and policies;</p> <p>Develop an organizational structure and establish processes and systems to ensure the efficient organization of resources.</p>
Deliverables	<p>To initiate the development of corporate objectives and policies and formulate long range project, plans and programs for the approval of the Board of Directors, including those for executive training, development and compensation;</p> <p>To suggest additional functions or duties to any of the officers of the Corporation</p> <p>Preside over all the meetings of the Board of Directors and the stockholders</p> <p>Promote effective relationships and communications between non-executive directors and members of the Group Executive Committee;</p> <p>Promote effective relationships and communications between non-executive directors and members of the Group</p>	<p>To preside at the meetings of the Board of Directors and of the stockholders in the absence of the Chairman or the Vice-Chairman;</p> <p>To have general management and supervision of the business affairs and property of the Corporation;</p> <p>To ensure that the administrative and operational policies of the Corporation are carried out under his/her supervision and control;</p> <p>Subject to guidelines prescribed by law, to appoint, remove, suspend or discipline employees of the Corporation, prescribe their duties, and determine their salaries;</p> <p>To oversee the preparation of the budgets and the statements of</p>

	<p>Executive Committee;</p> <p>Establish a harmonious and open relationship with the Chief Executive.</p>	<p>accounts of the Corporation;</p> <p>To prepare such statements and reports of the Corporation as may be required of him/her by law;</p> <p>To represent the Corporation at all functions and proceedings, when authorized by the Chairman of the Board or the majority of the Board of Directors;</p> <p>To render annual reports to the Board of Directors and to the stockholders;</p> <p>To perform such duties as incident to his/her office or as entrusted to him/her by the Chairman of the Board, or Board of Directors;</p> <p>To sign certificates of stock along with the Corporate Secretary</p>
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3) Explain how the board of directors plan for the succession of the CEO/Managing Director/President and the top key management positions?

**The Board of Directors recently adapted the Executive Succession Policy. In the policy, the Board will assess the permanent leadership needs of the Company to help insure the selection of a qualified and capable leader who is a good fit for the Company’s mission, vision, values, goals and objectives, and who has the necessary skills for the Company.**

**To ensure the Company’s operations are not interrupted while the Board of Directors assesses the leadership needs and recruits a permanent executive officer, the Board will appoint interim executive leadership as described below.**

**The interim Chief Executive Officer (CEO) shall ensure that the Company continues to operate without disruption and that all Company commitments previously made are adequately executed, including but not limited to, loans approved, reports due, contracts, licenses, certifications, obligations to lenders or investors of the Company and others.**

**It is also the policy of the Company to develop a pool of candidates and consider at least three finalist candidates for its permanent CEO position.**

**The Company shall consider an external recruitment and selection process, while at the same time encouraging the professional development and advancement of current employees.**

**The interim CEO and any other interested internal candidates are encouraged to submit their qualifications for review and consideration by the Transition Committee for recommendation to the Nomination and Election Committee according to the guidelines established for the search and recruitment process.**

4) Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the board? Please explain. - **The Board adapted a Diversity Policy which states:**

**The Company recognizes the value of a diverse Board and is committed to creating and maintaining an inclusive and collaborative governance culture that will provide sustainability for the organization into the future. We are committed to leveraging the diverse backgrounds, experiences and perspectives of our Board members to provide excellent leadership and governance to an equally diverse organization.**

**A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective.**

**The Nomination Committee ('the Committee') reviews and assesses Board composition on behalf of the Board and recommends the appointment of new Directors.**

- In reviewing Board composition, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.**
- In identifying suitable candidates for appointment to the Board, the Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.**

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain. - **The non-executive directors should possess such qualifications and stature that would enable them to effectively participate in the deliberations of the Board. All incumbent NEDs have experiences in industries the company they belong to, whom they serve as current and/or past key officers and Directors of the Company's major businesses.**

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

	<b>Executive</b>	<b>Non-Executive</b>	<b>Independent Director</b>
<b>Role</b>	Manage the conflict between their management responsibilities and their fiduciary duties as a director in the best interests of the company.	Ensure that the CEO and the Board as a whole concentrate on maximizing long-term shareholder value.  Work cooperatively with their executive colleagues and demonstrate objectivity and robust independence of judgment in their decision making.	Oversight of company financial reporting process and disclosure of its financial information.  Recommending to Board on the appointment, re-appointment and if required replacement or removal of statutory auditor and recommend amount of audit fees.
<b>Accountabilities</b>	Accountable to the shareholders of the	Accountable on strategic function, expertise and	Review with management, the

	<p>company as they are involved in the day to day activities of the company and are responsible for execution of business strategies and plans.</p>	<p>the governance function</p>	<p>annual financial statements before approval by the board with particular reference to Directors Responsibility Statement, changes in accounting policy, major accounting estimates, audit findings adjustments, compliance with listing and other legal requirements, disclosure of related party transactions and qualification in the draft audit report.</p> <p>Review of quarterly financial statements.</p> <p>Review with management, performance of statutory and internal auditors, adequacy of internal control systems, adequacy of internal audit function including their structure, frequency, reporting.</p>
<p>Deliverables</p>	<p>Develop business plans in collaboration with the board for the future of the organization;</p> <p>Manage committees and staff</p> <p>Lead the organization and develops its organizational culture</p>	<p>Providing independent judgment in all circumstances.</p>	<p>Furnish information in the prescribed form to the company about disclosure of General Notice of directorship, membership of body corporate and other entities.</p> <p>Shall have fiduciary duty to act in good faith and in the interest of the company.</p> <p>Act only within the powers laid down by the Articles of Incorporation and by applicable law and regulations.</p>

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

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

Does the company have a term limit of five consecutive years for independent directors? If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain. – **The Company has set a limit for Independent Directors in accordance with the provisions in the Board Charter and with the SEC Memo Circular No. 9 Series of 2011, which states:**

**Term limits for Independent Directors – The Independent Directors can serve as such for five (5) consecutive years, provided that service for a period of at least six (6) months shall be equivalent to one (1) year, regardless of the manner by which the Independent Director position was relinquished or terminated.**

**Re-election of Independent Directors – After completion of the five-year service period, an Independent Director shall be ineligible for election as such in the same company unless the Independent Director has undergone a “cooling off” period of two (2) years, provided that during such period, the Independent Director concerned has not engaged in any activity that under existing rules disqualifies a person from being elected as Independent Director in the same company.<sup>3</sup>**

**An Independent Director re-elected as such in the same company after the “cooling off” period can serve for another four (4) consecutive years<sup>4</sup>**

**After serving as Independent Director for nine (9) years<sup>5</sup>, the Independent Director shall be perpetually barred from being elected as such in the same company without prejudice to being elected as Independent Director in other companies outside of the business conglomerate, where applicable, under the same conditions provided for in the rules and regulations of the Securities and Exchange Commission (SEC).**

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

(a) Resignation/Death/Removal - **NONE**

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

Name	Position	Date of Resignation	Reason
NONE			

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

<sup>3</sup> SEC Memo Circular No.9

<sup>4</sup> ACGS E.2.6

<sup>5</sup> ACGS E.2.6

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	It shall pre-screen and shortlist all candidates nominated to become a member of the Board of Directors in accordance with the qualifications and disqualifications set in the Manual of Corporate Governance of the Company	Any stockholder who is a holder of at least one (1) common share of stock standing in his name in the books of the Corporation, may be elected Director. The Board may provide additional qualifications of a director such as, but not limited to the following: (a) educational attainment; (b) adequate competency and understanding of business; (c) age requirement; (d) integrity/probity; (e) assiduousness or diligence; and (f) such other qualifications is provided for in the Corporation's Manual on Corporate Governance.
(ii) Non-Executive Directors		
(iii) Independent Directors		
<b>b. Re-appointment</b>		
(i) Executive Directors	Same process as appointment/selection	
(ii) Non-Executive Directors		
(iii) Independent Directors		
<b>c. Permanent Disqualification</b>		
(i) Executive Directors	Provisions set in the Company's Manual on Corporate Governance and By-Laws	Any person finally convicted judicially of an offense involving moral turpitude or fraudulent act or transgressions; <ul style="list-style-type: none"> <li>Any person finally found by SEC or a court or other administrative body to have wilfully violated, or wilfully aided, abetted, counseled, induced or procured the violation of, any provision of the Code, the Corporation Code, or any other law, rules, regulations or order administered by the SEC or Bangko Sentral ng Pilipinas;</li> <li>Any person judicially declared to be insolvent or bankrupt;</li> </ul>
(ii) Non-Executive Directors		

		<ul style="list-style-type: none"> <li>• 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</li> <li>• Any person convicted by an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Code, committed within five (5) years prior to the date of his election or appointment.</li> <li>• Any person treated for mental disorder, drug or alcohol addiction or confined in a mental institution;</li> </ul> <p>Any person owning directly or indirectly more than ten (10%) percent equity in any similar nature of business other than the Corporation's affiliates or subsidiaries.</p>
(iii) Independent Directors	Provisions set in the Company's Manual on Corporate Governance and By-Laws	<p>a. When he becomes an officer or employee of the Corporation where he is a member of the board of directors, or becomes any of the persons enumerated under Section II (5) of the SEC Code of Corporate Governance;</p> <p>b. His beneficial security ownership exceeds two percent (2%) of the outstanding capital stock of the Corporation where he is a director;</p> <p>c. Fails, without justifiable cause, to attend at least fifty (50%) of the total number of board meetings during his incumbency unless such absences are due to grave illness or death of an immediate family;</p> <p>Such other disqualifications which Corporation's Manual on Corporate Governance provides.</p>
<b>d. Temporary Disqualification</b>		

(i) Executive Directors		
(ii) Non-Executive Directors		
(iii) Independent Directors	Provisions set in the Company's Manual on Corporate Governance	<p>Any of the following shall be a ground for the temporary disqualification of a director:</p> <ul style="list-style-type: none"> <li>• Refusal to fully disclose the extent of his business interest as required under the Code and its implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists;</li> <li>• Absence or non-participation for whatever reason/s for more than fifty percent (50%) of all meetings, both regular and special, of the Board during his incumbency or any twelve-(12) month period during said incumbency. This disqualification applies for purposes of the succeeding election;</li> <li>• Dismissal/termination from directorship in another listed corporation for cause. This disqualification shall be in effect until he has cleared himself of any involvement in the alleged irregularity;</li> <li>• Being under preventive suspension by the Corporation;</li> <li>• If the independent director becomes an officer or employee of the same corporation he shall be automatically disqualified from being an independent director;</li> <li>• If the beneficial equity ownership in the Corporation or its subsidiaries and affiliates exceeds two (2) percent of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with.</li> <li>• Conviction that has not yet become final referred to in the grounds for the disqualification of directors.</li> </ul>
<b>e. Removal</b>		

(i) Executive Directors	Provisions set by the Company's Manual on Corporate Governance and By-Laws	Same criteria with the permanent disqualification of ED, NED, and ID
(ii) Non-Executive Directors		
(iii) Independent Directors		
<b>f. Re-instatement</b>		
(i) Executive Directors	Provisions set by the Company's Manual on Corporate Governance and By-Laws	Same criteria with the permanent disqualification of ED, NED, and ID
(ii) Non-Executive Directors		
(iii) Independent Directors		
<b>g. Suspension</b>		
(i) Executive Directors	Provisions set by the Company's Manual on Corporate Governance and By-Laws	Same criteria with the permanent disqualification of ED, NED, and ID
(ii) Non-Executive Directors		
(iii) Independent Directors		

( c ) Voting Result of the last Annual General Meeting

Name of Director	Votes Received
Isidro A. Consunji	10,997,619,490
Cesar A. Buenaventura	11,000,372,830
Herbert M. Consunji	11,051,681,755
Ma. Edwina C. Laperal	10,461,155,134
Victor A. Consunji	11,048,956,930
Jorge A. Consunji	11,017,133,788
Luz Consuelo A. Consunji	11,040,232,591
Honorio O. Reyes-Lao	10,962,057,738
Antonio Jose U. Periquet	10,932,258,947

