

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT



1. Report is Filed for the Year: **2016**
2. Exact Name of Registrant as Specified in its Charter: **VIVANT CORPORATION**
3. **SUITE 907-908 AYALA LIFE-FGU CENTER, 6000**  
**MINDANAO AVE. COR. BILIRAN ROAD, Postal Code**  
**CEBU BUSINESS PARK, CEBU CITY**  
Address of Principal Office
4. SEC Identification Number: **175222**
5.  (SEC Use Only)  
Industry Classification Code
6. BIR Tax Identification Number: **242-603-734-000**
7. **(032) 234-2256; (032) 234-2285**  
Issuer's Telephone number, including area code
8. **There has been no change in name or address since last report.**  
Former name or former address, if changed from the last report

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## A. BOARD MATTERS

### 1) Board of Directors

Number of Directors per Articles of Incorporation	11
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Actual number of Directors for the year	11
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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
Dennis N. A. Garcia	NED	MRC	Jose Marko Anton G. Sarmiento	Dec. 20, 2002	June 16, 2016	Annual Stockholders' Meeting	14 years
Emil Andre M. Garcia	ED	MRC	Jose Marko Anton G. Sarmiento	June 19, 2009	June 16, 2016	Annual Stockholders' Meeting	7 years
Gil A. Garcia II	NED	MRC	Jose Marko Anton G. Sarmiento	Sept. 30, 2004	June 16, 2016	Annual Stockholders' Meeting	12 years
Charles Sylvestre A. Garcia	NED	MRC	Jose Marko Anton G. Sarmiento	Sept. 30, 2004	June 16, 2016	Annual Stockholders' Meeting	12 years
Elbert M. Zosa	NED	MRC	Jose Marko Anton G. Sarmiento	Sept. 25, 2003	June 16, 2016	Annual Stockholders' Meeting	13 years
Ramontito E. Garcia	ED	JDC	Emil Andre M. Garcia	Dec. 20, 2002	June 16, 2016	Annual Stockholders' Meeting	14 years
Efren P. Sarmiento	NED	JDC	Emil Andre M. Garcia	Dec. 20, 2002	June 16, 2016	Annual Stockholders' Meeting	14 years
Jose Marko Anton G. Sarmiento	NED	JDC	Emil Andre M. Garcia	June 27, 2008	June 16, 2016	Annual Stockholders' Meeting	8 years
Mr. Antonio S. Abacan, Jr.	NED	Mirant Global Corp.	Emil Andre M. Garcia		June 16, 2016	Annual Stockholders' Meeting	2 years
Raul Ch. Rabe	ID	N.A.	Paolo Gabriel	Dec. 20,	June 16,	Annual	14 years

<sup>1</sup> SEC Memorandum Circular No. 9 Series of 2011 capped the number of years of service for an Independent Director to five (5) years from January 2, 2012.

			G. Sarmiento -no relation to the nominee	2002	2016; 14 years	Stock- holders' Meeting	
Jesus B. Garcia, Jr.	ID	N.A.	Shem Jose W. Garcia -no relation to the nominee	2004	June 16, 2016; 13 years	Annual Stock- holders' Meeting	13 years

[Note:

MRC – MAI-I Resources Corporation  
JDC – JEG Development Corporation]

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

**The Board of Directors and Management of the Company believe that corporate governance is a necessary component of what constitutes sound strategic business management and will, therefore, undertake every effort necessary to create awareness within the organization. To ensure adherence to the corporate principles and best practices in Corporate Governance, the Chairman of the Board has designated a Compliance Officer charged with the responsibility to independently review and recommend measures as well as audit the compliance of its officers and employees with respect to government legislations and regulations, company policies, procedures and ethical standards.**

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

**The Board reviews and approves the vision and mission bi-annually.**

- (d) Directorship in Other Companies

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

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

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Dennis N. A. Garcia	Vivant, VEC, VGPC, VIGC, VMHI, NR, Abovant, 1590 EC, CEDC, VREC, Vivant Isla, VIDC, HDFE, MPC, VVT Enercore, VVT Powercore.	Chairman (NED): Vivant, VEC, VGPC, VIGC, VIDC, HDFE, 1590 EC, VVT Enercore, VVT Powercore  Vice-Chairman (NED): NR  Director (NED): Abovant, CEDC, VREC, Vivant Isla, VMHI, MPC
Emil Andre M. Garcia	Vivant, VECO, CIPC, NR, VGPC, AHPC, VICS-Amlan, VEC, 1590 EC, VIGC, VREC, VMHI, Vivant Isla, CPPC, Delta P, HDFE, MPC, VVT Enercore, VVT Powercore.	Chairman (NED): CIPC, VICS-Amlan  Director (NED): VECO, NR, VGPC, AHPC, VICS-Amlan,

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

		CPPC, HDFE, Delta P, MPC, VVT Enercore, VVT Powercore  Director (ED): Vivant, VEC, 1590 EC, VIGC, VREC, VMHI, Vivant Isla, NR.
Gil A. Garcia II	Vivant, VECO	Director (NED): Vivant, VECO
Charles Sylvestre A. Garcia	Vivant, VECO	Director (NED): Vivant, VECO
Ramontito E. Garcia	Vivant, VECO, Vivant Isla Inc., VREC, and 1590 EC, VIGC, CPPC, VMHI, VEC, Abovant, VICS-Amlan, HDFE, VGPC, VIGC, MPC.	Chairman (NED): VMHI, Vivant Isla, VICS-Amlan, VREC, 1590 EC, MPC.  Vice-Chairman(NED): CPPC  Director (NED): VMHI, VEC, Abovant, HDFE, VIGC, Vivant Isla, VGPC, 1590 EC.  Director (ED): Vivant
Jose Marko Anton G. Sarmiento	Vivant, Southern Grove	Chairman: Southern Grove  Director: Vivant

Legend: 1590 EC – 1590 Energy Corp.

Abovant – Abovant Holdings, Inc.

AHPC – Amlan Hydroelectric Power Corporation

CEDC – Cebu Energy Development Corporation

CIPC – Calamian Islands Power Corporation

CPPC – Cebu Private Power Corporation

Delta P – Delta P Inc.

HDFE – Hijos de F. Escaño, Inc.

MPC – Minergy Power Corporation

NR – Vivant-Sta. Clara Northern Renewables Generation Corporation

VECO – Visayan Electric Company, Inc.

Vivant – Vivant Corporation

VEC – Vivant Energy Corporation

VICS-Amlan – VICS-Amlan Holdings Corporation

Southern Grove – Southern Grove Properties and Development Corp. (formerly VC Ventures Net, Inc.)

VIDC – Vivant Integrated Diesel Corporation

VIGC – Vivant Integrated Generation Corporation

Vivant Isla – Vivant Isla, Inc.

VGPC – Vivant Geo Power Corporation

VMHI – Vivant-Malogo Hydropower Inc.

VREC – Vivant Renewable Energy Corporation (formerly, VICS-Bakun Holdings Corp.)

VVT Enercore – Vivant Enercore Integrated Inc.

VVT Powercore – Vivant Powercore Active, Inc.

