

COVER SHEET

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S.E.C. Registration Number

[illegible]

(Company's Full Name)

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C	E	N	T	E	R		M	I	N	D	A	N	A	O		A	V	E		C	E	B	U		C	I	T	Y	

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

ATTY. JOAN A. GIDUQUIO-BARON
Contact Person

Contact Person

(032) 243-2256

Company Telephone Number

Company Telephone Number

1	2		3	1
Month		Day		
Fiscal Year				

Month Day
Fiscal Year

I	A	C	G	R
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FORM TYPE

FORM TYPE

06 21
 Month Day
 Annual Meeting

Month Day
Annual Meeting

Secondary License Type, if Applicable

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Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

2

Domestic

Figure 1. Schematic representation of the experimental design. The subjects were divided into two groups: the control group and the experimental group. The control group received a standard diet, while the experimental group received a diet supplemented with 0.5% of the active ingredient. The subjects were then subjected to a 12-week period of physical training. The results of the study are presented in the form of a bar chart, showing the mean values and standard deviation for each group.

Foreign

Total Amount of Borrowings

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

LCU

[illegible]

Document I.D.

Cashier

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

GENERAL INSTRUCTIONS

A. Use of Form I-ACGR

This SEC Form shall be used as a tool to disclose Publicly-Listed Companies' compliance/non-compliance with the recommendations provided under the Code of Corporate Governance for Publicly-Listed Companies, which follows the "comply or explain" approach, and for harmonizing the corporate governance reportorial requirements of the SEC and the Philippine Stock Exchange (PSE).

B. Preparation of Report

These general instructions are not to be filed with the report. The report shall contain the numbers and captions of all items.

The I-ACGR has four columns, arranged as follows:

RECOMMENDED CG PRACTICE/POLICY	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Contains CG Practices/ Policies, labelled as follows: (1) "Recommendations" – derived from the CG Code for PLCs; (2) "Supplement to Recommendation" – derived from the PSE CG Guidelines for Listed Companies; (3) "Additional Recommendations" – CG Practices not found in the CG Code for PLCs and PSE CG Guidelines but are expected already of PLCs; and (4) "Optional Recommendation" – practices taken from the ASEAN Corporate Governance Scorecard *Items under (1) – (3) must be answered/disclosed by the PLCs following the "comply or explain" approach. Answering of items under (4) are left to the discretion of PLCs.	The company shall indicate compliance or non-compliance with the recommended practice.	The company shall provide additional information to support their compliance with the recommended CG practice	The PLCs shall provide the explanations for any non-compliance, pursuant to the "comply or explain" approach. Please note that the explanation given should describe the non-compliance and include how the overall Principle being recommended is still being achieved by the company. *"Not Applicable" or "None" shall not be considered as sufficient explanation

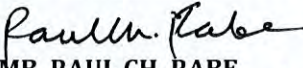
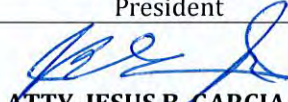
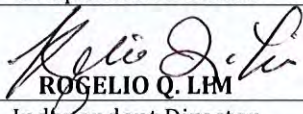
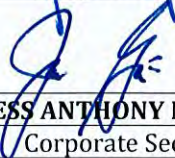
C. Signature and Filing of the Report

- a. Three (3) copies of a fully accomplished I-ACGR shall be filed with the Main Office of the Commission **on or before May 30 of the following year for every year that the company remains listed in the PSE;**
- b. At least one (1) complete copy of the I-ACGR shall be duly notarized and shall bear **original and manual** signatures
- c. The I-ACGR shall be signed under oath by: (1) Chairman of the Board; (2) Chief Executive Officer or President; (3) All Independent Directors; (4) Compliance Officer; and (5) Corporate Secretary.
- d. The I-ACGR shall cover all relevant information from January to December of the given year.
- e. All reports shall comply with the full disclosure requirements of the Securities Regulation Code.

The I-ACGR shall be signed under oath by: (1) Chairman of the Board; (2) Chief Executive Officer or President; (3) All Independent Directors; (4) Compliance Officer; and (5) Corporate Secretary.

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 **MAKATI CITY** on May 30 2018.