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6) Orientation and Education Program

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

**Board Charter, Section 10 – Directors' Training and Development Programs**

- 1. Induction Program - Upon his or her election, each board member shall participate in an induction program that covers the company's strategy, general financial and legal affairs, financial reporting by the company, its compliance programs, the Code of Business Conduct and Ethics, any specific aspects unique to the company and its business activities, and the responsibilities as a board member.**
- 2. Continuing Education Program - In order to facilitate the Directors' fulfillment of their responsibilities, the management must provide the following:**
  - a. Annual review to identify areas where the board members require further training or education**
  - b. Educational programs supplemental to the initial orientation to explain the Company's business operations**
  - c. Access to, or notice of, continuing educational programs that are designed to keep Directors abreast of the latest developments in corporate governance matters and critical issues relating to the operation of public company boards.**
  - d. Periodic visits to operating units, plants and mine sites.**

**3. Costs - The costs of the induction course and any training or education shall be paid for by the company.**

(b) State any in-house training and external courses attended by Directors and Senior Management<sup>6</sup> for the past three (3) years:

7)

Date	Seminars Attended
September 24, 2015	Creating Advantage Through Governance
April 21, 2015	Corporate Governance Seminar
February 18, 2015	Orientation Course for Corporate Governance
October 21, 2014	Corporate Governance Forum
September 2-3, 2014	Asian Forum on Corporate Social Responsibility
July 21, 2014	Seminar on Corporate Governance
June 9, 2014	Distinguished Corporate Governance Seminar Series
April 29, 2014	Distinguished Corporate Governance Seminar Series
February 5, 2014	Distinguished Corporate Governance Seminar Series
November 15, 2013	ICD Annual Workshop Session on Asean Corporate Governance Scorecard
October 25, 2013	Corporate Governance Orientation by ICD
September 10, 2013	11 <sup>th</sup> MAP CEO Conference

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

NAMES	Position	Training Provider/Date of Seminar
Isidro A. Consunji	Chairman and President	Risk, Opportunities, Assessment and Management, Inc./April 21, 2015
Cesar A. Buenaventura	Vice Chairman of the Board	SGV & Co./September 24, 2015
Jorge A. Consunji	Director	SGV & Co./September 24, 2015
Victor A. Consunji	Director	SGV & Co./September 24, 2015
Herbert M. Consunji	Director/Vice President/CFO/Chief Compliance Officer	SGV & Co./September 24, 2015
Ma. Edwina C. Laperal	Director/Treasurer	SGV & Co./September 24, 2015
Luz Consuelo A. Consunji	Director	SGV & Co./September 24, 2015
Honorio O. Reyes-Lao	Independent Director	SGV & Co./September 24, 2015
Antonio Jose U. Periquet	Independent Director	The Institute of Corporate Directors/February 18, 2015

**B. CODE OF BUSINESS CONDUCT & ETHICS**

<sup>6</sup> Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

- 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	Directors, Executive Officers and Employees owe a fiduciary duty to the Company that requires them to act in the best interest of the Company. Actual and potential conflicts of interest should be avoided or otherwise identified, disclosed, and explained in sufficient detail to enable valid judgments to be made on their adverse impact. The persons who are conflicted should not participate in the discussion and decision on the issue in question, nor be entitled to vote on any resolution where they are conflicted. Related party contracts should be disclosed in the annual report.		
(b) Conduct of Business and Fair Dealings	The Company does not seek competitive advantages through illegal or unethical business practices. Each Director, Executive Officer and Employee should endeavor to deal fairly with the Company's customers, service providers, suppliers, and competitors. No Director, Executive Officer or Employee should take unfair advantage of anyone through manipulation, concealment, abuse of privilege information, misrepresentation of material facts, or any unfair dealing practices.		
(c) Receipt of gifts from third parties	All Directors, Executive Officers and Employees should not be receiving from, or giving to, a supplier, customer or competitor, gifts, gratuities, special allowances, discounts or other benefits not generally available of more than nominal value.		
(d) Compliance with Laws & Regulations	Directors, Executive Officers and Employees must carry out their duties with professionalism and in accordance with ethical standards. They must conduct business in accordance with the law, the charter of the Company, and a high standard of commercial morality. They shall at all times act with loyalty to the Company, ensuring that its goals, strategies, policies and practices are moral, proper, and legal. They must be prepared to dissociate themselves from the Company in the event that despite their efforts, ethical and legal standards are being seriously compromised. They should refer to the Company's statements of best practice as part of their decision-making process.		
(e) Respect for Trade Secrets/Use of Non-public Information	Directors, Executive Officers, and Employees must observe the confidentiality of non-public information and not disclose it to any other person without the authority of the Board. A Director, Executive Officer or Employee who has a special allegiance to a particular shareholder may not disclose confidential information to that particular shareholder without the authority of the Board.		
(f) Use of Company Funds, Assets and Information	Each Director, Executive Officer and Employee owes a duty to advance the Company's legitimate interests when the opportunity to do so arises. He may not: (a) receive or seek to receive a benefit from opportunities that are discovered through his involvement with the Company (including, without limitation, his use of the Company's property, information, or his position); or (b) compete with the Company, directly or indirectly, for business opportunities in the areas (or lines) of business in which the Company is engaged or in new areas (or lines) of business in which the Company has disclosed its intent or plans to engage.		
(g) Employment & Labor Laws & Policies	Policies are in accordance with the Philippine Labor Code, Employees' Welfare, Health and Safety Policy (item m)		
(h) Disciplinary action	All Directors, Executive Officers and Employees should strive to identify and raise potential issues before they become problems and should ask about the application of this Code whenever in doubt. Any Director, Executive Officer or Employee who becomes aware of any existing or potential violation of this Code shall promptly notify the Company's Compliance Officer. The Company will take such disciplinary or preventive action as it deems appropriate to address any existing or potential violation of this Code brought to its attention. The Company will not tolerate retaliation for reports of violations of this Code made in good faith.		
(i) Whistle Blower	The Whistleblower Policy (the "Policy") is hereby promulgated to encourage all its stakeholders, including the directors, officers and employees, all suppliers, business		

	<p>partners, contractors and subcontractors, to come forward and voice serious concerns about a perceived wrongdoing or malpractice involving the Company. The Policy aims to provide avenues for stakeholders to raise serious concerns and receive feedback on any action taken in respect of such concerns raised. It sets out a method for properly addressing <i>bona fide</i> concerns that stakeholders might have, while also offering whistleblowers protection from victimization, harassment or disciplinary proceedings.</p> <p>All whistleblowing disclosures made to the proper Reporting Channel will be treated as confidential. The whistleblower should make it clear that he/she is making the disclosure within the terms of the Company’s whistleblowing policy. This will ensure that the recipient of the disclosure realizes this and takes the necessary action to investigate the disclosure and to protect the whistleblower’s identity.</p>
(j) Conflict Resolution	<p>Directors, Executive Officers and Employees owe a fiduciary duty to the Company that requires them to act in the best interest of the Company. Actual and potential conflicts of interest should be avoided or otherwise identified, disclosed, and explained in sufficient detail to enable valid judgments to be made on their adverse impact. The persons who are conflicted should not participate in the discussion and decision on the issue in question, nor be entitled to vote on any resolution where they are conflicted. Related party contracts should be disclosed in the annual report.</p>
(k) Insider Trading	<p>This Policy on Insider Trading (“the Policy”) sets out the implementing rules and guidelines for Directors, Officers and all other employees of DMCI Holdings, Inc. (the “Company”) and its subsidiaries, whether owned directly or indirectly, whenever they are conducting securities transactions (buying and/or selling) of the Company’s shares of stock in the market.</p> <p>The Policy requires that Covered Persons as defined in Section 3, who have knowledge, from time to time, of material information concerning the Company, which have not been disclosed to the public, including any information likely to affect the market price of the Company’s shares of stock, cannot buy or sell either personally or on behalf of others while in possession of such material nonpublic information. Covered persons must not disclose or disseminate material, nonpublic information about the Company to other persons, either within or outside the Company, except on a reasonable need to know basis that furthers a legitimate business purpose of the Company.</p> <p><b>Covered Persons</b></p> <p>For the purpose of this Policy, an “insider” will be defined as follows:</p> <ul style="list-style-type: none"> <li>▪ Members of the Board of Directors and the Corporate Secretary of the Company and its subsidiaries;</li> <li>▪ Key Officers as defined in the by-laws of the Company and its subsidiaries, whether owned directly or indirectly, who are or may be in possession of material non-public information about the Company because of their responsibilities.</li> <li>▪ Consultants and Advisers of the Company;</li> <li>▪ Any person who possesses material non-public information regarding the Company is an Insider for so long as the information is not publicly known. Any employees can be an Insider from time to time, and would at those times be subject to this Policy.</li> <li>▪ Members of the immediate families of Directors, Key Officers and all other Covered Persons who are living in the same household as the abovementioned Covered Persons.</li> </ul> <p><b>Material Information</b></p>

	<p>4.1 Information, whether positive or negative, is deemed to be material if there is a reasonable likelihood that it would be considered important to an investor in making a decision regarding the purchase or sale of shares of stock of the Company and/or if the information is price sensitive. Such material information includes, but is not limited to:</p> <ul style="list-style-type: none"> <li>▪ Financial results</li> <li>▪ Adjustments of reported earnings</li> <li>▪ Projections of future earnings or losses</li> <li>▪ News of a pending or proposed merger</li> <li>▪ Change in the corporate structure such as a re-organization</li> <li>▪ Acquisition/Divestitures/Joint Ventures</li> <li>▪ Dividend declaration and changes in dividend policy</li> <li>▪ Stock splits</li> <li>▪ New significant equity investments or debt offerings</li> <li>▪ Significant litigation exposure</li> <li>▪ Solvency problems which may arise from litigation, final judgments, loan defaults and losses of major clients or contracts</li> <li>▪ Major changes in key senior management positions</li> <li>▪ Public or private sale of Company shares</li> <li>▪ Plans to repurchase securities or go to the public with a new issue</li> </ul> <p>Other significant developments or changes in the Company which may affect the share market price</p> <p><b>RESTRICTION PERIODS</b></p> <p>Directors, Key Officers and all Covered Persons are strictly prohibited from trading during the following periods:</p> <ul style="list-style-type: none"> <li>▪ <b>Structured Disclosures</b> – Within <b>Five (5) trading days before</b> and <b>within Three (3) trading days after</b> the disclosure of quarterly (SEC17Q) and annual (SEC 17A) financial results;</li> <li>▪ <b>Non-Structured Disclosures</b> – <b>within Three (3) trading days after</b> the disclosure of any material information other than the abovementioned structured disclosure;</li> </ul> <p>In both instances of disclosures, office bulletins for Restriction Periods pertaining to the above will be issued by the Office of the Compliance Officer.</p>
(l) Dividend Policy	<p>As approved by its Board of Directors, DMCI Holdings, Inc. (“the Company”) is committed to provide reasonable economic returns to its shareholders with a dividend payout ratio of at least 25% of the preceding year’s Consolidated Core Net Income. Consolidated Core Net Income is currently defined as reported net income excluding all foreign exchange, mark-to-market gains and losses and non-recurring items.</p> <p>The Company may, from time to time, pay special dividends as a return of excess funds to shareholders as determined by the Board of Directors upon considering the investing and operating needs of the Company.</p> <p>This policy is subject to the availability of unrestricted retained earnings, and subject further to compliance with applicable laws, rules and regulations on dividend declarations.</p>
(m) Health and Safety and General Welfare Policy	<p>The Company is committed to improving the health and safety performance of the Group, including the employees of its subsidiaries. The Company recognizes the benefits of health and safety to the organization and that committed to a high level of safety makes good business sense.</p>