(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.
Antonio S. Abacan, Jr.	Cebu Holdings, Inc.	Non-Executive

(iii) Relationship within the Company and its Group

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

Director's Name	Name of the Significant Shareholder	Description of the relationship
Dennis N. A. Garcia	MRC	Nominee and Director of MRC
Emil Andre M. Garcia	MRC	Nominee and Director of MRC
Gil A. Garcia II	MRC	Nominee and Director of MRC
Charles Sylvestre A. Garcia	MRC	Nominee and Director of MRC
Ramontito E. Garcia	JDC	Nominee and Director of JDC
Jose Marko Anton G. Sarmiento	JDC	Nominee and Director of JDC
Efren P. Sarmiento	JDC	Nominee and Director of JDC
Elbert M. Zosa	JDC	Nominee and Director of JDC
Antonio S. Abacan, Jr.	Mirant Global Corporation	Proxy for Annual Stockholders' Meeting

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

	Guidelines	Maximum Number of Directorships in other companies
<b>Executive Director</b>	None.	Not applicable
<b>Non-Executive Director</b>	None.	Not applicable
<b>CEO</b>	None.	Not applicable

(e) Shareholding in the Company

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

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Dennis N. A. Garcia	1	1,121,514 (EMAG Resources and Development, Inc.)	0.00

Emil Andre M. Garcia	1	0	0.00
Gil A. Garcia II	1	0	0.00
Charles Sylvestre A. Garcia	1	0	0.00
Elbert M. Zosa	626	1,121,511 (Providence Commercial Intercontinental Holdings)	0.00
Ramontito E. Garcia	1	0	0.00
Efren P. Sarmiento	1	0	0.00
Jose Marko Anton G. Sarmiento	28,501	0	0.00
Antonio S. Abacan, Jr.	1,562	0	0.00
Raul Ch. Rabe	1	0	0.00
Jesus B. Garcia, Jr.	1	0	0.00
<b>TOTAL</b>	<b>31,432</b>	<b>2,243,025</b>	<b>0.00</b>

2) Chairman and CEO

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

Yes

No

Identify the Chairman and the CEO:

Chairman of the Board	Dennis N. A. Garcia
CEO/President	Ramontito E. Garcia

(b) Roles, Accountabilities and Deliverables

	Chairman	Chief Executive Officer
Role	Ensure that Board meetings are held in accordance with by-laws; supervise preparation of Board meeting agenda; maintain qualitative and timely lines of communication and information between Board and Management	Oversee company operations vis-à-vis the policies and guidelines from the Board. Exercise oversight responsibility over the investor relations program.
Accountabilities		Accountable to the Board on the results of operations.
Deliverables		

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

**Management is in the process of formulating succession plans for the key management positions.**

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 company does not have a written and express policy of requiring that directors must come from diverse experience and background, but it encourages nominees who have experience in other industries other than the electric power industry.

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

While the company does not have a written and express policy which requires experience in the electric power industry in which the company has committed substantial investments, some of its non-executive directors do have substantial experience in the industry.

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

The company adopts the existing definition of "independence" under the Securities Regulation Code.

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 adopts the term limit for independent directors under SEC Memorandum Circular No. 9 Series of 2011, as amended by SEC Advisory dated March 31, 2016.

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

(a) Resignation/Death/Removal

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

Name	Position	Date of Cessation	Reason
None	Not applicable	Not applicable	Not applicable

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

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

Procedure	Process Adopted	Criteria
<b>a. Selection/Appointment</b>		
(i) Executive Directors	A list of nominees from the stockholders is submitted to the Nomination Committee which shall conduct pre-qualification screening process. Qualified nominees are then presented to the stockholders through the Information Statement for casting of votes during the annual stockholders' meeting.	The following are the minimum criteria for selection: (a) college education or equivalent academic degree (b) practical understanding of the business of the corporation (c) membership in good standing in relevant industry, business or professional organizations (d) previous business experience.

(ii) Non-Executive Directors	The same as executive directors	The same as executive directors
(iii) Independent Directors	The same as executive directors	The same as executive directors
<b>b. Re-appointment</b>		
(i) Executive Directors	A list of nominees is submitted by stockholders to the Nomination Committee which conducts pre-qualification screening process. Qualified nominees are then presented to the stockholders through the Information Statement for casting of votes during the annual stockholders' meeting. Directors who failed to attend at least 50% of all board meetings shall not be eligible for re-election.	The following are the minimum criteria for re-appointment: (a) college education or equivalent academic degree (b) practical understanding of the business of the corporation (c) membership in good standing in relevant industry, business or professional organizations (d) previous business experience.
(ii) Non-Executive Directors	The same as executive directors	The same as executive directors
(iii) Independent Directors	The same as executive directors	The same as executive directors
<b>c. Permanent Disqualification</b>		
(i) Executive Directors	Each director is required to voluntarily disclose pending, threatened, or resolved litigation with him as a party-defendant. If the litigation falls under any of the criteria, the director will be permanently removed from the board.	Any one of the following criteria will warrant permanent disqualification: (a) final conviction of crime under the Securities Regulation Code (b) final conviction of a crime involving moral turpitude (c) for an independent director, if he becomes an employee of the company (d) insolvency declared by court (e) final conviction of an offense punishable by imprisonment of more than 6 years (f) final conviction for a violation of the Corporation Code within 5 years prior to the date of his election (g) unjustified failure or refusal of a temporarily disqualified director to remedy or correct a ground for temporarily disqualification within 60 business days from the existence of the cause

(ii) Non-Executive Directors	The same as executive directors	The same as executive directors
(iii) Independent Directors	The same as executive directors	The same as executive directors
<b>d. Temporary Disqualification</b>		
(i) Executive Directors	<p>If as a result of the records of the company of the attendance falling below 50% during all board meetings during his incumbency, the Nomination Committee shall not consider such director for re-election.</p> <p>Each director is required to voluntarily disclose pending, threatened, or resolved litigation with him as party defendant. If the litigation falls under any of the criteria, the director will be temporarily disqualified for re-election.</p>	<p>Any one of the following criteria will warrant disqualification:</p> <p>(a) refusal to comply with disclosure requirements, for as long as the refusal persists</p> <p>(b) absence for more than 50% of all regular and special meetings of the board, unless due to illness, death in the immediate family or serious accident, and the disqualification applies for purposes of the succeeding election</p> <p>(c) dismissal/termination for cause as a director, until cleared from any involvement in the cause that gave rise to the dismissal/termination</p> <p>(d) if any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final</p>
(ii) Non-Executive Directors	The same as executive directors	The same as executive directors
(iii) Independent Directors	The same as executive directors	If the beneficial equity ownership of an independent director in the company, is subsidiaries and affiliates exceeds 2% of its subscribed capital stock, until the limit is later complied with
<b>e. Removal</b>		
(i) Executive Directors	<p>Each director is required to voluntarily disclose pending, threatened, or resolved litigation with him as party-defendant.</p> <p>In addition, the Board will deliberate on any complaint against any director for violation of his oath of office. The Board then deliberates on the removal.</p>	<p>Any of the following may warrant removal:</p> <p>(a) conflict-of-interest transactions entered into by a director</p> <p>(b) existence of a pending or decided litigation which may be adversely decided against the director, and which litigation involves moral turpitude</p> <p>(c) existence of any ground for permanent disqualification</p>
(ii) Non-Executive Directors	The same as executive directors	The same as executive directors