SIGNATURES

 DENNIS N. A. GARCIA Chairman of the Board and CEO	 RAMONTITO E. GARCIA President
 AMB. RAUL CH. RABE Independent Director	 ATTY. JESUS B. GARCIA, JR. Independent Director
 MINUEL CARMELA N. FRANCO Compliance Officer	 ROGELIO Q. LIM Independent Director
 JESS ANTHONY N. GARCIA Corporate Secretary	

SUBSCRIBED AND SWORN to before me this 30 MAY 2018 day of May 2018, affiant(s) exhibiting to me their respective proof of identity, as follows:

<u>NAME/NO.</u>	<u>GOVERNMENT-ISSUED ID NO.</u>	<u>DATE OF EXPIRY/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. P4957690A	November 05, 2022/DFA NCR South
Atty. Jesus B. Garcia, Jr.	Passport No. EC1139625	April 18, 2019/DFA Cebu
Rogelio Q. Lim	Senior Citizen ID No. 13578	Cebu City
Minuel Carmela N. Franco	Passport No. P2168178A	March 05, 2022/DFA Cebu
Atty. Jess Anthony N. Garcia	Passport No. EC5373999	September 16, 2020/DFA Cebu

Doc No. 14;
Page No. 4;
Book No. I;
Series of 2018.


NICANDRO S. FUCAY II
NOTARY PUBLIC FOR MAKATI CITY
Appointment No. M-343
Until 31 December 2019
PTR No. 6615072 / 03 January 2018 / Makati City
IBP No. 025817 / 09 January 2018 / Makati City
Roll No. 69807
4th & 6th Floors, Filipino Bldg., 135 Dela Rosa St.,
corner Legaspi Streets, Legaspi Village, Makati City



SEC FORM – I-ACGR



INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **2017**
2. SEC Identification Number **175222**
3. BIR Tax Identification No. **242-603-734-000**
4. Exact name of issuer as specified in its charter **VIVANT CORPORATION**
5. **Mandaluyong City**
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **Unit 907-908 Ayala Life-FGU Center, Mindanao Ave.
corner Biliran Road, Cebu Business Park, Barangay
Luz, Cebu City**
Address of principal office
- 6000
Postal Code
8. **(032) 234-2256; (032) 234-2285**
Issuer's telephone number, including area code
9. **Not applicable.**
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

COMPLIANT/
NON-
COMPLIANT

ADDITIONAL INFORMATION

EXPLANATION

The Board's Governance Responsibilities

Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.

Recommendation 1.1

1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	√	http://www.vivant.com.ph/corporate-governance/board-committees-members/ (see pages 3-4)	
2. Board has an appropriate mix of competence and expertise.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see pages 11-12)	
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	√		

Recommendation 1.2

1. Board is composed of a majority of non-executive directors.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 3) http://www.vivant.com.ph/wp-content/uploads/2017/07/VVT-GIS-2017.pdf (see page 3)	
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Recommendation 1.3

1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 3)	
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2. Company has an orientation program for first time directors.	X		Vivant Corporation has not conducted actual orientation for first time directors, but its Manual on Corporate Governance provides a statement that Vivant "it shall also properly introduce the new directors to the company by providing a comprehensive training program." http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 3)
3. Company has relevant annual continuing training for all directors.	√		
1. Board has a policy on board diversity.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 4) http://www.vivant.com.ph/wp-content/uploads/2017/07/VVT-GIS-2017.pdf (see page 3)	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	X		Vivant Corporation is in the process of engaging the services of the Institute of Corporate Directors (ICD) to assist the company in formulating measurable objectives to implement the policy on board diversity. This is the current policy: http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-

			Corporate-Governance-2017.pdf (see page 4).
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	√	http://www.vivant.com.ph/wp-content/uploads/2017/07/VVT-GIS-2017.pdf (see page 3) http://www.vivant.com.ph/corporate-governance/board-committees-members/ http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see pages 4, 5, and 6)	
2. Corporate Secretary is a separate individual from the Compliance Officer.	√		
3. Corporate Secretary is not a member of the Board of Directors.	√		
4. Corporate Secretary attends training/s on corporate governance.	√	Please see letter to SEC dated November 22, 2017 informing it of the annual training held in 2017 for members of the Board of Directors and Executive Officers, including the Corporate and Assistant Corporate Secretaries, hereto attached as Annex "A".	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 5)	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	√		

2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see pages 5-6)	
3. Compliance Officer is not a member of the board.	√	http://www.vivant.com.ph/wp-content/uploads/2017/07/VVT-GIS-2017.pdf (see page 3)	
4. Compliance Officer attends training/s on corporate governance.	√	Please see letter to SEC dated November 22, 2017 informing it of the annual training held in 2017 for members of the Board of Directors and Executive Officers, including the Corporate and Assistant Corporate Secretaries, hereto attached as Annex "A".	
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	√	Please see excerpts from the minutes of the Board of Directors meeting held on March 31, 2017, hereto attached as Annex "B".	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	√	The Vivant Board of Directors undertook the annual 2-day Strategic Planning Workshop last September 21-	