	<p>Therefore the Company has adopted the following programs for health and safety, and general welfare of the employees:</p> <p><b>Health and Safety Policy Statement</b></p> <p>Coverage under a health care maintenance program/insurance</p> <p>Coverage under a group term life and accident insurance</p> <p>Provide annual physical examinations, free medical consultations and health facilities such</p> <p>Wellness facilities such as gym, basketball and badminton courts</p> <p>Engage employees to participate in sports and recreation programs</p> <p><b>General Welfare Policy</b></p> <p>Annual team building and socialization events to promote camaraderie and positive interaction among employees and subsidiaries</p> <p>Support employees to their participation on clubs and organizations outside the Company to be able to further develop their skills and maintain contacts with colleagues in the industry.</p> <p>Provide in-house and outsourced trainings and seminars</p> <p>All managers are expected to actively support the board in the development and proper implementation of the company's above Policy. The Management must ensure that the necessary resources of staff, facilities and finance are provided to implement the Policy.</p> <p>Each subsidiary must set to seek the highest standard of safe working environment for their respective employees. A measuring program of the results and performance for health and safety must be established and implemented to monitor the effectiveness of each programs.</p>
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2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees?  
**Yes**

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

**All Directors, Officers and employees are required at the end of each year to fill out and sign a compliance checklist of the Code and all Company Policies and submit it to the Chief Compliance Officer. The Chief Compliance Officer issues a certificate of compliance with the Code and Company Policies.**

**The Company has established a designated helpdesk hotline to answer queries of directors, officers and employees on the application of the Code.**

**Compliance Helpdesk Hotline:  
Chief Compliance Officer  
Tel (632) 888 3000  
Fax (632) 816 7362**

**The Internal Audit team is tasked to evaluate the systems established to ensure compliance with the Code and governance processes.**

**Any violation of the code and policies by directors, officers and employees can also be reported under the**

**Company’s Whistleblower Policy Reporting Channel.**

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	<p>The Related Party Transactions (RPT) Policy requires that any transactions with related parties are made on terms equivalent to those that prevail in an arm’s length transactions.</p> <p>The Audit Committee as per its Board-approved Charter shall be responsible to oversee and review the propriety of RPTs and their required reporting disclosures. In its review, it shall take into account, among other factors it deems appropriate, whether the Related Party Transaction is entered into on terms no less favorable to the concerned company than terms generally available to an unaffiliated third-party under the same or similar circumstances; and the extent of the Related Parties’ interest in the transaction.</p> <p>This Policy refers to the expanded definition of Philippine Accounting Standards (PAS) 24 on Related Parties. The Standard emphasizes the substance of the relationship and not merely the legal form. The term Related Parties shall include:</p> <ul style="list-style-type: none"> <li>a. Parties that are members of the same group, i.e. each parent, subsidiary and fellow subsidiary is related to the others;</li> <li>b. All Directors, Officers, Managers and Key Management Personnel having authority and responsibility for planning, directing and controlling the activities of the Company or <i>its Subsidiary or its Parent, directly or indirectly</i>; including companies they have control or joint control or significant influence in; <ul style="list-style-type: none"> <li>• Control - the power to govern the financial and operating policies of the Company or <i>its Subsidiary</i>.</li> <li>• Significant influence - the power to participate in the financial and operating policy decisions of the Company or <i>its Subsidiary</i>, but is not control over those policies. This may be gained by share ownership, statute or agreement.</li> </ul> </li> <li>c. Close family members of an individual referred to in (b) above, who may be expected to influence, or be influenced by, that individual in their dealings with the Company or <i>its Subsidiary</i>; <ul style="list-style-type: none"> <li>• Close family member - the individual's spouse or domestic partner and children (whether legitimate or illegitimate), stepchildren, and dependents of the individual or that</li> </ul> </li> </ul>

individual's spouse or domestic partner.

d. Party is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); Party is a joint venture or associate of a third entity; and

e. Post-employment benefit plan, and sponsoring employers of such a plan, of either the Company or an entity that is a related party of the Company.

**Related Party Transaction** is a transfer of resources, services or obligations between the Company & its Subsidiaries, and a related party, regardless of whether a price is charged.

Examples of RPTs are:

- Guarantees or commitments to do something if a particular event occurs or does not occur in the future, including executory contracts (i.e. neither party has performed any obligation or both parties have partially performed their obligations to an equal extent)
- Loans to directors
- Sale or purchase of goods
- Sale, purchase or lease of property and/or assets
- Provision or receipt of services or leases
- Assumption of financial/operating obligations
- Subscription for debt or equity issuances
- Establishment of joint venture entities
- Settlement of liabilities on behalf of the Company or its Subsidiary or by the Company or its Subsidiary on behalf of a related party
- Compensation, benefits (monetary and non-monetary), postemployment benefits, termination benefits and share-based payment of current employees

#### **Identification, Review and Approval of Related Party Transactions**

1. Generally, Management promptly reports to the Board of Directors (Board) on the terms, business purpose, benefits and other details of each new, existing or proposed RPT for review and approval. The Board shall approve any RPT before its commencement. However, if the same is not identified beforehand, it must be subsequently reviewed and ratified by the Board.
2. The Audit Committee shall assist the Board in its review of RPT. The Board shall consider whether the terms of the RPT are on arms' length and fair to the Company and such factors as the following:
  - Materiality
  - The purpose and timing of the transactions
  - Extent of the Related Party's interest in the RPT; and
  - Conflict of interest, actual or apparent, of the Related Party participating in the transaction.
  - Any other relevant information regarding the transaction
3. The Audit Committee may establish guidelines to manage and monitor conflicts of interest of

Management, Board Directors and shareholders, including misuse of corporate assets and abuse in RPTs.

4. A Director, officer or key management personnel shall promptly notify the Audit Committee or the Company's Officer of the Compliance Officer of any interest he or his immediate family member had, has or may have in a RPT. He shall disclose all material information concerning the RPT.

**Pre-Approved RPTs**

5.1 The following shall be deemed to be pre-approved by the Board in accordance with the Company's Table of Authorities:

- a. Compensation and employment of executive officers and directors approved by the Compensation & Remuneration Committee;
- b. Transactions with similar terms available to all employees generally;
- c. Charitable contributions by the Company where the Related Party is an employee or director, if the aggregate amount involved does not exceed P5M;
- d. Banking-related services and transactions with a Related Party, if the terms are generally the same as or similar to offers of other banks in the ordinary course of business;
- e. Share transactions such as dividends, repurchase, rights offerings, available to all shareholders on a pro-rata ownership basis.
- f. Any transaction with a Related Party involving the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority.

**Threshold**

The Parent Company and its subsidiaries, whether owned directly or indirectly, shall set thresholds and categories for Disclosure and Approval of RPTs. The amount of each RPT shall be considered for purposes of applying these thresholds.

**Related Party Transaction**

- Less than three percent (3%) of Total Assets **of the Audited Financial Statements of the previous year** of Parent or Subsidiary requires approval of the concerned entity's CEO or President;
- Three percent (3%) **and above** of Total Assets **of the Audited Financial Statements of the previous year** of Parent or Subsidiary requires approval of concerned entity's Board of Directors.
- Twenty percent (20%) **and above** of Total Assets **of the Audited Financial Statements of the previous year** of Parent or Subsidiary requires approval of concerned entity's Shareholders.

**Disclosure**

- Ten percent (10%) and above of Total Assets **of the Audited Financial Statements of the previous year** of Parent

	<p><b>Exception:</b></p> <ul style="list-style-type: none"> <li>• Sale or purchase of goods and services in the ordinary course of business amongst Parent Company and its Subsidiaries at arm’s length terms. To ensure fairness and transparency, this exception is still subject to compliance with applicable SEC disclosure requirements and the Transfer Pricing guidelines issued by BIR (RR 02-2013).</li> <li>• Transactions of Parent Company and its Subsidiaries involving the exercise of corporate powers such as investments, subscriptions, equity restructuring, dividend declarations, and corporate guarantees to subsidiaries.</li> </ul> <p><b>Disclosure</b></p> <p>RPTs that are required to be disclosed and reported in the Company's filings with the Securities and Exchange Commission (SEC) shall be disclosed in accordance with laws, rules, regulations, Philippine Financial Reporting &amp; Accounting Standards. The Company shall comply with PAS 24's required disclosures of relationships between the Company &amp; its Subsidiaries irrespective of whether there have been transactions between them, transactions and outstanding balances, <i>including commitments</i>, in the consolidated and separate individual financial statements. It shall disclose the name of its parent, the ultimate controlling party and/or the most senior parent (defined as the first parent above the immediate parent) that produces consolidated financial statements available for public use.</p> <p>All RPTs shall be disclosed to the Audit Committee and any material RPT shall be disclosed to the Board.</p> <p><b>Review</b></p> <p>8.1 The Related Party Policy may be amended at any time and is subject to further guidance from the SEC and/or actions taken by the Parent Company’s Board of Directors or Shareholders.</p>
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(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	Aside from the family relations among and between certain directors and officers, the Company it not aware of any actual or probable conflict.
Name of Officer/s	
Name of Significant Shareholders	

	related party transactions
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(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	Policies requiring disclosures on direct and indirect beneficial ownership in accordance with the SEC and PSE rules and the Company's Board Charter
Group	Policies requiring disclosures on direct and indirect beneficial ownership in accordance with the SEC and PSE rules and the Company's Board Charter

5) Other Policies – Insider Trading, Dividend Policy, Related Party Transactions Policy

6) Family, Commercial and Contractual Relations

(a) Indicate, if applicable, any relation of a family,<sup>7</sup> commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
Dacon Corp.	Interlocking Directors	Interlocking Directors
DFC Holdings, Inc.	Interlocking Directors	Interlocking Directors

(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
Dacon Corp.	Shareholder owning more than 5%	Some Directors of Dacon Corp. are also Directors of the Company
DFC Holdings, Inc.	Shareholder owning more than 5%	Some Directors of DFC Holdings, Inc. are also Directors of the Company

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

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

<sup>7</sup> Family relationship up to the fourth civil degree either by consanguinity or affinity.

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7) 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	No conflict arose from the last three (3) years
Corporation & Third Parties	
Corporation & Regulatory Authorities	

**C. BOARD MEETINGS & ATTENDANCE**

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

**Board and committee meetings are scheduled before the end of the year. The Company notified the Board of Directors and Committees on December 11, 2015, the schedules of these meetings for the year 2016.**

2) Attendance of Directors

3) Board	Name	Date of Election	No. of Meetings Held during the year*	No. of Meetings Attended	%
Member	Isidro A. Consunji	July 29, 2015	8	8	100%
Member	Cesar A. Buenaventura	July 29, 2015	8	7	87.5%
Member	Herbert M. Consunji	July 29, 2015	8	8	100%
Member	Ma. Edwina C. Laperal	July 29, 2015	8	8	100%
Member	Victor A. Consunji	July 29, 2015	8	8	100%
Member	Jorge A. Consunji	July 29, 2015	8	8	100%
Member	Luz Consuelo A. Consunji**	July 29, 2015	3	3	100%
Independent	Honorio O. Reyes-Lao	July 29, 2015	8	8	100%
Independent	Antonio Jose U. Periquet	July 29, 2015	8	8	100%

\*January-December 2015

\*\*First elected as Director on July 29, 2015

3) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times? - **Yes. The non-executive directors met once in 2015.**

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

**Yes. The Company's Board Charter sets a minimum of two-thirds (2/3) of the board members as a quorum requirement for Board decisions.**

5) Access to Information

(a) How many days in advance are board papers<sup>8</sup> for board of directors meetings provided to the board?

<sup>8</sup> Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

The board materials for discussion are distributed at least five (5) business days before the scheduled board meeting.

- (b) Do board members have independent access to Management and the Corporate Secretary?  
**Yes. The board members have independent access to Management and the Corporate Secretary**
- (c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc?