(iii) Independent Directors	The same as executive directors	The same as executive directors
<b>f. Re-instatement</b>		
(i) Executive Directors	Once the criteria constituting a ground for removal is eliminated, the process for selection/appointment is adopted as soon as the Nomination Committee is informed thereof.	Elimination or curing of the ground for removal from office.
(ii) Non-Executive Directors	The same as executive directors	The same as executive directors
(iii) Independent Directors	The same as executive directors	The same as executive directors
<b>g. Suspension</b>		
(i) Executive Directors	<p>If as a result of the records of the company of the attendance falling below 50% during all board meetings during his incumbency, the Nomination Committee shall not consider such director for re-election.</p> <p>Each director is required to voluntarily disclose pending, threatened, or resolved litigation with him as party defendant. If the litigation falls under any of the criteria, the director will be temporarily disqualified for re-election.</p>	<p>Any one of the following criteria will warrant disqualification:</p> <p>(a) refusal to comply with disclosure requirements, for as long as the refusal persists</p> <p>(b) absence for more than 50% of all regular and special meetings of the board, unless due to illness, death in the immediate family or serious accident, and the disqualification applies for purposes of the succeeding election</p> <p>(c) dismissal/termination for cause as a director, until cleared from any involvement in the cause that gave rise to the dismissal/termination</p> <p>(d) if any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final</p>
(ii) Non-Executive Directors	The same as executive directors	The same as executive directors
(iii) Independent Directors	The same as executive directors	The same as executive directors

Voting Result of the last Annual General Meeting

Name of Director	Votes Received
Dennis N. A. Garcia	856,350,519
Emil Andre M. Garcia	856,350,519
Gil A. Garcia II	856,350,519
Charles Sylvestre A. Garcia	856,350,519
Elbert M. Zosa	856,350,519
Ramontito E. Garcia	685,696,506
Efren P. Sarmiento	685,696,506
Jose Marko Anton G. Sarmiento	685,696,506
Antonio S. Abacan, Jr.	685,696,506
Raul Ch. Rabe	856,350,519
Jesus B. Garcia, Jr.	685,350,519

6) Orientation and Education Program

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

**No change**

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

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Dennis N. A. Garcia, Ramontito E. Garcia, Gil A. Garcia II, Charles Sylvestre A. Garcia, Efren P. Sarmiento, Elbert M. Zosa, Emil Andre M. Garcia, Jose Marko Anton G. Sarmiento, Jesus B. Garcia, Jr., Raul Ch. Rabe, Arlo A. G. Sarmiento, Minuel Carmela N. Franco, Juan Eugenio L. Roxas <sup>4</sup> , Macario C. Padullo, Jr., Maria Victoria E. Sembrano, Jess Anthony N. Garcia.	August 9, 2014	Corporate Governance Seminar	SGV & Co.
	August 15, 2015	Corporate Governance Seminar	SGV & Co.
	November 11, 2016	Corporate Governance Seminar	Institute of Corporate Directors
Mr. Antonio S. Abacan, Jr.			
Theo C. Sunico	August 26, 2014	Corporate Governance Seminar	Philippine Securities Consultancy Corporation
	December 8, 2015	Corporate Governance Seminar	SGV & Co.

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

<sup>4</sup> Mr. Roxas resigned effective May 1, 2016.

	November 11, 2016	Corporate Governance Seminar	Institute of Corporate Directors
Dennis N. A. Garcia, Ramontito E. Garcia, Gil A. Garcia II, Charles Sylvestre A. Garcia, Efren P. Sarmiento, Elbert M. Zosa, Emil Andre M. Garcia, Jose Marko Anton G. Sarmiento, Johannes Rudolf Hauri <sup>5</sup> , Jesus B. Garcia, Jr., Raul Ch. Rabe, Arlo A. G. Sarmiento, Minuel Carmela N. Franco, Juan Eugenio L. Roxas <sup>6</sup> , Macario C. Padullo, Jr., Maria Victoria E. Sembrano, Jess Anthony N. Garcia.	August 9, 2014	Enterprise Risk Management	SGV & Co.

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

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Arlo A. G. Sarmiento	3 Day Masterclass: Global LNG	November 16-18, 2016	Terrapinn Training
Emil Andre M. Garcia	Shell Powering Progress together Asia 2016 Conference	March 03, 2016	Shell
Minuel Carmela N. Franco	First Metro Annual Economic & Capital Markets Briefing	January 07, 2016	First Metro Investment Corp.
	Business World Economic Forum	July 12, 2016	BusinessWorld
	8 <sup>th</sup> Corporate Treasury & CFO Summit	August 16, 2016	Haymarket Financial Media
	Philippine Investment Forum	September 6, 2016	Euromoney
	Euromoney Philippines Energy and Infrastructure Finance	September 7, 2016	Euromoney

<sup>5</sup> Mr. Hauri resigned on September 18, 2015. On September 21, 2015, Mr. Antonio S. Abacan was elected.

<sup>6</sup> Mr. Roxas resigned effective May 1, 2016.

	Forum		
	SBC's Economic Forum	November 23, 2016	SBC
Macario C. Padullo, Jr.	Mandatory Continuing Legal Education (MCLE)	March 29,31, April 1	Lyceum of the Phils. Univ
	Reliability Engineering	August 15-19, 2016	Power Edge Asia
	Introduction to Power Structures	September 26-30, 2016	Power Edge Asia
Maria Victoria E. Sembrano	Introduction to Power Systems	January 25-29, 2016	Power Edge Asia
	The Professional Accountant Cases & Applications	July 5, 2016	PICPA
	Transfer Pricing & Tax Updates	July 28, 2016	PICPA
	A Comprehensive Discussion of withholding taxes	August 31, 2016	SGV
	PICPA Board of Accountancy Updates	August 27, 2016	PICPA
	Taxation of Wages and Fringe Benefits	August 31, 2016	SGV
	Code of Ethics and the Professional Accountant	September 12, 2016	PICPA
Grant Clark	Project Finance and Economics in the Energy Sector	April 12-15, 2016	Meralco Power Academy
Theo C. Sunico	WESM Lectures Series on Derivatives	May 18, 2016	PEMC/WESM
	Philippine Electric Summit 2016	December 2, 2016	PEMC
Cris C. Fernandez	EPC Contracts Masterclass	May 5-7, 2016	
	3M Power Cable Jointing and Termination	July 28, 2016	3M Phils Inc
	IIEE Selection and Application	August 19-20, 2016	IIEE - Cebu Chapter
	Protective Relaying	September 7-9, 2016	

Continuing education programs for all employees: programs and seminars and roundtables attended during the year.