2. Board oversees and monitors the implementation of the company's business objectives and strategy.	√	22, 2017 at The Peninsula Manila. The 2017 Strategic Planning Workshop was attended by nine (9) out of eleven (11) members of the Board, including the Chairman/CEO Dennis A. Garcia and President Ramontito E. Garcia. All of Vivant's Independent Directors likewise attended the Strategic Planning Workshop. (Please see attached photos marked as Annex "C")	
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Supplement to Recommendation 2.2

1. Board has a clearly defined and updated vision, mission and core values.	√	http://www.vivant.com.ph/our-company/mission-vision-and-values/ The Vivant Board of Directors undertook the annual 2-day Strategic Planning Workshop last September 21-22, 2017 at The Peninsula Manila. The 2017 Strategic Planning Workshop was attended by nine (9) out of eleven (11) members of the Board, including the Chairman/CEO Dennis A. Garcia and President Ramontito E. Garcia. All of Vivant's Independent Directors likewise attended the Strategic Planning Workshop. (Please see attached photos marked as Annex "C")	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see pages 7-8)	

company's business environment, and culture.		To cascade Vivant's goals for the coming years, management undertook the annual 2-day Strategy Deployment Workshop last October 19-20, 2017 at the Cebu City Marriott Hotel. (Please see attached photos marked as Annex "C")	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 8) http://www.vivant.com.ph/our-company/bod-and-officers/	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (page 9)	
2. Board adopts a policy on the retirement for directors and key officers.		Please see "Retirement Plan, Rules and Regulations" hereto attached as Annex "D" which was effective November 1, 2013.	
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-	

2. Board adopts a policy specifying the relationship between remuneration and performance.	√	Manual-on-Corporate-Governance-2017.pdf (see page 10)	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	√		
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.			
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.			
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see pages 11-14)	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	√		http://www.vivant.com.ph/wp-content/uploads/2017/06/2017-SEC-Form-20-IS.pdf (see page 8)
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	X	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 4)	3. While the Manual on Corporate Governance does not have a provision on accepting nominations from minority shareholders, there is no prohibition against minority shareholders nominating member/s to the Board.

4. Board nomination and election policy includes how the board shortlists candidates.	√	http://www.vivant.com.ph/wp-content/uploads/2017/06/2017-SEC-Form-20-IS.pdf (see page 15)	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board’s processes in the nomination, election or replacement of a director.	X		6. Vivant Corporation is guided by its Manual on Corporate Governance pertaining to qualifications and disqualifications of directors. http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 12))
7. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	X		7. Vivant Corporation is committed to its policy on assuring diversity, experience and knowledge of its directors to assure the effective performance of its Board. http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 4)
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	X		Vivant Corporation is guided by its Manual on Corporate Governance pertaining to qualifications and disqualifications of directors. (http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 12))
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and	√		For 2017, there was no RPT that was approved pursuant to the policy.

system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.			
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see pages 15-18)	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	√		
Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see pages 15-18) In addition, Vivant Corporation will be engaging ICD to assist the company in defining thresholds for disclosure and approval of RPTs.	
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 18, clause 2.7.8)	
Recommendation 2.8			

1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 18, clause 2.8) http://www.vivant.com.ph/wp-content/uploads/2017/07/VVT-GIS-2017.pdf (see pages 3-4)	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (page 18, clause 2.9)	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (page 18, clause 2.9)	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	√		
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 19, clause 2.10)	

2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 32)	
3. Board approves the Internal Audit Charter.	X		A draft of the Internal Audit Charter has been circulated and is the subject of ongoing discussions within the Audit Committee. The Charter is expected to be approved within 2018.
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	√	Please refer to the framework attached as Annex "E". The framework was approved by the Board of Directors on August 11, 2017. Please see Minutes of the Meeting dated August 11, 2017 which is attached as Annex "E-1" http://www.vivant.com.ph/corporate-governance/enterprise-risk-management/	2. Vivant Corporation is guided by its Enterprise Risk Management principles contained in its Manual on Corporate Governance: http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (please see pages 35-37).
3. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	X		
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	X		Vivant Corporation will be engaging ICD to assist the company in formulating a Board Charter.