**The Corporate Secretary sees to it that the board follows correct procedures and that the board complies with its obligations under law and the company's articles of incorporation. The following are the responsibilities of the Corporate Secretary under the provisions of the Corporation's By-Laws and Manual on Corporate Governance:**

- **The Corporate Secretary shall record all the votes and proceedings of the meeting of Stockholders and of the Board of Directors in a book kept for that purpose.**
- **He/she shall have charge of the corporate seal of the Corporation. He/she shall keep at the principal office of the Corporation the stock and transfer book and therein keep a record of all the stock, the names of stockholders alphabetically arranged with the addresses to which notices may be sent, the installments paid and unpaid on all stock for which subscription has been made and the date of payment of any installment, a statement of every alienation, sale or transfer of stock made, the date thereof and by and to whom made.**
- **Be responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its committees, as well as the other official records of the corporation.**
- **He/she should attend all stockholders and board meetings.**
- **The company secretary shall assist the Chairman of the board in organizing the board's activities including providing information, preparing an agenda, reporting of meetings, evaluations and training programs.**
- **He/she shall perform such other duties as may be properly delegated to him/her**

- (d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative. – **Yes, the Company has a Corporate Secretary who has vast experience in legal, accountancy and company secretarial practices. Below is the profile of the Company's Corporate Secretary disclosed in the Information Statement and posted in the website:**

**Atty. Noel A. Laman** - Corporate Secretary

**Profile**

<b>Age</b>	<b>First Appointment</b>	<b>Years of Service</b>
75	Corporate Secretary - March 1995	20 years

**Directorship and Other Positions**

<b>Company</b>	<b>Type of Directorship/Position</b>
Listed	

National Reinsurance Corporation of the Philippines	Corporate Secretary
<b>Non-listed</b>	
Castillo Laman Tan Pantaleon & San Jose Law Offices	Founder / Senior Partner
DCL Group of Companies	Treasurer
Boehringer Ingelheim (Phils.), Inc.	Non-executive/Director
Merck, Inc	Non-executive/Director

<b>Education</b>	Bachelor of Science, Jurisprudence (University of the Philippines) Bachelor of Laws (University of the Philippines) Master of Laws (University of Michigan Law School)
<b>Civic Affiliations</b>	Integrated Bar of the Philippines, <i>Past Secretary, Treasurer, Vice President, Makati Chapter</i> Rotary Club Makati West, <i>Past President</i> Intellectual Property Association of the Philippines (IPAP), <i>Past President</i> Asian Patent Attorneys Association (APAA), <i>Past Council Member</i> Licensing Executives Society of the Philippines (LES Philippines), <i>Member</i> Firm Representative to the European Chamber of Commerce, <i>Member</i> Firm Representative to the German Philippine Chamber of Commerce, Inc., <i>Member</i> Rear Admiral, Philippine Coast Guard Auxiliary, (Legal Counsel, Head, Board of Discipline), <i>Member</i>

(e) Committee Procedures

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

Yes  No

Committee	Details of the procedures
Executive – N/A	Notice and Agenda are given at least five (5) days before the meeting; The Committees have free access to the management and staff for any queries prior to the meeting
Audit	
Nomination	
Remuneration	
Others (specify) – Risk Oversight	

6) External Advice

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

Procedures	Details
	The external legal counsel and the Corporate Secretary attend to the Board of Directors' concerns. When necessary, they may coordinate meetings with external parties upon request of the Directors. As such, the Directors may also initiate to call for a meeting with consultants to seek external advice.

7) Change/s in existing policies

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

for the change:

Existing Policies	Changes	Reason
No changes in existing policies		

#### D. REMUNERATION MATTERS

##### 1) Remuneration Process

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

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation's culture, strategy and control environment.	Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation's culture, strategy and control environment.
(2) Variable remuneration	The Company has performance-based profit sharing mechanisms that directly align rewards and incentives to employees with the financial results of the company. Also, a part of our performance-enhancing incentive is to ensure that deserving and senior professional employees are allotted representation in the board of directors of our major operating subsidiaries.	
(3) Per diem allowance	Each director shall receive a reasonable per diem for his attendance at every meeting of the Board. Subject to the approval of the stockholders owning at least a majority of the outstanding capital stock, directors may also be granted such compensation (other than per diems) provided however, that the total yearly compensation of directors, as such directors, shall not exceed ten (10%) percent of the net income before income tax of the Corporation during the preceding year.	
(4) Bonus	The Company has performance-based profit sharing mechanisms that directly align rewards and incentives to employees with the financial results of the company. Also, a part of our performance-enhancing incentive is to ensure that deserving and senior professional employees are allotted representation in the board of directors of our major operating subsidiaries.	
(5) Stock Options and other financial instruments	None	None
(6) Others (specify)	None	None

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

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

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	Salary structure as approved by the Compensation Committee and the Board of Directors	Basic monthly pay plus other benefits mandated by law	Compensation package as agreed by management and the employee
Non-Executive Directors	There is no compensation given by the Company. The per diem allowance of P10,000 is given per meeting attended for board and committee meetings		

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

Remuneration Scheme	Date of Stockholders' Approval
Not applicable	

3) Aggregate Remuneration

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

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	P5,086,924.40	-	-
(b) Variable Remuneration	-	-	-
(c) Per diem Allowance	P160,000.00	P220,000.00	P160,000.00
(d) Bonuses	-	-	-
(e) Stock Options and/or other financial instruments	-	-	-
(f) Others (Specify)	-	-	-
<b>Total</b>	<b>P5,246,924.40</b>	<b>P220,000.00</b>	<b>P160,000.00</b>

*For the year 2014*

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	None	None	None
2) Credit granted	None	None	None
3) Pension Plan/s Contributions	None	None	None
(d) Pension Plans, Obligations incurred	None	None	None
(e) Life Insurance Premium	None	None	None
(f) Hospitalization Plan	P150,000.00*	-	-
(g) Car Plan	-	-	-
(h) Others (Specify)	-	-	-
<b>Total</b>	P150,000.00		

\*The Company provides health insurance under Health Maintenance Organization (HMOs), which has a maximum limit of P150,000.00 per executive officer.

#### 4) Stock Rights, Options and Warrants

##### (a) Board of Directors

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

Director's Name	Number of Direct Option/Rights/ Warrants	Number of Indirect Option/Rights/ Warrants	Number of Equivalent Shares	Total % from Capital Stock
None				

##### (b) Amendments of Incentive Programs

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

Incentive Program	Amendments	Date of Stockholders' Approval
None		

#### 5) Remuneration of Management

Identify the six (6) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Name of Officer/Position	Total Remuneration
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Victor S. Limlingan – Managing Director	<b>P7,489,227.70</b>
Aldric G. Borlaza – Senior Finance Officer	
Brian T. Lim- Finance Officer	
Ma. Luisa C. Austria – Admin/Accounting Officer	
Tara Ann C. Reyes – Investor Relations Officer	
Cherubim O. Mojica – Corp. Communications Head	

## E. BOARD COMMITTEES

### 1) Number of Members, Functions and Responsibilities

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

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	Not applicable						
Audit	0	1	2	Ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting	Reviews the external auditor's audit plan; increases the credibility and objectivity of the Company's financial reports and public disclosure	Review and discuss with management and the external auditor the annual audited financial statements, including discussion of material transactions with related parties, accounting policies, as well as the external auditor's written communications to the Committee and to management;	Oversee the adequacy of the Company's system of internal accounting controls and internal audit process and obtaining from the external auditor summaries and recommendations for improvement of such internal controls and processes
Nomination	0	1	2	Responsible for the review and screening of candidates for	Pre-screen and shortlist all candidates nominated to become a member of the	Review and consider the guidelines on determining the number of directorship	Review the roles and duties of the CEO by integrating the dynamic

				directorship	Board of Directors		requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance at all times.
Remuneration	1	0	2	Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors	Designate amount of remunerations in a sufficient level to attract and retain directors and officers	Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of individual directors, if any, and officers	Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which among others compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired.
Risk Oversight	1	0	2	Establish to provide adequate support in fulfilling the Board's oversight function in relation to risk governance in the Company. The assistance includes	Promote an open discussion regarding risks faced by the Company, as well as risks faced by its subsidiaries that may have potential impact on the Company's operations,	Review the Company's risk management function, such that senior management is properly positioned, staffed and resourced, and that senior management carries out its risk	Oversee and work with the Company's Chief Risk Officer, the Company's General Counsel or his or her designee, the Company's Chief Compliance Officer, when

				ensuring that internal control procedures and risk management systems are in place and are operative as well as effective.	and ensure that risk awareness culture is pervasive throughout the Company.	management responsibilities effectively.	designated and outside legal counsel and regulatory consultants as needed, to recommend a risk profile of the Company to the Board for its approval. In defining the Company's risk profile, the Committee shall consider with senior management the Company's risk capacity, risk appetite, risk limits, current risk profile, risk exceptions and remediation protocols.
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2) Committee Members

(a) Executive Committee – **The Company has no Executive Committee**

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Not Applicable					
Member (ED)						
Member (NED)						
Member (ID)						
Member						

(b) Audit Committee

Office	Name	Date of	No. of	No. of	%	Length of
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		Appointment	Meetings Held*	Meetings Attended		Service in the Committee
Chairman (ID)	Honorio O. Reyes-Lao (Independent Director)	May 14, 2015	5	5	100	One year
Member (ED)	None	-	-	-	-	-
Member (NED)	Cesar A. Buenaventura	May 14, 2015**	3	2	67	Eight (8) mos.
Member (ID)	Antonio Jose U. Periquet (Independent Director)	May 14, 2015	5	5	100	One year

*\*From January-December 2015*

*\*\* Appointed first time as member of the audit committee, all other members are incumbent committee members*

Disclose the profile or qualifications of the Audit Committee members.

**In the Company's Manual on Corporate Governance, the audit committee shall be composed of at least three (3) Members of the Board, at least two (2) of whom must be independent and one (1) of whom shall be its head or chairman. Each member shall have adequate understanding at least or competence at most of the company's financial management systems and environment. The following are the detailed profile of the Audit Committee Members:**

**Honorio O. Reyes-Lao** - is 70 years old; has served the Corporation as an Independent Director for six (6) years since July 2009; is director of Philippine Business Bank (**Listed**); **Non-Listed (Past Positions)** Gold Venture Lease and Management Services Inc (2008-2009), First Sovereign Asset Management Corporation (2004-2006, CBC Forex Corporation (1998-2002) , CBC Insurance Brokers, Inc. (1998-2004), CBC Properties and Computers Center, Inc. (1993-2006); **Education.** Bachelor of Arts, Major in Economics (De La Salle University), Bachelor of Science in Commerce, Major in Accounting (De La Salle University), Masters Degree in Business Management (Asian Institute of Management); **Civic Affiliations.** Institute of Corporate Directors, Fellow, Rotary Club of Makati West, Member/Treasurer, Makati Chamber of Commerce and Industries, Past President.

**Antonio Jose U. Periquet** is 53 years old; has served the Corporation as an Independent Director for four (4) years and 9 months since August 2010; he is director of the following: (**Listed**) ABS-CBN Holdings Corp., ABS-CBN Corporation , Ayala Corporation , Bank of the Philippine Islands , Max's Group Inc., Philippine Seven Corporation; (**Non-listed**) Campden Hill Group, Inc., Campden Hill Advisors, Inc., Pacific Main Holdings, Lyceum of the Philippines University, The Straits Wine Company, Inc., BPI Capital Corporation, BPI Family Savings Bank, Inc.; **Education.** MBA, Darden Graduate School of Business Administration, University of Virginia, USA (1990), Master of Science (Econ), Oxford University, UK (1988), Bachelor of Arts (Econ), Ateneo de Manila University (1982); **Civic Affiliations.** Global Advisory Council, Darden Graduate School of Business Administration, University of Virginia, Member, Finance and Budget Committee of the Board, Ateneo de Manila University, Member, Finance Committee, Philippine Jesuit Provincial, Member.