Program	Name of Training Institution	Date of Training
Advance Knowledge in Financial and Credit Analysis	Ateneo CCE	March 14-18, 2016
2016 Asian Power Utility Forum	Asian Power	March 08, 2016
Strategic Systems thinking: Creating Competitive Advantage	Ateneo CCE	April 25-26, 2016
Knowledge in Money Market	Ateneo CCE	April 11-15, 2016
Mandatory Continuing Legal Education (MCLE)	Lyceum of the Philippines University	March 29-31 and April 01, 2017
Project Finance and Economics in the Energy Sector	Meralco Power Academy	April 12-15, 2016
Legal Aspects in Procurement and Contract Management	Ateneo CCE	April 11-12, 2016
Digital Communication and Branding	IABC	April 26, 2016
Expenditures taxation: Tax Compliance	SGV	May 27, 2016
3rd Power and Electricity World Philippines	Terrapin	May 18-19, 2016
2016 Workforce Health and Wellbeing Forum: Policy Making Skills	Towers Watson and Willis	June 29, 2016
Auditing the Procurement-to-pay Process	Institute of Internal Auditors	June 16-17, 2016
Corporate Innovation and Growth	HKUST	June 28-29, 2016
Better Business Efficiencies using MS Excel Advanced	ECCI	July 21-22, 2016
Delivering Dynamic Presentations	ADMU-CCE	August 10-12, 2016
Reliability Engineering	Power Edge Asia	August 15-19, 2016
Techniques in Understanding and Reading Financial Statements	PICPA WMMC	August 26, 2016
Effective Strategic Planning for Business Unit	PICPA	September 08, 2016
Comprehensive Corporate Income Taxation and VAT Taxation	PICPA WMMC	September 09, 2016
Leading Strategic Execution	Ateneo CCE	September 08-09, 2016
Communication Assertiveness	Guthrie Jensen	August 12-13, 2016
3 Day Masterclass: Global LNG	Terrapinn Training	November 16-18, 2016

Introduction to Power Systems	Power Edge Asia	January 25-29, 2016
Retail Competition and Open Access (RCOA) Training	WESM	November 08-09, 2016
EPC Contracts Masterclass	YF Asia Pte Ltd	May 05-07, 2016
1st Philippine Clean Energy Summit	Pinnacle Group International	October 13, 2016
IIEE Selection and Application	IIEE - Cebu Chapter	August 19-20, 2016
3M Power Cable Jointing and Termination	3M Phils Inc	July 28, 2016
Philippine Electric Summit 2016	PEMC	December 02, 2016

## B. CODE OF BUSINESS CONDUCT & ETHICS

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

**Vivant will engage the services of an independent consultancy group to assist in developing codes of conduct to guide its employees when making decisions in the conduct of business. The company aims to define ethical principles and its role in the business environment, identify ethical issues that may arise relative to the businesses of the company, and to determine the steps the company can take in improving ethical behavior within the organization.**

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest			
(b) Conduct of Business and Fair Dealings			
(c) Receipt of gifts from third parties			
(d) Compliance with Laws & Regulations			
(e) Respect for Trade Secrets/Use of Non-public Information			
(f) Use of Company Funds, Assets and Information			
(g) Employment & Labor Laws & Policies			
(h) Disciplinary action			
(i) Whistle Blower			
(j) Conflict Resolution			

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

**No change**

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

**No change**

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	None
(2) Joint Ventures	None
(3) Subsidiaries	None
(4) Entities Under Common Control	None
(5) Substantial Stockholders	None
(6) Officers including spouse/children/siblings/parents	None
(7) Directors including spouse/children/siblings/parents	None
(8) Interlocking director relationship of Board of Directors	None

(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	None
Name of Officer/s	None
Name of Significant Shareholders	None

(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	None
Group	None

5) 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
MRC	Consultancy	MRC has a consultancy contract with the company
JDC	Consultancy	JDC has a consultancy contract with the company

- (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
MRC	Consultancy	MRC has a consultancy contract with the company
JDC	Consultancy	JDC has a consultancy contract with 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	Not applicable	Not applicable

6) Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

	Alternative Dispute Resolution System
Corporation & Stockholders	None
Corporation & Third Parties	None
Corporation & Regulatory Authorities	None

**C. BOARD MEETINGS & ATTENDANCE**

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

**The company schedules its meetings at the beginning of the year.**

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

2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Dennis N. A. Garcia	June 16, 2016	13	13	100%
Member	Emil Andre M. Garcia	June 16, 2016	13	12	100%
Member	Gil A. Garcia II	June 16, 2016	13	13	100%
Member	Charles Sylvestre A. Garcia	June 16, 2016	13	13	100%
Member	Elbert M. Zosa	June 16, 2016	13	13	80%
Member	Ramontito E. Garcia	June 16, 2016	13	12	92%
Member	Efren P. Sarmiento	June 16, 2016	13	13	100%
Member	Jose Marko Anton G. Sarmiento	June 16, 2016	13	12	92%
Member	Antonio S. Abacan, Jr.	June 16, 2016	13	11	85%
Independent	Raul Ch. Rabe	June 16, 2016	13	11	85%
Independent	Jesus B. Garcia, Jr.	June 16, 2016	13	8	62%

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

**No separate meetings were held by non-executive directors without any executive present for the year.**

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

**No. The By-Laws of the company provide that a majority of the directors present and constituting a quorum can decide on any matter brought before the board.**

- 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?

**.The Office of the Corporate Secretary sends out board materials at least five (5) days before a scheduled meeting**

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

**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 is required to be loyal to the mission, vision and objectives of the company, must work fairly and objectively with the Board, Management and stockholders. His role includes informing the board members accurate information, including applicable laws to enable them to arrive at intelligent decisions on matters that require their approval.**

- (d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.

**Yes.**

<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.

(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	None
Audit	None
Nomination	None
Remuneration	None
Others (specify)	None

6) External Advice

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

Committee	Details of the procedures
Executive	None
Audit	None
Nomination	None
Remuneration	None
Others (specify)	None

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
Not applicable	Not applicable	Not applicable

**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	None	
(2) Variable remuneration	None	
(3) Per diem allowance	None	
(4) Bonus	None	
(5) Stock Options and other financial instruments	None	
(6) Others (specify)	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	None	None	None
Non-Executive Directors	None	None	None

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	None

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	Php 9.6 mn	None	None
(b) Variable Remuneration	None	None	None
(c) Per diem Allowance	Php 0.2 mn	Php 0.7 mn	Php 0.2 mn
(d) Bonuses	Php 4.0 mn	Php 1.4 mn	Php 0.7 mn
(e) Stock Options and/or other financial instruments	None	None	None
(f) Others (Specify)	None	None	None
<b>Total</b>	Php 13.8 mn	Php 2.1 mn	Php 0.9 mn

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	None	Php 0.04 mn	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	Php 0.5 mn	Php 0.2 mn	None
(f) Hospitalization Plan	Php 0.2 mn	Php 0.2 mn	None

(g) Car Plan	Php 2.4 mn	None	None
(h) Others – Cellphone and Gas Allowance	Php 0.1 mn	Php 0.1 mn	None
<b>Total</b>	Php 3.2 mn	Php 0.5 mn	None

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	Not applicable	Not applicable	Not applicable	Not applicable

(b) Amendments of Incentive Programs

Incentive Program	Amendments	Date of Stockholders' Approval
None	Not applicable	Not applicable

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:

5) Remuneration of Management

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

Name of Officer/Position	Total Remuneration
Arlo Angelo G. Sarmiento – EVP and Chief Operating Officer	Php 29,668,653.00
Minuel Carmela N. Franco – VP Finance	
Juan Eugenio L. Roxas – VP External Affairs <sup>9</sup>	
Jess Anthony N. Garcia – General Counsel and Corporate Secretary	
Maria Victoria E. Sembrano – AVP Finance	

<sup>9</sup> Mr. Roxas resigned effective May 1, 2016.