2. Board Charter serves as a guide to the directors in the performance of their functions.	X		Vivant Corporation will be engaging ICD to assist the company in formulating a Board Charter. As soon as it is approved, it will serve as a guide for the Board.
3. Board Charter is publicly available and posted on the company's website.	X		Vivant Corporation will be engaging ICD to assist the company in formulating a Board Charter. As soon as the same has been approved, the Charter will be posted in its website.
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	√	Please see internal memorandum against insider trading policy, pertaining to trading blackout, hereto attached as Annex "F".	
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.		Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.	
2. Company discloses the types of decision requiring board of directors' approval.		Indicate the types of decision requiring board of directors' approval and where there are disclosed.	
Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-	

the optimal performance of its roles and responsibilities.		Manual-on-Corporate-Governance-2017.pdf (see pages 19-27)	
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see pages 19-21) The Audit Committee has the responsibility, among others, to appoint, re-appoint, remove external auditor.	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	√	http://www.vivant.com.ph/wp-content/uploads/2017/07/2017-SEC-Form-17-C-VVT.pdf	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	√	http://www.vivant.com.ph/wp-content/uploads/2017/06/2017-SEC-Form-20-IS.pdf (see pages 11-14)	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	√	http://www.vivant.com.ph/wp-content/uploads/2017/07/2017-SEC-Form-17-C-VVT.pdf	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	X		The Board approved non-audit services, not the Audit Committee. However, the Audit Committee was aware of the services and the costs.
2. Audit Committee conducts regular meetings and dialogues with the external	X		While the Audit Committee did not conduct a dialogue with the external

audit team without anyone from management present.			audit team without anyone from management present, the Committee conducts regular meetings to approve the financial results to be released to the public and the PSE and the SEC.
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	√	Please see notarized Certification hereto attached as Annex "G".	
2. Audit Committee approves the appointment and removal of the internal auditor.			
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see pages 21-23) Moreover, the Corporate Governance Committee is yet to hold its meeting on June 13, 2018 to review and finalize its Charter, which will then be submitted to the Board of Directors for approval.	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see pages 21-23) http://www.vivant.com.ph/wp-content/uploads/2017/07/2017-SEC-Form-17-C-VVT.pdf	

3. Chairman of the Corporate Governance Committee is an independent director.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see pages 21-23) http://www.vivant.com.ph/wp-content/uploads/2017/07/2017-SEC-Form-17-C-VVT.pdf	
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.			
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see pages 23-24)	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	√	http://www.vivant.com.ph/wp-content/uploads/2017/07/2017-SEC-Form-17-C-VVT.pdf	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	√	http://www.vivant.com.ph/wp-content/uploads/2017/07/2017-SEC-Form-17-C-VVT.pdf	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	√	http://www.vivant.com.ph/wp-content/uploads/2017/06/2017-SEC-Form-20-IS.pdf (see pages 11-14)	
Recommendation 3.5			

1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 24-26)	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	√	http://www.vivant.com.ph/wp-content/uploads/2017/07/2017-SEC-Form-17-C-VVT.pdf http://www.vivant.com.ph/wp-content/uploads/2017/06/2017-SEC-Form-20-IS.pdf (see pages 11-14)	
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	X		The charter of the Risk Committee has been approved by the Vivant Board on March 31, 2017. Please refer to the minutes attached as Annex "B" Drafts of all other the Committee charters are pending review by the respective Committees, which will thereafter be submitted to the Board for approval. These are expected to be done by the first half of 2019.
2. Committee Charters provide standards for evaluating the performance of the Committees.	X		Drafts of all the Committee charters are pending review by the respective Committees, which will thereafter be submitted to the Board for approval. These are expected to be done by the first half of 2019.
3. Committee Charters were fully disclosed on the company's website.	X		Drafts of all the Committee charters are pending review by the respective Committees, which will thereafter be

			submitted to the Board for approval. These are expected to be done by the first half of 2019. While the website does not yet contain the respective Committee Charters, a description of the functions are contained in its Manual on Corporate Governance: http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see pages 19-27)
Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			
Recommendation 4.1			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	√	http://www.vivant.com.ph/wp-content/uploads/2017/06/2017-SEC-Form-20-IS.pdf (see page 16)	
2.			
3. The directors review meeting materials for all Board and Committee meetings.	√	In all minutes of the meetings of the Board and Committee, there is an item to review minutes of the previous meeting to give the opportunity to correct an entry. There is also a thorough discussion on items in the agenda prior to arriving at any resolution or recommended course of action.	
4. The directors ask the necessary questions or seek clarifications and explanations	√	In all minutes of the meetings of the Board and Committee, there is an	

during the Board and Committee meetings.		item to review minutes of the previous meeting to give the opportunity to correct an entry. There is also a thorough discussion on items in the agenda prior to arriving at any resolution or recommended course of action.	
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 27) http://www.vivant.com.ph/wp-content/uploads/2017/06/2017-SEC-Form-20-IS.pdf (see pages 11-14)	
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	X		There was no discussion in the minutes of a board meeting on the acceptance of directorship in another company. But there is a specific requirement in the Manual on Corporate Governance http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	√	http://www.vivant.com.ph/wp-content/uploads/2017/06/2017-SEC-Form-20-IS.pdf (see pages 11-14)	