**Cesar A. Buenaventura** – is 85 years old; has served the Corporation as a regular director for twenty (20) years since March 1995; is a regular Director of the following: (**Listed**) Semirara Mining and Power Corp., iPeople Inc., Petroenergy Resources Corp., Concepcion Industrial Corp; (**Non-listed**) D.M. Consunji, Inc., AG&P Company of Manila, Inc., Pilipinas Shell Petroleum Corp., Montecito Properties, Inc., Phil. American Life Insurance Co., Manila International Airport Authority, Babcock Hitachi Phils, Inc. **Education.** Bachelor of Science in Civil Engineering (University of the Philippines), Masters Degree in Civil Engineering, Major in Structures (Lehigh University, Bethlehem, Pennsylvania). **Civic Affiliations.** Pilipinas Shell Foundation, Founding Member, Makati Business Club, Board of Trustee University of the Philippines, Former Board of Regents, Asian Institute of Management, Former Board of Trustee, Benigno Aquino Foundation, Past President,

Honorary Officer, Order of the British Empire (OBE) by Her Majesty Queen Elizabeth II.

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

- recommending to the Board of Directors the external auditor to be nominated by the Board of Directors;
- recommending to the Board of Directors the compensation of the external auditor;
- reviewing the external auditor's audit plan, fee schedule and any related services proposals;
- overseeing the work of the external auditor;
- ensuring that the external auditor meets the rotation requirements for partners and staff on the Company's audits;
- reviewing and discussing with management and the external auditor the annual audited financial statements, including discussion of material transactions with related parties, accounting policies, as well as the external auditor's written communications to the Committee and to management;
- reviewing the external auditor's report, audit results and financial statements prior to approval by the Board of Directors;
- reporting on and recommending to the Board of Directors the annual financial statements and the external auditor's report on those financial statements, prior to Board approval and dissemination of financial statements to shareholders and the public;
- resolving disputes between management and the external auditor regarding financial reporting;

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held*	No. of Meetings Attended	%	Length of Service in the Committee*
Chairman	Honorio O. Reyes-Lao (Independent Director)	May 14, 2015	2	2	100	One year
Member (ED)	None	-	-	-	-	-
Member (NED)	Jorge A. Consunji	May 14, 2015**	2	2	100	Eight (8) mos
Member (ID)	Antonio Jose U. Periquet (Independent Director)	May 14, 2015	2	2	100	One year

\*From January-December 2015

\*\*Appointed first time as member of the Nomination Committee, all other members are incumbent committee members

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held*	No. of Meetings Attended	%	Length of Service in the Committee*
Chairman	Antonio Jose U. Periquet (Independent Director)	May 14, 2015	2	2	100	One year
Member (ED)	Ma. Edwina C. Laperal	May 14, 2015**	2	2	100	Eight (8) mos
Member (NED)	None	-	-	-	-	-
Member (ID)	Honorio O. Reyes-Lao (Independent Director)	May 14, 2015	2	2	100	One year

\*From January-December 2015

\*\*Appointed first time as member of the Remuneration Committee, all other members are incumbent committee members

(e) Others (Specify)

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

**Risk Oversight Committee**

**This committee was established on May 14, 2015. The charter has been approved by the Board of Directors and has been included in the Manual of Corp. Governance and Amended By-Laws.**

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Antonio Jose U. Periquet (Independent Director)	May 14, 2015	1	1	100	Eight mos.
Member (ED)	Herbert M. Consunji	May 14, 2015	1	1	100	Eight mos.
Member (NED)	None	-	-	-	-	-
Member (ID)	Honorio O. Reyes-Lao (Independent Director)	May 14, 2015	1	1	100	Eight mos.

3) Changes in Committee Members -

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

Name of Committee	Name	Reason
Executive	N/A	N/A
Audit	Cesar A. Buenaventura	To include the non-executive director as member of the committee
Nomination	None	
Remuneration		
Others (specify)		

4) Work Done and Issues Addressed

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

Name of Committee	Work Done	Issues Addressed
Executive	Not applicable	
Audit	Report on and recommend to the Board of Directors the annual and quarterly financial statements and the external auditor's report on the annual financial statements, prior to	Review and approve the annual and quarterly financial statements.  Ensure the integrity of disclosure controls and internal controls over

	Board approval and dissemination of annual and financial statements to shareholders and the public. Oversee the work of external and internal auditor. Review the performance of each business subsidiaries. Oversee the adequacy of the Company's system of internal accounting controls and internal audit process and obtaining from the external auditor summaries and recommendations for improvement of such internal controls and processes	financial reporting
Nomination	identify and recommend candidates for election or appointment as directors,	Assess whether candidates have the qualities expected of all directors, including integrity, sound judgment, business acumen, and the time, ability, and commitment to make a constructive and meaningful contribution to the Board
Remuneration	Review the compensation of directors and executives of the Company. Discuss other possible long-term incentive plans.	Make recommendation to the Board for approval of compensation
Risk Oversight	Implemented the 2015 Risk Assessment Survey. Assessed the Top Risk Drivers and discussed actions plans. Reviewed governance, risk and compliance structure	Oversees the risk management function, including reviewing with management the guidelines and policies that govern the process by which risk assessment and risk management is undertaken

#### 5) Committee Program

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

Name of Committee	Planned Programs	Issues to be Addressed
Executive	N/A	
Audit	Conduct more meetings to give ample time to discuss and assess significant business issues that have a material financial effect	Better oversight of management action plans
Nomination	Continued evaluation of the selection process and evaluation of candidates in accordance with the SEC Regulations and Company's Manual on Corporate Governance	
Remuneration	Review of the compensation and reward scheme to enhance incentives for employee retention and career development.	
Risk Oversight	Review governance, risk and compliance structure to address current business environment	

## **F. RISK MANAGEMENT SYSTEM**

1) Disclose the following:

- (a) Overall risk management philosophy of the company;
- (b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof;
- (c) Period covered by the review;
- (d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness; and
- (e) Where no review was conducted during the year, an explanation why not.

### **A. Enterprise Risk Management (ERM)**

This Enterprise Risk Management Policy ("the ERM Policy") provides the framework for managing risks across DMCI Holdings, Inc. ("DMCIHI" or "the Company"). It contains the fundamental policies to guide all DMCIHI personnel, including senior executive management and the Board of Directors, who are directly or indirectly involved in the strategic, operations, compliance and financial activities of the Company. This will serve as the guide to enable the concerned Company personnel to make appropriate actions and decisions pertaining to the management of the Company's portfolio of risks.

#### **Purpose**

This ERM Policy forms part of DMCIHI's Corporate Governance Manual and shall:

1. Establish the risk management vision, goals and objectives of the Company;
2. Provide an enterprise-wide risk management framework, structure, and organization that support the achievement of the Company's risk management vision, goals, and objectives;
3. Define the roles and responsibilities of DMCIHI's Board of Directors ("BOD" or "the Board"), senior management, officers, and all employees with regards to the Company's risk management processes and activities;
4. Establish a common culture and language that promote consistent definition and understanding of risks and their related impact to the Company's business; and
5. Establish a consistent and enterprise-wide approach in identifying and prioritizing risks, analyzing inter-relationship among risks, identifying the drivers and sources of risks, development of strategies and action plans in managing risks, monitoring and reporting on the implementation of risk management strategies and action plans, and evaluating the effectiveness of the overall risk management process for continuous improvement.

#### **Scope**

This ERM Policy applies only to DMCIHI.

#### **Enterprise Risk Management Vision**

DMCIHI's enterprise risk management ("ERM") shall serve as one of the Company's key enablers for effective corporate governance and achievement of the Company's strategic objectives.

#### **ERM Goals and Objectives**

To effectively realize DMCIHI's risk management vision, ERM shall:

1. Establish a sustainable risk management process to enable DMCIHI to focus on and manage its key risks;
2. Embed risk management into the awareness and day-to-day activities of each DMCIHI officer and employee;
3. Integrate a rigorous risk management process into the strategic planning, budgeting and decision-making process; and

#### 4. Provide a structured framework for enhancing DMCIHI's corporate governance

##### **Risk Management Oversight Structure**

To ensure the successful implementation of DMCIHI's ERM, it is important that a risk management structure is in place to have an integrated and independent view of the enterprise-wide risks across the different risks categories (e.g., strategic, operations, compliance and financial). This will allow the Company to reduce any gaps in risk coverage, risk management functional inefficiencies and overlaps, and confusion among concerned personnel due to lack of structured communication and reporting lines.

##### **Develop Common Language**

To enhance clarity of communication and action on risk-related matters, DMCIHI shall ensure that a common risk language as embodied in the Company's risk dictionary exists, is communicated, and understood by all employees at all levels of the organization. DMCIHI shall also ensure that the common risk language is continuously updated and modified to include new and emerging risks by considering factors that are both internal and external to the Company. This shall be done through the review of the risk dictionary at least annually or if there are any amendments made thereto.

##### **Develop Risk Management Strategies**

After identifying, prioritizing, and analyzing risks, DMCIHI shall develop strategies to manage risks consistent with the Company's strategic goals and objectives and risk appetite and tolerance levels. The strategy of DMCIHI' to (1) Accept - retain, reduce or exploit or (2) Reject – avoid or transfer, risks shall include cross-checking with other groups and stress-testing which involves developing conservative and aggressive assumptions and scenarios to test the effectiveness of the strategies.

##### **Develop Risk Management Action Plans**

Based on the approved risks management strategies, DMCIHI shall develop specific action plans to support the implementation of these strategies. DMCIHI shall ensure that appropriate communication protocols and channels exist to support the execution of action plans that require coordinated effort across business functions.

##### **Monitor and Report on the ERM process**

DMCIHI shall continuously monitor the risks and effectiveness of the implementation of the strategies/action plans. This shall be done by ensuring that risk management is a regular agenda item in BOD, ManCom, and functional level meetings. DMCIHI shall also ensure that all initiatives pertaining to the overall ERM process continuously monitored and regularly reported to the appropriate stakeholders in the Company. Monitoring of the ERM process shall be applied on: 1) existing priority risks; 2) new emerging risks; 3) risk management performance; and 4) specific measures, policies and procedures both at the enterprise-wide and business function levels.

Any material weaknesses or significant control deficiencies identified shall be reported and presented to the ManCom and BOD together with the actions being taken to resolve the issues or to follow up on the resolution of long-outstanding issues.

## **G. INTERNAL AUDIT AND CONTROL**

### 1) Internal Control System

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

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

**The Company defines internal control as a process, effected by the board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance.**

**The effective implementation of internal controls is the responsibility of everyone within the Company. The Board of Directors is responsible for the Company's governance and oversight function and holds management accountable for the internal control system. Management owns the internal control system and is responsible for instituting robust internal control policies and procedures.**

**The internal audit function independently evaluates the soundness of the Company's key risks and organizational and procedural controls, which assists the board of directors, through the audit committee, and management assess whether the internal control system is effectively designed and implemented.**

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

**The audit committee has reviewed the effectiveness of the internal control system based on its assessment, from the reports provided by internal and external auditors, and from management's assessment of internal controls.**

- (c) Period covered by the review

**For the year ended December 31, 2015**

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

**The audit committee meets at least four times a year to review the financial results of the Company and the results of the internal audit activities within the Company. The audit committee also meets with the external auditor at least once a year to review the external auditor's examination and report.**

**As part of its day-to-day function, management continuously reviews the adequacy and effectiveness of internal controls.**

**The board of directors, through the audit committee, and management's criteria for evaluating the soundness of internal control include a review of its control environment, risk assessment, control activities, information and communication, and monitoring activities.**

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

**Not applicable.**

## 2) Internal Audit

- (a) Role, Scope and Internal Audit Function

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

audit function.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
<p>In its internal audit charter (<i>Section 3.0 Purpose</i>), “the Internal Audit Department was established by the Audit Committee to assist the Company in evaluating and improving the effectiveness of its risk management, controls, and governance processes; and add value to the organization by helping it accelerate its business performance”</p>	<p>In its internal audit charter (<i>Section 8.0 Scope and Responsibilities</i>): “The Audit Universe includes all processes and departments of the Company. The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organization’s governance, risk management and internal controls as well as the quality of performance in carrying out assigned responsibilities to achieve the Company’s goals and objectives.</p>	<p>Outsourced internal audit function</p>	<p>Punongbayan &amp; Araullo, a member firm of Grant Thornton International, Ltd.</p>	<p>To maintain its independence, Internal Audit reports functionally to the Audit Committee and administratively to the President.</p> <p>Reports highlighting significant audit findings and recommendations are provided to and reported during audit committee meetings.</p>

- (b) Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?