## 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	3	4	0	[We do not have a charter, but only general statements in the MCG]	Exercise the powers of the board when the board is not in session, except for decisions on matters that specifically reserved for the board under law.	Decide on matters in between regular/special meetings of the board.  Submit as an item in the board meeting agenda matters brought to it for decision which, for whatever reason, it cannot decide on.	Exercise the power of the board when the board is not in session, including passing resolutions.
Audit	2	1	1	[We do not have a charter, but only general statements in the MCG]	[Please see Schedule 1]	1. Assist the board in its oversight functions financial reporting process, system of internal control, audit process, and monitoring of compliance with laws, and over internal and external auditors 2. organize, monitor and evaluate internal audit department, and evaluate performance of external audit	Create an internal audit division. Recommend an external auditor and evaluate the performance of the current external auditor.

						3. review quarterly and annual reports prior to submission to the board	
Nomination	2	1	1	[We do not have a charter, but only general statements in the MCG	1. Review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval 2. assess the effectiveness of the Board's processes and Procedures in the election or replacement of director	Screen nominees for the board and executive positions.	Receive and screen nominees to the board and executive positions.
Remuneration	2	1	1		Establish a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the company's culture, strategy and the business environment in which it operates.	Ensure a fair and reasonable policy on compensation vis-à-vis the culture, strategy and prevailing industry practice.	Examine, evaluate, and if necessary, recommend changes in compensation policy
Finance	0	2	1	[We do not have a charter, but only general statements in the MCG	1. Review the financial performance of the company, its subsidiaries, associates and joint ventures; 2. Review the funding and capital		

					requirements of the company; 3. Review banking relationships		
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2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (NED)	Dennis N. A. Garcia	June 16, 2016	3	3		14 years
Member (NED)	Ramontito E. Garcia	June 16, 2016	3	3		14 years
Member (NED)	Efren P. Sarmiento	June 16, 2016	3	1		14 years
Member (NED)	Gil A. Garcia II	June 16, 2016	3	3		12 years
Member (NED)	Charles Sylvestre A. Garcia	June 16, 2016	3	3		12 years
Member (ED)	Emil Andre M. Garcia	June 16, 2016	3	3		7 years
Member (NED)	Jose Marko Anton G. Sarmiento	June 16, 2016	3	3		8 years

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Jesus B. Garcia, Jr.	June 16, 2016	2	2		11 years
Member (ED)	Ramontito E. Garcia	June 16, 2016	2	2		11 years
Member (NED)	Elbert M. Zosa	June 16, 2016	2	2		11 years
Member (NED)	Gil A. Garcia II	June 16, 2016	2	2		11 years

Disclose the profile or qualifications of the Audit Committee members.

**1) Chairman of the Audit Committee: Jesus B. Garcia, Jr.**, 71 years old, Filipino, has been the Independent Director and concurrently, has been the Chairman of the Audit Committee of the Company since 2004. Mr. Garcia was the Secretary of the Department of Transportation and Communications of the Republic of the Philippines for the period 1992 to 1996. Other positions currently held are as follows: Chairman - SunStar Publishing, Inc., Pan Arts Corporation, SunStar Management, Inc.; President, Jesever Realty Corporation, and Madre Realty Corporation.

**2) Member of the Audit Committee: Ramontito E. Garcia**, 60 years old, Filipino, has been the President of the Company since December 20, 2002. Mr. Garcia is also a Director and Member of the Executive Committee of the Company since 2003. Other positions currently held are as follows: Chairman – Vivant – Malago Hydropower Inc., Vivant Isla Inc., VICS-Bakun Holdings Corporation and Minergy Power Corporation; Vice Chairman – Cebu Private Power Corporation; Chairman and President - JEG Development Corporation; Vice-President and Director - Hijos de F. Escaño, Inc.; and Director – VECO, Vivant Integrated Generation Corporation, Vivant Energy Corporation, Vivant Isla Inc., Vivant Geo Power, Abovant Holdings, Inc., 1590 Energy Corporation and JEGVEG Realty, Inc.

**3) Member of the Audit Committee: Elbert M. Zosa**, 69 years old, Filipino, has been a Director of the Company since September 25, 2003. Mr. Zosa is also the Chairman of the Finance Committee of the

Company. He is Chairman of Providence CI Holdings and a Senior Consultant. Mr. Zosa's past professional experience includes the following: Executive Vice-President - Rizal Commercial Banking Corporation; Senior Vice President/Head of Strategic Planning, Corporate Communications, Economics, and Investor Relations; International Banking at PCI Bank; Managing Director (ex-officio) – PCI Capital Corporation; Head of Branches- Customer Services – Manila Electric Company; adjunct professor at the De La Salle Graduate School of Business. He obtained his MBA from the Wharton School, University of Pennsylvania.

**4) Member of the Audit Committee: Gil A. Garcia II**, 64 years old, Filipino, has been a Director of the Company since September 30, 2004. Mr. Garcia was the Treasurer of the Company from 2004 to 2014. Other positions presently held include: Treasurer-VECO and Director, Chief Finance Officer and Treasurer of MAI-I Resources Corporation.

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

The Audit Committee ensures that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all, records, properties and personnel to, enable them to perform their respective audit functions. Prior to the commencement of the audit, it shall discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts. It reviews the reports submitted by the external auditors. Finally, it evaluates and determines the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the corporation's overall consultancy expenses.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Jesus B. Garcia, Jr.	June 16, 2016	1	1	100	10 years
Member (ED)	Ramontito E. Garcia	June 16, 2016	1	1	100	13 years
Member (ED)	Dennis N. A. Garcia	June 16, 2016	1	1	100	12 years
Member (ex officio)	Arlo A. G. Sarmiento	June 16, 2016	1	1	100	13 years

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ED)	Dennis N. A. Garcia	June 16, 2016	1	1	100	11 years
Member (ED)	Ramontito E. Garcia	June 16, 2016	1	1	100	12 years
Member (ID)	Jesus B. Garcia, Jr.	June 16, 2016	1	1	100	9 years
Member (ex officio)	Arlo A. G. Sarmiento	June 16, 2016	1	1	100	12 years

(e) Finance Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (NED)	Elbert M. Zosa	June 16, 2016	4	4		10 years
Member (NED)	Efren P. Sarmiento	June 16, 2016	4	3		10 years
Member (ID)	Jesus B. Garcia, Jr.	June 16, 2016	4	1		10 years
Member (NED)	Dennis N. A. Garcia	June 16, 2016	4	4		
Member (ex officio)	Arlo A. G. Sarmiento	June 16, 2016	4	3		
Member (ex officio)	Minuel Carmela N.Franco	June 16, 2016	4	4		

3) Changes in Committee Members

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

Name of Committee	Name	Reason
Executive	None	Not applicable
Audit	None	Not applicable
Nomination	None	Not applicable
Remuneration	None	Not applicable
Others (specify)	None	Not applicable