2. Company schedules board of directors' meetings before the start of the financial year.	√	The following is an excerpt of the January 26, 2018 Board Meeting minutes, which is hereto attached as Annex "H": <u>"A. 2018 Legal Calendar</u> JNG presented the 2018 Calendar for Board, Executive Committee, and Board Committees Meetings. AGS asked to add to the legal calendar an Executive Committee meeting in December. AGS informed the Board that there was a possibility of a Special Board Meeting on February 12, 2018 for Project Puma."	
3. Board of directors meet at least six times during the year.	√	http://www.vivant.com.ph/wp-content/uploads/2017/06/2017-SEC-Form-20-IS.pdf (see page 16)	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	X		Vivant Corporation does not require the presence of at least 2/3 minimum quorum to make decisions, but a full discussion on strategic and investment decisions are always made.

Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs

Recommendation 5.1

1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	X		Vivant Corporation has 3 independent directors. By 2018, it is expected to add 1 more independent director to the Board.
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Recommendation 5.2

1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	√	http://www.vivant.com.ph/wp-content/uploads/2017/06/2017-SEC-Form-20-IS.pdf (See Certifications of Independent Directors; pages 31-33)	
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 7) prohibits voting to favor a controlling group or other stakeholder, but only in the interest of Vivant Corporation.	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/SEC-FORM-ACGR-2016.pdf (see pages 4-5)	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	√	There is no written policy, but Vivant Corporation complies with SEC Memorandum Circular No. 9, Series of 2011.	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	X		Vivant Corporation has not had to opportunity to extend the term of independent directors beyond what is allowed by SEC Memorandum Circular No. 9, Series of 2011.
Recommendation 5.4			

1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	X		Vivant Corporation will exert efforts to comply with separate individuals holding Chairman and CEO positions.
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 8) http://www.vivant.com.ph/wp-content/uploads/2016/12/SEC-FORM-ACGR-2016.pdf (see page 8)	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 30)	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	√	There is a policy on this: http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf But the application of this policy has not been triggered so far.	
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	X		Vivant Corporation will undertake to comply with separate and regular meetings for NEDs.

2. The meetings are chaired by the lead independent director.	X		Vivant Corporation will undertake to comply with separate and regular meetings for NEDs.
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	√	The position of CEO was created only in 2017.	
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	X	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees	Vivant Corporation will be engaging the services of ICD to assist the company in conducting regular self-assessment of the Board's performance.
2. The Chairman conducts a self-assessment of his performance.	X		Vivant Corporation will be engaging the services of ICD to assist the company in conducting regular self-assessment of the Chairman's performance.
3. The individual members conduct a self-assessment of their performance.	X		Vivant Corporation will be engaging the services of ICD to assist the company in conducting regular self-assessment of each Director's performance.
4. Each committee conducts a self-assessment of its performance.	X		Vivant Corporation will be engaging the services of ICD to assist the company in conducting regular self-assessment of the Board Committees' performance.
5. Every three years, the assessments are supported by an external facilitator.	X		Since Vivant Corporation will still implement the self-assessment mechanism, it has yet to reach the 3-year

			period to decide on an external facilitator.
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	X		Vivant Corporation will be engaging the services of ICD to assist the company in establishing a system to provide the criteria and process to determine the performance of the Board, the individual directors and Committees.
2. The system allows for a feedback mechanism from the shareholders.	X		
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	X		Vivant Corporation will be engaging the services of ICD to assist the company in developing codes of conduct http://www.vivant.com.ph/corporate-governance/code-of-business-and-ethics/
2. The Code is properly disseminated to the Board, senior management and employees.	X		
3. The Code is disclosed and made available to the public through the company website.	X		
1. Company has clear and stringent policies and procedures on curbing and penalizing	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-	

company involvement in offering, paying and receiving bribes.		Manual-on-Corporate-Governance-2017.pdf (see page 41)	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	X		Vivant Corporation has a framework for its Code of Business Conduct and Ethics in its Manual on Corporate Governance. http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (page 42) Each employee is given a Handbook with sign off/acknowledgment receipt.
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	X		
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	√	http://www.vivant.com.ph/sec-filings/	
Supplement to Recommendations 8.1			
1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while	√	For fiscal year 2017, Vivant Corporation submitted its Annual Report and Consolidated Financial Statements to the Securities and Exchange Commission and the Philippine Stock Exchange on April	