**The audit committee is responsible for approving the appointment and removal of the internal auditor, and overseeing the work of the internal auditor.**

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

**In its internal audit charter (*Section 5.0, Authority*), “the internal audit department, with strict accountability for confidentiality and safeguarding of records and information, is authorized full, free, and unrestricted access to any and all of the Company’s documents, records, information, systems and applications, physical properties, and personnel pertinent to carrying out any engagement. All employees are requested to assist the internal audit activity in fulfilling its roles and responsibilities. The internal audit department will also have free and unrestricted access to the audit committee.”**

(d) Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them.

Name of Audit Staff	Reason
None	None

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

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

<b>Progress Against Plans</b>	The plans and objectives for the year are generally completed at year end.
<b>Issues<sup>9</sup></b>	Based on the results of our reviews, there are no significant issues.
<b>Findings<sup>10</sup></b>	Based on the results of our reviews, there are no significant findings.
<b>Examination Trends</b>	High risk areas are reviewed at least annually. Based on our overall review, policies and procedures need to be updated, and applicable manuals need to be developed to reflect the changes and current processes implemented within the Company.

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

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

(f) Audit Control Policies and Procedures

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

Policies & Procedures	Implementation
Corporate Governance Manual	Implemented
Code of Business Conduct and Ethics Manual	Implemented

(g) Mechanism and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the

<sup>9</sup> "Issues" are compliance matters that arise from adopting different interpretations.

<sup>10</sup> "Findings" are those with concrete basis under the company's policies and rules.

company's shares and imposition of internal approval procedures for these transactions, limitation on the non-audit services that an external auditor may provide to the company):

<b>Auditors (Internal and External)</b>	<b>Financial Analysts</b>	<b>Investment Banks</b>	<b>Rating Agencies</b>
<b>Rotation of partner-in-charge every five years for external auditors</b>	<b>No dealings; No need for mechanisms since non-public matters are not disclosed.</b>		
<b>Engagement contract with internal and external auditors are approved by the audit committee</b>			
<b>Functional reporting to the audit committee by the internal auditor</b>			
<b>Compliance to Code of Ethics, Conflict of Interest, and Insider Trading Policy</b>			

(h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company's full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

**The following officers will attest and sign the Company's ACGR:**

<b>Isidro A. Consunji</b>	<b>Chairman/President/CEO</b>
<b>Herbert M. Consunji</b>	<b>Vice-President/CFO/Compliance Officer</b>
<b>Honorio O. Reyes-Lao</b>	<b>Independent Director</b>
<b>Antonio Jose U. Periquet</b>	<b>Independent Director</b>

## **H. ROLE OF STAKEHOLDERS**

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

	<b>Policy</b>	<b>Activities</b>
Customers' welfare	<p>The Company is committed to meeting client requirements in a mutually fair and satisfactory manner. Through our subsidiaries, we aim to provide construction, real estate, power, mining and water clients/consumers with superior quality products and services at a reasonable price.</p> <p>To protect customer safety and welfare, we abide by the relevant laws, rules and regulations set by the Philippine government, which include, but are not limited to, the Condominium Act (RA 4726), Electric Power Industry Reform Act (RA</p>	<p>Through our subsidiaries and affiliates, we implement mechanisms, programs and activities that further promote customer welfare and engagement. These efforts include, but are not limited to, customer hotlines, site and home visits, appreciation events, client consultations and customer surveys.</p>

	<p>9136), Mining Act (RA 7942), National Water Crisis Act (RA 8041).</p> <p>At the Parent level, our directors, officers and employees are mandated to:</p> <ul style="list-style-type: none"> <li>• Treat customers and other stakeholders with respect, integrity and professionalism at all times;</li> <li>• Deal with customers, suppliers, business partners, creditors and government representatives in a fair and reasonable manner;</li> <li>• Refer complaints of unfair, deceptive and fraudulent business practices of subsidiaries and affiliates to the Chief Compliance Officer.</li> </ul>	
Supplier/contractor selection practice	<p>We shall assess and select our suppliers and contractors based on the following standards: quality, expertise, track record, competitive pricing, delivery timeframe and customer service.</p> <p>This Supplier/Contractor Relations Policy outlines the practices that shall guide and govern all business relationships of the Company, its directors, officers and employees, including their decisions and actions when dealing with the suppliers and contractors of the Company.</p>	<p>We shall assess and select our suppliers and contractors based on the following standards:</p> <ul style="list-style-type: none"> <li>• Companies which are duly registered in the Securities and Exchange Commission (SEC), Bureau of Internal Revenue (BIR) and other appropriate regulatory bodies</li> <li>• With at least three years in business operations</li> <li>• Compliant with government rules and regulations and other mandated quality system requirements, if applicable</li> <li>• With good track record for business performance</li> </ul>
Environmentally friendly value-chain	<p>Sustainability is embedded in the way we conduct our business. In generating positive social and economic value for our stakeholders, we make sure that our procedures and practices are environmental-friendly.</p> <p>To contribute to the overall sustainability of the physical environment where we operate, we comply with all applicable environmental laws and regulations. We also reduce our environmental footprint through energy conservation, responsible water use, recycling, among others.</p>	<p>Our engagement in support to environmentally friendly value chain is done through:</p> <ul style="list-style-type: none"> <li>• Environment preservation and rehabilitation such as: <ul style="list-style-type: none"> <li>○ reforestation and afforestation in the areas where our mining businesses operate</li> <li>○ tree-planting programs in the areas of our relevant stakeholders</li> <li>○ marine rehabilitation</li> <li>○ protecting the watershed and coastal areas</li> <li>○ participating in government's greening programs</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>○ educating stakeholders in environmental responsibilities and sustainability developments</li> <li>● Energy and water conservation</li> <li>● Recycling</li> <li>● Health and sanitation programs</li> <li>● Compliance with applicable environmental laws and regulations</li> <li>● Promotion of environmental awareness</li> <li>● Partnerships with non-government organizations in implementing the environmental protection and sustainable development programs of the Company.</li> </ul>
Community interaction	<p>We consider our host community as our growth partner, and contribute to its social development agenda by paying appropriate taxes and complying with relevant laws, regulations, resolutions and ordinances.</p> <p>Through our subsidiaries, we also empower the local communities where they operate by providing employment, livelihood opportunities and basic services that will help improve their quality of life.</p>	<p><b>Our Community Approach</b> Our approach to our stakeholders is guided by the following:</p> <ul style="list-style-type: none"> <li>● Building positive community relations by being an active player in the society</li> <li>● Identifying opportunities for partnership with the communities to create shared values</li> <li>● Investing in community developments that will benefit the community and be sustainable in the long-term</li> <li>● Valuing the diversity of the stakeholders, respecting their culture and aspirations as we strive for long-term outcomes.</li> <li>● Sharing the economic benefits with local communities by maximizing opportunities for local procurement and local employment.</li> <li>● Encouraging community led initiatives in the areas of economic and social development, environmental protection, and community involvement in decision making.</li> </ul> <p><b>Our Focus AREAS:</b></p>

		<p>We focus our social contributions on five key areas, which we believe are crucial to creating long-term value for our stakeholders - <i>Infrastructure, Education and Training, Welfare and Livelihood, Environmental Stewardship and Emergency Preparedness and Disaster Relief.</i></p>
<p>Anti-corruption programmes and procedures?</p>	<p>The Company believes that bribery and corruption are unethical, unacceptable and inconsistent with our founding principles. We are committed to maintaining the highest possible ethical standards and complying with all applicable laws.</p> <p>In our operations, we seek to avoid even the appearance of impropriety with respect to the actions of our directors, officers and employees. This policy prohibits corrupt payments in all circumstances when dealing with government officials or private sector individuals</p>	<p>The Policy provides the following guidelines for strict observance by our directors, officers and employees:</p> <ul style="list-style-type: none"> <li>• Act lawfully, ethically and in the public interest</li> <li>• Prohibit bribery and corruption in our corporate dealings</li> <li>• Deter illegal or unethical behavior by clients, suppliers or government officials</li> <li>• Report any such violations based on the existing Whistleblowing Policy of the Company.</li> </ul>
<p>Safeguarding creditors' rights</p>	<p>The Company seeks to manage its liquidity profile to be able to service its maturing debts and to finance capital requirements. The Company maintains a level of cash and cash equivalents deemed sufficient to finance operations.</p> <p>A significant part of the Company's financial assets that are held to meet the cash outflows include cash equivalents and accounts receivables. Although accounts receivables are contractually collectible on a short-term basis, the Company expects continuous cash inflows. In addition, although the Company's short-term deposits are collectible at a short notice, the deposit base is stable over the long term as deposit rollovers and new deposits can offset cash outflows.</p>	<p>The Company's capital management strategy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements.</p> <p>It is the Company's policy to disclose information on whether it has complied with the loan covenants it has entered into with its lenders and all collaterals and guarantees of the loans. Such information is part of the audited financial statements attested by an independent external auditor. The Company regularly monitors and discloses in its annual and quarterly reports the relevant financial ratios that report the</p>

	<p>soundness of the Company's ability to service its debt and maintain a healthy financial position. The ratios which the Company monitors closely include among others, current ratio, debt to equity ratio and interest coverage ratio.</p>
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2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section? **Yes. The Company includes the CSR report in its Annual Report brochures which showcased the different programs and activities on the following focus areas:**

- **Infrastructure**
- **Education and Training**
- **Welfare and Livelihood**
- **Environmental Stewardship and**
- **Emergency Preparedness and Disaster Relief.**

3) Performance-enhancing mechanisms for employee participation.