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	Regular receipt and discussion of financial and operations reports; 2015 budget discussion and review; discussion on existing and proposed new or expansion projects	Strategic investment decisions consistent with the policy set by the Board.
Audit	Recommended for the approval of: the 2015 Audited Financial Statements, first quarter 2016 financial statements, second quarter 2016 financial statements, third quarter 2016 financial statements, 2016 audit plans, the Internal Audit Charter, and the selection and appointment of the external auditor for 2016	Compliance with financial and regulatory reportorial requirements
Nomination	Shortlisting of candidates for Board and Independent Directors for 2015-2016	Compliance with requirements of relevant SEC Memorandum Circulars on qualifications and elections.
Remuneration	Deliberated on the proposed Salary and Benefits Adjustments for employees.	Ensure that the salary and benefits package for all employees are consistent with performance reviews and industry standards.
Others (specify)	Not applicable	Not applicable

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	Succession Program; Performance Appraisal Policy; Whistleblower Policy	
Audit	Enterprise Risk Management Program	To establish risk management system
Nomination		
Remuneration		
Others (specify)	Corporate Social Responsibility (CSR) Program	To establish stakeholder programs

**1. 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.

2) Risk Policy

(a) Company

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

Risk Exposure	Risk Management Policy	Objective
None	None	None

(b) Group

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

Risk Exposure	Risk Management Policy	Objective
None	None	None

(c) Minority Shareholders

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

Risk to Minority Shareholders
None

3) Control System Set Up

(a) Company

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

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
None	None	None

(b) Group

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

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
None	None	None

(c) Committee

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

Committee/Unit	Control Mechanism	Details of its Functions
None	None	None

**2. 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.

**Actions taken by Management, Board, and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved.**

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

**Yes. The directors, through the audit committee, reviewed and discussed the evaluation of internal controls and governance processes of the Company and its subsidiaries.**

- (c) Period covered by the review;

**The review is performed annually.**

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

**Internal controls are reviewed annually and are assessed whether such are sufficiently designed to meet organizational goals and whether such are operating effectively to ensure assets are safeguarded, resources are efficiently used, policies, laws and regulations are complied with, and financial & non-financial information are reliable.**

- (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.

**The company's internal audit group is set up to ensure that internal control systems are effective and adequate with the objective of: 1) safeguarding its assets and resources as well as ensure efficient utilization thereof; 2) ensuring efficient and orderly conduct of business; 3) preventing and detecting fraud and pilferage; 4) assuring accuracy and freedom from errors of financial and operating reports as these are the basis of management decisions; and 5) ensuring adherence to company policies.**

- (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 has oversight function over the company's internal audit group. Its approval is required for the appointment/removal of the Chief Audit Executive.**

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

**The internal audit group reports to the Audit Committee and has direct access to the board of directors through the Office of the Chairman.**

- (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.

**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>	On-track based on Audit Plan.
<b>Significant issues</b>	All audit issues are monitored in the Audit Review Memorandum (ARM). ARM contains actions plans and corresponding timeline for each issue
<b>Significant findings</b>	ARM contain all findings of all audit examinations based on the audit plan.
<b>Examinations Trends</b>	Financial Review, Compliance Review, Operation and Process-based review. (Governance, Risk Management, Control)

(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.”

<b>Policies and Procedures</b>	<b>Implementation</b>
Operation Policies & Procedures of Business Units	Business units have their respective operating policies and procedures manual. The updating is done regularly and some as a result of the audit findings.

(g) Mechanisms and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the company’s shares and imposition of internal approval procedures for these transactions, limitation on the non-audit services that an external auditor may provide to the company):

<b>AUDITORS</b>	<b>FINANCIAL ANALYST</b>	<b>INVESTMENT BANKS</b>	<b>RATING AGENCIES</b>
1. INTERNAL AUDIT GROUP (IAG) reports functionally to the Audit Committee and administratively to the Chairman & EVP-COO of the Company.	Information provided is limited to information publicly available.	Information provided is limited to information publicly available.	Information provided is limited to information publicly available.
2. The Board appoints and re-appoints the independent auditors of the Company.			

(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 Compliance Officer and the President attest to the compliance of the company with its Code of Corporate Governance on an annual basis, which attestation is submitted to the SEC and the PSE.**

### 3. ROLE OF STAKEHOLDERS

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

The company is currently developing its corporate social responsibility policy, which will include stakeholder mapping. Once these are firmly in place, the following can be addressed in detail.

	Policy	Activities
Customers' welfare	None	Not applicable
Supplier/contractor selection practice	Selection of the most qualified contractor and supplier at the most economical cost, for major contracts and equipment.	Implementing a competitive selection process for major contracts and equipment
Environmentally friendly value-chain	None	Not applicable
Community interaction	None	Not applicable
Anti-corruption programmes and procedures?	None	Not applicable
Safeguarding creditors' rights	None	Not applicable

- b. Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?

None.

- c. Performance-enhancing mechanisms for employee participation.

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

The Company has the following policies in place for its employees' safety, health, and welfare:

1. Gym and Club Policy
2. Drug-free Workplace Policy
3. Workplace Policy and Program on Tuberculosis (TB) Prevention and Control
4. Policy on Non-discrimination, Confidentiality and Work Accommodation/Arrangements for Employees Living with Hepa B, HIV and/or AIDS
5. Policy on Maternity Subsidy (to supplement the SSS Maternity Benefit)

The Company also provides HMO coverage for employees and dependents, life and accident insurance, and onsite quarterly health talks.

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

ACTIVITY	DATE	PARTICIPANTS	CONDUCTED BY
Fire Drill	March	All Employees	Bldg Administrator
Earthquake Drill	November	All Employees	Bldg Administrator
Annual Physical Examinations	Variable	Sr. Managers Down	Maxicare
Health Maintenance Plan	Variable	All Employees	Maxicare
Weekly Basketball	Once a week	All Male Employees	In House
Weekly Zumba Classes	Once a week	All Female Employees	FGU Bldg.

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

Program	Name of Training Institution	Date of Training
Advance Knowledge in Financial and Credit Analysis	Ateneo CCE	March 14-18, 2016
2016 Asian Power Utility Forum	Asian Power	March 08, 2016
Strategic Systems thinking: Creating Competitive Advantage	Ateneo CCE	April 25-26, 2016
Knowledge in Money Market	Ateneo CCE	April 11-15, 2016
Mandatory Continuing Legal Education (MCLE)	Lyceum of the Philippines University	March 29-31, April 01, 2016
Project Finance and Economics in the Energy Sector	Meralco Power Academy	April 12-15, 2016
Legal Aspects in Procurement and Contract Management	Ateneo CCE	April 11-12, 2016
Digital Communication and Branding	IABC	April 26, 2016
Expenditures taxation: Tax Compliance	SGV	May 27, 2016
3rd Power and Electricity World Philippines	Terrapin	May 18-19, 2016
2016 Workforce Health and Wellbeing Forum: Policy Making Skills	Towers Watson and Willis	June 29, 2016
Auditing the Procurement-to-pay Process	Institute of Internal Auditors	June 16-17, 2016
Corporate Innovation and Growth	HKUST	June 28-29, 2016
Better Business Efficiencies using MS Excel Advanced	ECCI	July 21-22, 2016
Delivering Dynamic Presentations	ADMU-CCE	August 10-12, 2016
Reliability Engineering	Power Edge Asia	August 15-19, 2016
Techniques in Understanding and Reading Financial Statements	PICPA WMMC	August 26, 2016
Effective Strategic Planning for Business Unit	PICPA	September 08, 2016
Comprehensive Corporate Income Taxation and VAT Taxation	PICPA WMMC	September 09, 2016
Leading Strategic Execution	Ateneo CCE	September 08-09, 2016
Communication Assertiveness	Guthrie Jensen	August 12-13, 2016
3 Day Masterclass: Global LNG	Terrapinn Training	November 16-18, 2016
Introduction to Power Systems	Power Edge Asia	January 25-29, 2016