interim reports are published within forty-five (45) days from the end of the reporting period.		10, 2018 (deadline was April 16, 2018) and its interim reports for the first quarter of 2018 on May 11, 2018 (deadline was May 15, 2018).	
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	X		There is no direct disclosure on the risks pertaining to principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company, but Vivant Corporation has consistently included the details of its top shareholders and their respective proxies. http://www.vivant.com.ph/wp-content/uploads/2017/07/VVT-SEC-Form-17-A.pdf
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	√	http://www.vivant.com.ph/disclosures/ Please also refer to Annex "I".	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	√		
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions)	√	http://www.vivant.com.ph/disclosures/	

and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).		http://www.vivant.com.ph/wp-content/uploads/2017/06/2017-SEC-Form-20-IS.pdf (see page 226 for the Table on Relationships of the Companies within the Group)	
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	√	http://www.vivant.com.ph/wp-content/uploads/2017/06/2017-SEC-Form-20-IS.pdf (see pages 10-11) http://www.vivant.com.ph/wp-content/uploads/2016/12/SEC-FORM-ACGR-2016.pdf (see pages 5-8)	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/SEC-FORM-ACGR-2016.pdf (see pages 13-17) http://www.vivant.com.ph/wp-content/uploads/2017/06/2017-SEC-Form-20-IS.pdf (see pages 12-14)	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	X		Vivant Corporation does not have a policy and procedure for setting Board remuneration, because other than honoraria for meetings attended Vivant Corporation does not pay any other fee. http://www.vivant.com.ph/wp-content/uploads/2017/07/VVT-SEC-Form-17-A.pdf (see page 43, item 2)
2. Company provides a clear disclosure of its policies and procedure for setting	√		

executive remuneration, including the level and mix of the same.			
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	X		For security reasons, disclosure of individual remuneration is not practiced. In lieu thereof, Vivant Corporation provides information of the top five (5) executives as a group. http://www.vivant.com.ph/wp-content/uploads/2017/07/VVT-SEC-Form-17-A.pdf (see page 43)
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see pages 15-18) For fiscal year 2017, there was no transaction involving a director or executive officer involving conflict of interest.	
2. Company discloses material or significant RPTs reviewed and approved during the year.	√	For fiscal year 2017, there was no transaction involving a director or executive officer involving conflict of interest. In its Definitive Information Statement, a statement to this effect is contained. http://www.vivant.com.ph/wp-content/uploads/2017/06/2017-SEC-Form-20-IS.pdf (see page 23)	

Supplement to Recommendation 8.5

1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 18 on Procedure and Guidelines)	
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Optional : Recommendation 8.5

1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 18 on Procedure and Guidelines)	
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Recommendation 8.6

1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	√	http://www.vivant.com.ph/sec-filings/ http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=79	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	X		Vivant Corporation has a Related Party Transaction Committee http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see pages 24-26) which does not preclude the engagement of an independent consultant to evaluation the fairness of the transaction price.

Supplement to Recommendation 8.6

1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	√	http://www.vivant.com.ph/wp-content/uploads/2017/06/2017-SEC-Form-20-IS.pdf (see page 11)	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf	
2. Company's MCG is submitted to the SEC and PSE.	√		
3. Company's MCG is posted on its company website.	√		
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	√	(see barcode page) http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:		Provide link or reference to the company's Annual Report containing the said information.	
a. Corporate Objectives	X		(a) The Annual Report does not specify Corporate Objectives; but, by disclosing the latest regulatory and industry challenges, it is implied that overcoming these is one of the objectives.

		(b) http://www.vivant.com.ph/wp-content/uploads/2017/07/VVT-SEC-Form-17-A.pdf (see page 27)	http://www.vivant.com.ph/wp-content/uploads/2017/07/VVT-SEC-Form-17-A.pdf (see pages 13-17)
b. Financial performance indicators	√	(c) http://www.vivant.com.ph/wp-content/uploads/2017/07/VVT-SEC-Form-17-A.pdf (see discussion on Business of Issuer on page 3)	
c. Non-financial performance indicators	√	(d) http://www.vivant.com.ph/wp-content/uploads/2017/07/VVT-SEC-Form-17-A.pdf (see page 26)	
d. Dividend Policy	X	(e) http://www.vivant.com.ph/wp-content/uploads/2017/07/VVT-SEC-Form-17-A.pdf (see pages 36-40)	(d) Vivant Corporation does not have a dividend policy. After determining the unrestricted retained earnings available for possible dividend declaration, the company assesses its future need to fund future investments.
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	√		(f) The information is not found in the Annual Report but in the Definitive Information Statement: http://www.vivant.com.ph/wp-content/uploads/2017/06/2017-SEC-Form-20-IS.pdf (see page 16-17)
f. Attendance details of each director in all directors' meetings held during the year	X		
g. Total remuneration of each member of the board of directors	X		(g) For security reasons, disclosure of individual remuneration is not practiced. In lieu thereof, Vivant Corporation provides information of the top five (5) executives as a group. http://www.vivant.com.ph/wp-content/uploads/2017/07/VVT-SEC-Form-17-A.pdf (see page 43)
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance	√	http://www.vivant.com.ph/wp-content/uploads/2017/07/VVT-SEC-Form-17-A.pdf	