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

**The Company is committed to improving the health and safety performance of the Group, including the employees of its subsidiaries. The Company recognizes the benefits of health and safety to the organization and that committed to a high level of safety makes good business sense.**

**The Board shall periodically review the policies, requiring each subsidiary board to formulate its respective policies relating to health, safety and welfare of its employees.**

**The Company is committed to continually improving the health and safety of its employees. Therefore, the Company endeavors to ensure that all regulations and codes of practice relative to health and safety are being complied with.**

**The Board has full responsibility in the implementation of this Policy. The development of the appropriate policy systems are the responsibility of the board and management teams of its subsidiaries.**

**Health and Safety Policy Statement**

- **Coverage under a health care maintenance program/insurance**
- **Coverage under a group term life and accident insurance**
- **Provide annual physical examinations, free medical consultations and health facilities.**
- **Wellness facilities such as gym, basketball and badminton courts**
- **Engage employees to participate in sports and recreation programs**
- **Each subsidiary must set to seek the highest standard of safe working environment for their respective employees. A measuring program of the results and performance for health and safety must be established and implemented to monitor the effectiveness of each programs.**

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

**The Company has the following programs on health and safety conducted for the year:**

1. Annual Physical Examination (group wide) conducted by the Company's Health Care Insurance.
2. Emergency evacuation and fire drill
3. Earthquake evacuation drill
4. Blood-letting drive
5. Gym membership and facilities with regular Zumba and Aerobics Dance fitness
6. Trainings on health and safety conducted by DM Consunji Technical Training Center
  - a. Quality Control and Quality Assurance in Construction
  - b. Basic Safety Orientation and PPE Seminar
  - c. Construction Occupational Safety & Health
  - d. Basic Occupation Safety and Health
  - e. Loss Control Management

**The Center is now accredited by the DOLE as a Safety Training Organization.**

[\(https://dmcttcenter.wordpress.com/\)](https://dmcttcenter.wordpress.com/)

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

**The Company is committed to improving the performance of the Group, including the employees of its subsidiaries. The Company recognizes the benefits of trainings and development programs for the employees to grow and develop their skills and talents.**

**For General Welfare and Development, the Company has the following activities:**

1. Professional Development Trainings conducted by DM Consunji Technical Training Center to the DMCI Group of Companies:
  - a. Professional Development Seminars
  - b. Basic Safety Orientation Program
  - c. Basic Occupation Safety and Health
  - d. Quality of Work Life Seminars
  - e. Performance Management, Leadership and Succession training
  - f. Foremanship Program
  - g. Team Building Programs
  - h. Administrative Programs
  - i. Behavioral, skills and technical courses
  - j. Engineers Development Programs
2. Club Participations of Officers and Employees
  - a. Management Association of the Philippines
  - b. Public Relations Society of the Philippines
  - c. Golf Clubs
  - d. Philippine Chamber of Commerce and Industry
  - e. Philippine Overseas Construction Board
  - f. International Association of Business Communicators
  - g. Institute of Corporate Directors
  - h. United Architects of the Philippines
3. Activities of each subsidiaries such as:
  - a. Fellowships among management and key officers of subsidiaries

**b. Corporate planning sessions**

**c. Team building activities**

Below are trainings/seminars attended by key officers and employees:

Date	Seminars Attended
September 24, 2015	Creating Advantage Through Governance
April 21, 2015	Seminar on Corporate Governance
February 18, 2015	Orientation Course for Corporate Governance
October 21, 2014	Corporate Governance Forum
September 25-26, 2014	National Public Relations Congress
September 2-3, 2014	Asian Forum on Corporate Social Responsibility
February 5, 2014/April 29, 2014/June 9, 2014	Distinguished Corporate Governance Seminar
October 18, 2013	Risk Driver Analysis Session
September 10, 2013	MAP CEO Conference
August 29, 2013	Presentation to Audit Committee
April 17, 2013	Unlocking the Power of Financial Modelling
August 23, 2012	Enterprise Risk Awareness Session by SGV & Co.
March 02, 2012	Economic Briefing by Victor Abola
December 15, 2010	Private-Public Partnership Briefing by Alberto Agra
July 30, 2010	Economic Briefing by Prof. Victor Abola
June 28, 2010	Cross Cultural Seminar by Prof. Yih-teen Lee
January 12, 2010	Leadership Seminar by Dr. Pablo Cardona
August 11, 2009	Introduction to Economics by Federico Macaranas
August 15, 2009	The Language of Business by Felixberto Bustos
August 21, 2009	The Chinese Financial System by Dr. Victor S. Limlingan

**The Company has also in-house training through DM Consunji Technical Training Center. It provides quality training exclusive to the DMC Group of Companies such as Leadership, Supervisory Development, Problem Solving and Decision Making and Foremanship Training among others.**

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

**The Company has a Multi-Employer Retirement Trust Fund which provides retirement, death, disability and severance benefits to all eligible employees of the Company and its subsidiaries.**

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

**Possible cases of illegal and misbehavior are being handled by their respective Human Resources and Legal counsel teams of each company.**

**As a group, illegal and unethical behaviors are reported under the Whistleblower Policy. This Policy is hereby promulgated to encourage all its stakeholders, including the directors, officers and employees, all suppliers, business partners, contractors and subcontractors, to come forward and voice serious concerns about a perceived wrongdoing or malpractice involving the Company. If uncomfortable about reporting an alleged serious concern through the Company's normal reporting channels or with their human resources contact, the whistleblower can do so through the**

Reporting Channel provided herein. But it should be emphasized that the Policy is intended to assist individuals who believe they have discovered malpractice or impropriety.

## I. DISCLOSURE AND TRANSPARENCY

### 1) Ownership Structure

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

Shareholder	Number of Shares	Percent	Beneficial Owner
<b>Dacon Corporation</b>	<b>6,838,807,440</b>	<b>51.50%</b>	Pls see attached Annex A
<b>DFC Holdings, Inc.</b>	<b>2,380,442,010</b>	<b>17.93%</b>	
<b>PCD Nominee Corp. (For)</b>	<b>2,170,626,244</b>	<b>16.34%</b>	
<b>PCD Nominee Corp. (Fil)</b>	<b>1,463,786,636</b>	<b>11.02%</b>	

*\*as of December 31, 2015*

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
<b>NONE</b>			
<b>TOTAL</b>			

### 2) Does the Annual Report disclose the following:

Key risks	<b>Yes</b>
Corporate objectives	<b>Yes</b>
Financial performance indicators	<b>Yes</b>
Non-financial performance indicators	<b>Yes</b>
Dividend policy	<b>Yes</b>
Details of whistle-blowing policy	
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	<b>Yes</b>
Training and/or continuing education programme attended by each director/commissioner	<b>Yes</b>
Number of board of directors/commissioners meetings held during the year	<b>Yes</b>
Attendance details of each director/commissioner in respect of meetings held	<b>Yes</b>
Details of remuneration of the CEO and each member of the board of directors/commissioners	<b>Total remuneration is disclosed</b>

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

### 3) External Auditor's fee

Name of auditor	Audit Fee*	Non-audit Fee
SGV & Co.	Php 3,583,272.00	Php370,000.00**

\*For audit year 2014

\*\*For the year 2015

4) Medium of Communication

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

- a. **Print – Annual Reports, disclosures, information statements**
- b. **Digital – website**
- c. **Briefings – analysts and media – a presentation of the quarterly business performance of the Company**

5) Date of release of audited financial report: **April 23, 2015**

6) Company Website

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

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

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

7) Disclosure of RPT

RPT	Relationship	Nature	Value
<b>Parent Company Audited Financial Statements for the period December 31, 2014</b>			
<p>Related parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making the financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.</p> <p>Transactions entered into by the Group with related parties are at arm's length and have terms similar to the transactions entered into with third parties.</p>			

Company	Amount/ Volume	Outstanding Receivable (Payable)	Terms	Conditions
<b>Subsidiaries:</b>				
a) Receivables	₱–	₱1,176,000	Non-interest bearing; due and demandable	Unsecured, no impairment
Management fee	4,200,000	–	–	–
b) Due from related parties	–	24,258,278	Non-interest bearing; due and demandable	Unsecured, no impairment
d) Dividend receivable	–	300,000,000	Non-interest bearing; due and demandable	Unsecured, no impairment
Dividend income (Note 7)	4,617,177,782	–	–	–
<b>Associates</b>				
d) Dividend income (Note 7)	252,280,278	–	–	–
<b>Affiliates</b>				
b) Due from related parties	–	61,075	Non-interest bearing; due and demandable	Unsecured, no impairment

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

**Transactions entered into by the Group with related parties are at arm's length basis and have terms similar to the transactions entered into by the company with third parties. The Company formulated the Related Party Transaction Policy that would ensure the integrity and transparency of related party transactions between and among the corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board.**

**The Policy requires that any transactions with related parties are made on terms equivalent to those that prevail in an arm's length transactions.**

**The Audit Committee as per its Board-approved Charter shall be responsible to oversee and review the propriety of RPTs and their required reporting disclosures. In its review, it shall take into account, among other factors it deems appropriate, whether the Related Party Transaction is entered into on terms no less favorable to the concerned company than terms generally available to an unaffiliated third-party under the same or similar circumstances; and the extent of the Related Parties' interest in the transaction.**

## J. RIGHTS OF STOCKHOLDERS

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

#### (a) Quorum

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

<b>Quorum Required</b>	At least a majority of the outstanding capital stock, except in cases where a higher quorum requirement is required by the Corporation Code, in which case, two-thirds (2/3) of the outstanding shares shall be required.
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#### (b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

<b>System Used</b>	Voting system – poll voting
<b>Description</b>	As provided in the Voting Procedures indicated in the Definitive Information Statement, the following are voting matters and procedures : a. Summary of Matters to be presented to Stockholders - b. Voting Procedures <i>(Approval/ratification of the minutes of the annual stockholders' meeting; Ratification of the acts of the Board of Directors and Officers; Appointment of Independent External Auditors; Election of Directors)</i>

(c) Stockholders' Rights

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

<b>Stockholders' Rights under The Corporation Code</b>	<b>Stockholders' Rights <u>not</u> in The Corporation Code</b>
In accordance with By-Laws and Manual on Corporate Governance	None

Dividends

<b>Declaration Date</b>	<b>Record Date</b>	<b>Payment Date</b>
<b>May 14, 2015 (Cash-regular; P0.24/share)</b>	<b>May 29, 2015</b>	<b>June 10, 2015</b>
<b>May 14, 2015 (Cash-special; P0.24/share)</b>	<b>May 29, 2015</b>	<b>June 10, 2015</b>

(d) Stockholders' Participation

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

**The Company encourages all stockholders to attend the annual stockholders' meeting and actively participate in the major and fundamental changes in the Company.**

**The shareholders were given the opportunity to ask questions, give comments, and raise issues during the 2015 Annual Stockholders' Meeting (ASM). These were indicated in the Minutes of the Meeting which was immediately posted in the Company's website one day after the ASM. The Q&A portion during the 2015 Annual Stockholders' Meeting were recorded in the Minutes of the Meeting which was immediately posted in the Company's website one day after the ASM.**

Measures Adopted	Communication Procedure
A Question & Answer session is being entertained after the Management Report is presented during the Annual Meeting	Part of the Agenda

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

Under the Company's Manual on Corporate Governance (Section 12 A and B), the stockholders have the right to participate, be informed and vote concerning major decisions such as sale of all, or substantially all, of the corporate assets, increase or decrease in authorized capital stock, changes in primary purpose and amendment to the Articles of Incorporation (AOI) and By-Laws.

Under the AOI, all common shares have equal voting rights.

In the 2015 Annual Stockholders' Meeting, all shareholders were notified and were able to participate and vote on the increase of authorized capital stock through stock dividend declaration and amendment in the Company's AOI. The Corporate Secretary explained the details of such amendments and the poll voting procedures as indicated in the Agenda.