Retail Competition and Open Access (RCOA) Training	WESM	November 08-09, 2016
EPC Contracts Masterclass	YF Asia Pte Ltd	May 05-07, 2016
1st Philippine Clean Energy Summit	Pinnacle Group International	October 13, 2016
IIEE Selection and Application	IIEE - Cebu Chapter	August 19-20, 2016
3M Power Cable Jointing and Termination	3M Phils Inc	July 28, 2016
Philippine Electric Summit 2016	PEMC	December 02, 2016
Advance Knowledge in Financial and Credit Analysis	Ateneo CCE	March 14-18, 2016
2016 Asian Power Utility Forum	Asian Power	March 08, 2016
Strategic Systems thinking: Creating Competitive Advantage	Ateneo CCE	April 25-26, 2016
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Techniques in Understanding and Reading Financial Statements	PICPA WMMC	August 26, 2016
Effective Strategic Planning for Business Unit	PICPA	September 08, 2016
Comprehensive Corporate	PICPA WMMC	September 09, 2016

Income Taxation and VAT Taxation		
Leading Strategic Execution	Ateneo CCE	September 08-09, 2016
Communication Assertiveness	Guthrie Jensen	August 12-13, 2016
3 Day Masterclass: Global LNG	Terrapinn Training	November 16-18, 2016
Introduction to Power Systems	Power Edge Asia	January 25-29, 2016
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3M Power Cable Jointing and Termination	3M Phils Inc	July 28, 2016
Philippine Electric Summit 2016	PEMC	December 02, 2016

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

**None.**

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.

**None.**

#### 4. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more\*

Shareholder	Number of Shares	Percent	Beneficial Owner
MRC	464,831,568	45.42%	MRC
JDC	311,524,642	30.44%	JDC
Mirant Global Corporation	116,555,553	11.39%	Mirant Global Corporation
PCD Nominee Corporation (Filipino)	68,445,443	6.69%	

\*As of May 15, 2017.

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Ramontito E. Garcia	1	0	0
Arlo A. G. Sarmiento	89,600	0	0
Gil A. Garcia II	1	0	0
Emil Andre M. Garcia	1	0	0
Minuel Carmela N. Franco	0	20,300	0

Jess Anthony N. Garcia	12,200	0	0
Juan Eugenio L. Roxas	0	0	0
Maria Victoria E. Sembrano	0	0	0
Macario C. Padullo, Jr.	9,400	0	0
Grant Clark	0	0	0
Cris C. Fernandez	0	0	0
Theo C. Sunico	0	0	0
<b>TOTAL</b>	<b>110,604</b>	<b>20,300</b>	<b>0</b>

[Note: As of May 15, 2017]

(e) Does the Annual Report disclose the following:

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

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

**The company does not currently have a whistle-blowing policy to disclose in the Annual Report. Moreover, disclosures on training and/or continuing education programme that are attended by each director, the number of board and committee meetings for the year and the attendance details of each director or committee member are contained in the Information Statement and separate reports submitted to the SEC and the PSE.**

(f) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
SyCip Gorres Velayo & Co. (SGV)	Php687,868.38	Php1,254,030.16

(g) Medium of Communication

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

**The company disseminates information through the following modes:**

- (a) The company website: [www.vivant.com.ph](http://www.vivant.com.ph)
- (b) Disclosures to the SEC and PSE, which in turn, the PSE publishes in its website [www.pse.com.ph](http://www.pse.com.ph)

(h) Date of release of audited financial report: **March 31, 2017**

(i) Company Website

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

Business operations	YES
Financial statements/reports (current and prior years)	YES
Materials provided in briefings to analysts and media	NO
Shareholding structure	YES
Group corporate structure	YES
Downloadable annual report	YES
Notice of AGM and/or EGM	NO
Company's constitution (company's by-laws, memorandum and articles of association)	NO

(j) Disclosure of RPT\*\*

RPT	Relationship	Nature	Value (in Php)
Visayan Electric Company, Inc. (VECO)	Associate	Sale of power	78.5 mn
		Management fees	4.9 mn
		Service income	1.9 mn
		Operating lease	0.8 mn
Cebu Private Power Corporation (CPPC)	Associate	Management fees	12.4 mn
		Service income	0.3 mn
		Dividend income	99.6 mn
Amlan Hydroelectric Power Corporation (AHPC)	Associate	Service income	0.2 mn
		Advances granted	15.9 mn
Prism Energy, Inc. (PEI)	Associate	Advances granted	1.5 mn
Global Luzon Energy Development Corporation (GLEDC)	Associate	Receivable from	39.3 mn
Vivant Sta. Clara Northern Renewables Generation Corporation (VSNRGC)	Joint venture	Management fees	0.1 mn
		Service income	0.04 mn
		Advances granted	0.8 mn
		Advances received	72.0 mn
Delta P, Inc. (Delta P)	Joint venture	Service income	0.05 mn
		Advances granted	0.8 mn
		Note payable	30.7 mn
		Sale of equipment	0.2 mn
Calamian Islands Power Corp. (CIPC)	Joint venture	Service income	0.02 mn
		Advances granted	0.3 mn
Stockholders	Stockholder with no significant Influence	Advances received	8.9 mn
		Advances granted	0.04 mn

\*\* Based on balances at year-end 2016

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?

In reviewing RPTs for approval, the RPT is submitted to the Board for review. In resolving the RPT, the Board follows the provisions of the Corporation Code relative to “dealings of directors, trustees or officers with the corporation” under Section 32 thereof, “contracts between corporations with interlocking directors” under Section 33 thereof, and “disloyalty of a director” under Section 34 thereof.

## 5. 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>	The attendance of stockholders representing at least a majority of issued and outstanding capital stock, whether in person or by proxy.
------------------------	---

#### (b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

<b>System Used</b>	Casting of votes by show of hands by the stockholders present or represented
<b>Description</b>	During the Annual/Special Stockholders’ Meeting, the corporate secretary presents to the body the proposed corporate acts for casting of votes for and against the acts.

#### (c) Stockholders’ Rights

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

Stockholders’ Rights under The Corporation Code	Stockholders’ Rights <u>not</u> in The Corporation Code
None	None

#### Dividends

Declaration Date	Record Date	Payment Date
May 12, 2016	June 3, 2016	June 29, 2016

#### (d) Stockholders’ Participation

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

Measures Adopted	Communication Procedure
Other than the information contained in the Information Statement which informs the stockholders of the issues to be deliberated upon during a stockholder meeting together with the contact details of the company, the company has not yet adopted a formal measure to promote a formal measure to solicit and understand the view of the stockholders and procedures for putting forward proposals at stockholders' meetings.	

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

**In the event that any of the aforementioned is to be submitted for approval by the stockholders, it is included in the Notice of Annual/Special Stockholders' Meeting and Agenda for the Meeting. In addition, details of which are included in the Information Statement, including details of exercise of the appraisal right.**

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?