and where there is non-compliance, identifies and explains reason for each such issue.		Form-17-A.pdf (see Part IV, pages 45-46)	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	X	Provide link or reference to where this is contained in the Annual Report	There is no disclosure on the Board's review of material controls and risk management systems in the Annual Report/ACGR, but in the Manual on Corporate Governance, among the functions of the Board is to "identify key risk areas and performance indicators and monitor these factors with due diligence to enable Vivant to anticipate and prepare for possible threats to its operational and financial viability." http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 8)
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	X	Provide link or reference to where this is contained in the Annual Report	The Annual Report/ACGR has no statement on the adequacy of the internal controls/risk management systems, but the Manual on Corporate Governance that Vivant Corporation will monitor and evaluate the effectiveness of the risk management processes. http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 36, clause 11.4.1 (g))
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	√	http://www.vivant.com.ph/wp-content/uploads/2017/07/VVT-SEC-Form-17-A.pdf (see pages 10-17)	

Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 33)	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 33)	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	X		There has been no removal of the external auditor that required the disclosure for the reason therefor.
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	X		Vivant Corporation has no written policy but its external auditor has been implementing a policy on rotation of lead audit partner every five (5) years.
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external	X		

iii. auditor's independence and objectivity; and exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.			The Audit Committee has approved its Charter. It will be presented to the Board for approval.
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	X		
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	X		The Audit Committee has approved its Charter. It will be presented to the Board for approval.
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	X		
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	√	http://www.vivant.com.ph/wp-content/uploads/2017/07/VVT-SEC-Form-17-A.pdf (see page 34)	
2. Audit Committee stays alert for any potential conflict of interest situations,		Provide link or reference to guidelines or policies on non-audit services	

given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 20, clause 2.12.2 (g))	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	√	Please refer to the Engagement Letter of Sycip Gorres Velayo & Co. attached as Annex "J"	
1. Company's external auditor is duly accredited by the SEC under Group A category.	√	http://www.vivant.com.ph/wp-content/uploads/2017/07/VVT-GIS-2017.pdf	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	√	The SOAR has not been conducted. But once it will be conducted, the external auditor will agree thereto.	
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	√	http://www.vivant.com.ph/wp-content/uploads/2017/07/VVT-SEC-Form-17-A.pdf (see pages 10-17)	

2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	X		Vivant Corporation will comply with the requirement to include the sustainability report in its Annual Report.
Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	X		Vivant Corporation has been inviting media during annual stockholders' meeting to cover the event. In addition, the website posts reports and disclosures. http://www.vivant.com.ph/sec-filings/
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	√	http://www.vivant.com.ph/	
a. Financial statements/reports (latest quarterly)	√		
b. Materials provided in briefings to analysts and media	√		
c. Downloadable annual report	√		
d. Notice of ASM and/or SSM	√		
e. Minutes of ASM and/or SSM	√		
f. Company's Articles of Incorporation and By-Laws	√		

Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	√	http://www.vivant.com.ph/	
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see pages 33-34)	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see pages 35-37)	
Supplement to Recommendations 12.1			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	X		Vivant Corporation will be engaging ICD to assist the company in crafting a policy on a comprehensive compliance program.
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all			

key risks are identified, managed and reported to the board.			
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see pages 34-35) http://www.vivant.com.ph/our-company/organizational-chart/	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	X		There is no appointed CAE yet, but the Manual on Corporate Governance provides for such appointment. http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 35).
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	X		
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	X		
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see pages 35-37) http://www.vivant.com.ph/our-company/organizational-chart/	

Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	√	http://www.vivant.com.ph/wp-content/uploads/2017/07/VVT-SEC-Form-17-A.pdf (see page 34)	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	X		The position of CRO is yet to be filled, but it is provided for in the Manual on Corporate Governance. http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	X		The position of CRO is yet to be filled, but it is provided for in the Manual on Corporate Governance. http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	√	Please see notarized Attestation attached as Annex "K".	
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see pages 37-41)	