3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up? – **In accordance with the SRC Rules, at least fifteen (15) business days the information statements should be distributed to the stockholders. This year, the Company sent before the Annual Meeting the Notice of Meeting and Information Statements twenty seven (27) business days or equivalent to 40 calendar days before the stockholders' meeting date of July 29, 2015.**
  - a. Date of sending out notices: **June 19, 2015**
  - b. Date of the Annual/Special Stockholders' Meeting: **July 29, 2015**

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

**In the last ASM, the Vice-Chairman of the Board opened the floor for any questions that the stockholders may have in relation to the President's Report. Several stockholders stated their questions on revenue contributions from subsidiaries; production of nickel mining for the second half of 2014 and prospects; expansion on the power business; a proponent/contractor for prospective PPP Projects; interest in Maynilad, among others. Thereafter, there being no other questions from the floor, upon motion made and duly seconded, the President's report was approved by the majority of the outstanding capital stock.**

**The Company posted the Minutes of the Annual Stockholders' Meeting on its website a day after its meeting on August 5, 2014.**

5. Result of Annual/Special Stockholders' Meeting's Resolutions

Resolution	Approving	Dissenting	Abstaining

Management Report	83.33%	0.05%	None
Minutes of the previous meetings	83.36%	0.05%	0.02%
Ratification of the acts of the Board of Directors and Officers	83.33%	0.05%	None
Appointment of Independent External Auditors	83.36%	0.05%	None
Election of Directors	82.44%	0.18%	0.28%
Other Matters	83.41%	None	None

**Total number of shares present in person/represented by proxies: 11,074,794,203 shares**  
**Percentage of the total outstanding shares present in person/represented by proxies: 83.41%**  
**Total number of issued and outstanding capital stock: 13,277,470,000 shares**

6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:  
**The results of the Annual Stockholders' Meeting (ASM) was disclose to the PSE and SEC on July 29, 2015 and was posted in the website a day after the ASM or on July 30, 2015.**

(e) Modifications

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification: **NONE**

Modifications	Reason for Modification
<b>NONE</b>	

(f) Stockholders' Attendance

- (i) Details of Attendance in the Annual/Special Stockholders' Meeting Held:

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	Isidro A. Consunji Cesar A. Buenaventura Jorge A. Consunji Victor A. Consunji Herbert M. Consunji Ma. Edwina C. Laperal Luz Consuelo A. Consunji Honorio O. Reyes-Lao Antonio Jose U. Periquet Cristina C. Gotianun Atty. Pilar P. Gutierrez Victor S. Limlingan Aldric G. Borlaza Ma. Luisa C. Austria Brian T. Lim Tara Ann C. Reyes Cherubim O. Mojica	July 29, 2015	Poll voting	3,703,000 (0.03%)	10,716,249,735 (80.71%)	10,719,952,735 (80.74%)

Special	No Special Stockholders' meeting held in 2014	Not applicable
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(ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs? – **Yes, the Board of Directors appointed our External Legal Counsel and Transfer Agent to be Committee of Inspectors to validate votes during Annual Stockholders Meeting. This was disclosed on May 14, 2015 to the PSE and SEC.**

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

(g) Proxy Voting Policies

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

	Company's Policies
Execution and acceptance of proxies	In accordance with the Definitive Information Statement which deadlines are provided
Notary	Not required
Submission of Proxy	In accordance with the by-laws and the Definitive Information Statement provides for specific deadlines
Several Proxies	-
Validity of Proxy	Valid only for the Stockholders' meeting for which it was intended unless otherwise provided but in no case valid for more than five (5) years.
Proxies executed abroad	Same requirements with locally executed
Invalidated Proxy	Not counted but copies are kept
Validation of Proxy	Date of validation provided in the DIS
Violation of Proxy	To be dealt in accordance with the Corporation Code

(h) Sending of Notices

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

Policies	Procedure
	In accordance with the SRC Rule 20

(i) Definitive Information Statements and Management Report

<b>Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials</b>	The total number of stockholders as of Record Date who are entitled to notice of and vote for the ASM
<b>Date of Actual Distribution of Definitive Information Statement and Management Report</b>	June 19, 2015

<b>and Other Materials held by market participants/certain beneficial owners</b>	
<b>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders</b>	June 19, 2015
<b>State whether CD format or hard copies were distributed</b>	Hard copies were distributed
<b>If yes, indicate whether requesting stockholders were provided hard copies</b>	Stockholders were provided hard copies and downloadable file available in the Company website.

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

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

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

## 2) Treatment of Minority Stockholders

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

**In accordance with the provisions in the Company's Manual on Corporate Governance, Amended By-Laws and the Corporation Code of the Philippines**

<b>Policies</b>	<b>Implementation</b>
Right to vote on all matters that require their consent or approval	In accordance with the provisions in the Manual on Corporate Governance, Amended By-Laws and Corporation Code of the Philippines
Pre-emptive right to all stock issuances of the corporation	Not applicable
Right to inspect corporate books and records	In accordance with the provisions in the Manual on Corporate Governance, Amended By-Laws and Corporation Code of the Philippines
Right to information	
Right to dividends	
Appraisal right	

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

**Yes. Owners of shares of common stock of the Company shall have the right to elect, remove and replace Directors and vote on certain corporate acts in accordance with the Corporation Code, the Articles of Incorporation and the By-Laws.**

**K. INVESTORS RELATIONS PROGRAM**

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

**External and internal policies are all in accordance with the Company’s By-Laws, Manual on Corp. Governance and Code of Business Conduct and Ethics. The Compliance Officer is responsible for reviewing company disclosures, get approval from the President or Chairman for release of such disclosure to the public as the need arises.**

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

	Details
(1) Objectives	<ol style="list-style-type: none"> <li>1. Communicate to the Company’s performance and significant undertaking to key stakeholders</li> <li>2. Increase investor interest in the Company and create a positive market response</li> <li>3. Maintain regular contact with analysts</li> <li>4. Availability &amp; promptness</li> <li>5. Full, public and timely disclosure of material information to the Philippine Stock Exchange and to the Securities and Exchange Commission</li> <li>6. Our Investor Relations Program is very strongly aligned with the Company’s Corporate Governance Policies on Disclosures and Stockholders’ Rights</li> </ol>
(2) Principles	<ul style="list-style-type: none"> <li>- To provide accurate and essential information to stockholders in a regular and consistent manner</li> <li>- Fairness &amp; Transparency</li> <li>- To raise the Company’s profile by attracting a diverse pool of investors</li> <li>- Respect the rights of minority shareholders</li> <li>- Namely: Right to Vote, Pre-emptive Right to all stock issuances of the corporation, Right to Inspect corporate books and record, Right to information, Right to dividends, Appraisal right</li> </ul>
(3) Modes of Communications	<ul style="list-style-type: none"> <li>✓ Via teleconference call, one-on-one and small group meetings.</li> <li>✓ Analysts Briefings done quarterly</li> <li>✓ Presentation materials on financial information are made available in the website</li> </ul> <p>Contact Details            Tel: (632) 888 3000 local 1023            Fax: (632) 816 7362            Email: <a href="mailto:investors.dmciholdings@gmail.com">investors.dmciholdings@gmail.com</a></p>

(4) Investors Relations Officer	Dr. Victor S. Limlingan, Managing Director Tara Ann C. Reyes, Investor Relations Officer

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

**The Company complies with the documentary, substantive and procedural requirements under the Corporation Code, Securities Regulation Code and its Implementing Rules and Regulations, and rules and regulations of the SEC and PSE, regarding acquisition of corporate control in the capital markets, extraordinary transactions such as mergers, and sales of substantial portions of corporate assets. Such requirements include, without limitation, approvals by the Board of Directors and, as applicable, by the stockholders in meetings duly called and convened for such purposes, prompt, full and fair disclosure of the material terms thereof, conduct of a tender offer and a fairness opinion from an independent financial adviser. It is also the Board's policy to authorize the Audit Committee, which is composed of non-executive and/or independent directors, to independently review the terms and conditions of any acquisition of corporate control or extraordinary transaction, with the assistance of an independent financial adviser.**

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

**In 2012, the Company engaged Evercore Partners as independent financial advisor in connection with the acquisition of ENK Plc, a company listed then on the Alternative Investment Market (AIM) of the London Stock Exchange and the Australian Securities Exchange (ASX). The cash offer transaction was completed on September 2012.**

**In 2013, DMCI engaged Evercore Partners as independent financial advisor in connection with the acquisition of Toledo Mining Corporation, a company listed then on the Alternative Investment Market (AIM) of the London Stock Exchange. The cash offer transaction was completed on April 2013.**

#### L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiatives	Beneficiary
<p>We focus on areas where our expertise, resources and partnerships can have meaningful, sustained impact. Our investments and business activities are predicated on the twin principles of sustainability and social purpose.</p> <p>Through our subsidiaries and affiliates, we provide key stakeholders and marginalized sectors with the assistance and opportunities they need to improve their living standards, while empowering them for the future.</p> <p>Our operating companies also strive to address environmental issues that are most relevant to their businesses. They pursue a wide range of activities that are geared towards the protection and judicious use of natural resources.</p>	

**FOCUS AREAS – Infrastructure, Education and Training, Welfare and Livelihood, Environmental Stewardship, Emergency Preparedness and Disaster Relief**

We are committed to making a positive contribution to our country and the environment. As such, we focus our social contributions on five key areas, which we believe are crucial to creating long-term value for our stakeholders.

**3 MILLION**

Trees planted by Semirara Mining and Power Corporation since 2000

**190**

Housing units funded by DMCI Homes for indigent Parañaque residents since 2013

**250**

Teachers who benefitted from the training program of SEM-Calaca Power Corporation

**2,370 SQ.M.**

Combined floor area of the Pope Francis Center, as built by D.M. Consunji, Inc.

**130,000**

Public school students who will benefit from the newly-built wash and drink stations of Maynilad

**+50%**

Expected annual income improvement among farmer beneficiaries of DMCI Power

For the full report on CSR, please refer to the CSR section of the Company’s website:

[http://www.dmciholdings.com/corporate\\_social\\_responsibility/page/our-csr-strategy](http://www.dmciholdings.com/corporate_social_responsibility/page/our-csr-strategy)

**M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL**

Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/President.

	Process	Criteria
<b>Board of Directors</b>	<b>Internal Corporate Governance Evaluation</b>	
<b>Board Committees</b>	The Company adapted an annual performance evaluation of the Board providing their insights on their overall performance. The Company also adapted the following assessment:	
<b>Individual Directors</b>	<p><b>Full Board Review</b> The Full Board Review covers the Board activities, mission and purpose, governance, board organization, meetings and membership, and management support.</p> <p><b>Peer Board Review</b> The Peer Board Review allows each director to assessment their co-directors in terms of leadership, interpersonal skills, strategic thinking and their contribution to the board.</p> <p><b>CEO Appraisal</b> The Board will assess separately the performance of the Chief Executive Officer to rate his financial, strategic, governance, internal processes and business development capacities.</p> <p><b>Audit Committee Assessment</b></p>	
<b>CEO/President</b>		

	<p>In compliance with SEC Memorandum Circular No. 4 Series of 2012 Guidelines for the Assessment of the Performance of the Audit Committee of listed companies, the Company adapted the Audit Committee Assessment which contains the oversight responsibilities under the Code of Corporate Governance: financial reporting, risk management, internal control, management, and internal and external audit.</p> <p>For the 2014 Assessment, the Company conducted an annual self-evaluation to determine whether its Board and Committees are functioning effectively. The Compliance Office distributed to the Board members the above evaluation forms on May 14, 2015. The board members submitted their accomplished assessment forms to the Corporate Secretary on May 29, 2015.</p> <p>The Nomination and Election Committee reviewed the results of the performance evaluation of the Board and the distributed the results to each board and committee members during its regular board meeting on August 13, 2015.</p> <p>For 2015 Assessment, the performance evaluation forms will be distributed in March and due for submission on the end of April. This will give Directors ample time to answer the forms. The Nomination and Election Committee will tally and review the results in May, in time before the end of the term of Directors in July (the month of the ASM which directors are reelected for another term).</p>
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**N. INTERNAL BREACHES AND SANCTIONS**

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

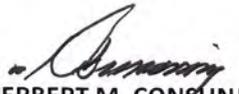
**To strictly observe and implement the provisions of the Company’s Manual, the following penalties shall be imposed, after notice and hearing, on the company's directors, officers, staff, subsidiaries and affiliates and their respective directors, officers and staff in case of violation of any of the provision of this Manual.**

Violations	Sanctions
In case of <b>first violation</b>	The subject person shall be reprimanded.
in case of <b>second violation.</b>	Suspension from office shall be imposed
<b>For third violation</b>	Maximum penalty of removal from office shall be imposed. The commission of a third violation of this Manual by any member of the Board of the company or its subsidiaries and affiliates shall be a sufficient cause for removal from directorship.

**The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend to the Chairman the imposable penalty for such violation, for further review and approval of the Board.**

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Commission, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

  
**HERBERT M. CONSUNJI**  
Vice President and Chief Finance Officer  
Chief Compliance Officer 

Date: January 8, 2016