**No. The company's By-Laws provide for two (2) weeks' prior notice, which is consistent with Rule 20 of the SRC that requires notice at least 15 business days prior to meeting date.**

- Date of sending out notices: June 5, 2016
- Date of the Annual/Special Stockholders' Meeting: **June 16, 2016**

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

**NONE**

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

Resolution	Approving	Dissenting	Abstaining
Approval and adoption of the minutes of the June 26, 2015 ASM	Unanimous	None	None
Approval of the 2015 Annual Report and Financial Statements	Unanimous	None	None
Ratification of all acts and resolutions of the board and management for the fiscal year 2015	Unanimous	None	None
Delegation to the board of the appointment of external auditor for 2016	Unanimous	None	None

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

**The results were published in the SEC Form 17-C (Current Report) and disclosed to the SEC and PSE.**

(e) Modifications

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

Modifications	Reason for Modification
None	Not applicable

(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	1. Dennis N. A. Garcia 2. Emil Andre M. Garcia 3. Elbert M. Zosa 4. Gil A. Garcia II 5. Charles Sylvestre A. Garcia 6. Ramontito E. Garcia 7. Efren P. Sarmiento 8. Jose Marko Anton G. Sarmiento 9. Atty. Jesus B. Garcia, Jr. 10. Arlo A. G. Sarmiento 11. Maria Victoria E. Sembrano 12. Macario C. Padullo, Jr. 13. Jess Anthony N. Garcia 14. Joan Giduquio-Baron	16 June 2016	By show of hands	0.00%	75.86%	775.86%
Special	Not applicable					

(ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs?

**NO.**

(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 common share equals one vote.**

(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	A deadline for acceptance of proxies is disclosed to the SEC, PSE and in the Information Statement, together with requirements of identification.
Notary	The company does not require notarization of proxy to make it more convenient for the stockholder
Submission of Proxy	Proxies are to be submitted in person or by mail which must be received within the deadline
Several Proxies	The company has no policy governing several proxies for a single stockholder
Validity of Proxy	A proxy is valid only for a particular stockholders' meeting, and any adjournment thereof.
Proxies executed abroad	The company has no policy governing several proxies executed abroad
Invalidated Proxy	Proxies that are not received within the deadline, or proxies who attend without the proper identification are invalidated.
Validation of Proxy	The company enforces a deadline to validate proxies.
Violation of Proxy	Any violation of the proxy, including beyond deadline and no proper identification, invalidate the proxy.

(h) Sending of Notices

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

Policies	Procedure
The company imposes a deadline for mailing of Notice of Meeting, Agenda for the Meeting, and Information Statement.	The company selects a reliable private courier to ensure timely arrival of Notice of Meeting, Agenda for the Meeting, and Information Statement.

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	1,496 stockholders
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	June 5, 2016
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	June 5, 2016
State whether CD format or hard copies were distributed	Hard copies and CD.
If yes, indicate whether requesting stockholders were provided hard copies	Not applicable

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

Each resolution to be taken up deals with only one item.	YES
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	YES
The auditors to be appointed or re-appointed.	NO
An explanation of the dividend policy, if any dividend is to be declared.	YES
The amount payable for final dividends.	NO
Documents required for proxy vote.	YES

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

**At the time of mailing of the Information Statement to the stockholders, the Board has usually yet to approve any dividend declaration. Nonetheless, the Information Statement contains details on previous dividend declarations.**

2) Treatment of Minority Stockholders

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

Policies	Implementation
"One share, one vote" policy	Each common share is entitled to one vote during election and voting.
All shareholders are treated equally with respect to dividend rights	Dividends are declared on a per share basis

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

**Yes, provided, that the nominees must be submitted to the Nomination Committee for pre-qualification screening.**

## 6. 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.

**All major company announcements are reviewed and approved by the Office of the Corporate Secretary.**

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

	Details
(1) Objectives	To effectively communicate relevant and material information to the company's stakeholders, particularly its shareholders. This is to enable them to make a full assessment of the company's performance and make an informed judgment on the fair value of the company's shares of stock

(2) Principles	Transparency, Fairness, Truthful
(3) Modes of Communications	SEC filings, PSE disclosures, website, Annual Shareholders' Meeting
(4) Investors Relations Officer	c/o Office of the Corporate Secretary (032) 234-2256; (032) 234-2285

- 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?

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

**Not applicable**

#### 7. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

The company established Vivant Foundation, Inc. in 2014. The foundation will be focusing on initiatives related to Science, Technology, Engineering and Math (STEM) involving the public school system. The company, together with the foundation and an associate company, implemented its first CSR project, which involved the construction of computer and science laboratories in two locations in Busuanga Island. The company also conducted its annual tree planting activity in Cebu.

#### 8. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

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

	Process	Criteria
Board of Directors	None	None
Board Committees	None	None
Individual Directors	None	None
CEO/President	None	None

#### 9. 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

Violations	Sanctions
For each violation or incident of breach-	Each incident may be a ground for removal, temporary or permanent disqualification, suspension, or ineligibility for re-election for directors, while it may be a ground for sanctions under the company's code of conduct for management and employees.

Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Cebu on May 30, 2017.

**SIGNATURES**

  
**DENNIS N. A. GARCIA**  
 Chairman of the Board

  
**RAMONTITO E. GARCIA**  
 President

  
**(AMB) RAUL CH. RABE**  
 Independent Director

  
**ATTY. JESUS B. GARCIA, JR**  
 Independent Director

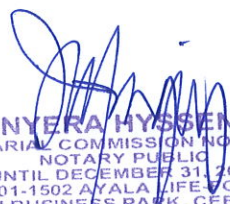
  
**ATTY. JOAN A. GIDUQUIO-BARON**  
 Compliance Officer

**SUBSCRIBED AND SWORN** to before me this MAY 29 2017 day of May 2017, affiant(s) exhibiting to me their \_\_\_\_\_, as follows:

<u>NAME/NO.</u>	<u>PASSPORT/SENIOR CITIZEN I.D. NO.</u>	<u>DATE OF EXPIRY</u>	<u>PLACE OF ISSUE</u>
Dennis N. A. Garcia	Passport No. EC0044262	January 19, 2019	DFA Cebu
Ramontito E. Garcia	Passport No. EC5751689	October 20, 2020	DFA Cebu
Amb. Raul Ch. Rabe	Passport No. EB7852324	April 11, 2018	DFA Manila
Atty. Jesus B. Garcia, Jr.	Passport No. EC1139625	April 18, 2019	DFA Cebu
Atty. Joan Giduquio-Baron	Passport No. P0333694A	SEP. 21, 2021	DFA Cebu

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 Book No. 1  
 Series of 2017.



  
**ATTY. NYERA HYSSENE O. YU**  
 NOTARIAL COMMISSION NO. 024-17  
 NOTARY PUBLIC  
 UNTIL DECEMBER 31, 2018  
 UNITS 1501-1502 AYALA LIFE/CGU CENTER  
 CEBU BUSINESS PARK, CEBU CITY  
 ROLL NO. 65101  
 PTR NO. 1174596 - CEBU CITY - 01/05/17  
 IBP LIFETIME NO. 015200