2. Board ensures that basic shareholder rights are disclosed on the company's website.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	√	http://www.vivant.com.ph/wp-content/uploads/2017/06/2017-SEC-Form-20-IS.pdf (page 8)	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	√	http://www.vivant.com.ph/wp-content/uploads/2017/06/2017-SEC-Form-20-IS.pdf (page 8)	
3. Board has an effective, secure, and efficient voting system.	√	http://www.vivant.com.ph/wp-content/uploads/2017/06/2017-SEC-Form-20-IS.pdf (pages 28-29)	
4. Board has effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	X		Vivant Corporation implements one-share one-vote rule in accordance with law, other than for cumulative voting where minority shareholders may cumulate their votes to elect a director.
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/July-2015-Vivant-Corp-Amended-By-Laws.pdf (see Article II, Section 2)	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see pages 37-41)	

7. Company has a transparent and specific dividend policy.	X		Vivant Corporation does not have a dividend policy. After determining the unrestricted retained earnings available for possible dividend declaration, the company assesses its future need to fund future investments. For fiscal year 2017, cash dividends were paid forty-one (41) calendar days (June 22) after the Board declared dividends (May 12). http://www.vivant.com.ph/wp-content/uploads/2017/07/VVT-SEC-Form-17-A.pdf (see page 26)
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.		Identify the independent party that counted/validated the votes at the ASM, if any.	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	√	For fiscal year 2017, the Notice of Annual Shareholders' Meeting together with the Definitive Information Sheet were sent at least twenty-one (21) calendar days before the Meeting. The Agenda did not indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the	

		meeting because there was no such item. http://www.vivant.com.ph/wp-content/uploads/2017/06/2017-SEC-Form-20-IS.pdf	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	√	http://www.vivant.com.ph/wp-content/uploads/2017/06/2017-SEC-Form-20-IS.pdf	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	√		
b. Auditors seeking appointment/re-appointment	√		
c. Proxy documents	√		
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	√	http://www.vivant.com.ph/wp-content/uploads/2017/06/2017-SEC-Form-20-IS.pdf	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	X		The results of the shareholder votes taken at the last Annual Shareholders' Meeting were not disclosed on the following working day, but subsequently thereafter. http://www.vivant.com.ph/wp-content/uploads/2016/12/SEC-FORM-ACGR-2016.pdf (see page 13)

			Also, there were no other matters submitted to a vote during the last Annual Shareholders' Meeting.
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	√	http://www.vivant.com.ph/sec-filings/minutes-of-meetings/ Voting results were published in the website: http://www.vivant.com.ph/wp-content/uploads/2016/12/SEC-FORM-ACGR-2016.pdf (see page 13) All those present were given the opportunity to ask questions, but no question was asked.	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	√	http://www.vivant.com.ph/wp-content/uploads/2017/06/2017-SEC-Form-20-IS.pdf (see page 26)	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see pages 40-41)	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see pages 40-41)	

Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (See page 41, clause 12.6) However, nobody has been appointed as the IRO.	
2. IRO is present at every shareholder's meeting.	X		While the Manual on Corporate Governance provides for an IRO, there is yet no appointed IRO.
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	X	Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.	There has been no attempt to takeover Vivant Corporation, thus, there was no need to avoid such effort.
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	X	As of March 31, 2018 Vivant Corporation had a public float of 12.63%. http://edge.pse.com.ph/otherReports/form.do	
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting		Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.		Disclose the process and procedure for secure electronic voting in absentia, if any.	

Duties to Stakeholders

Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.

Recommendation 14.1

1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 41)	
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Recommendation 14.2

1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 41)	
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Recommendation 14.3

1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see page 18, clause 2.76)	While the Manual on Corporate Governance provides for an IRO, there is yet no appointed IRO.
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Supplement to Recommendation 14.3

1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see pages 39-41)	
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Additional Recommendations to Principle 14

1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company	√	Vivant Corporation has not sought for any exemption from the application of a law, rule or regulation, especially pertaining to corporate governance issue.	
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discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.			
2. Company respects intellectual property rights.	√	There has been no instance where the respect for intellectual property rights has been compromised.	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	X		Vivant Corporation is a holding company and has no interface with customers.
2. Company discloses its policies and practices that address supplier/contractor selection procedures	X		Vivant Corporation is a holding company and has no interface with customers.
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf (see pages 41-42)	
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	X		Vivant Corporation has no existing policy, but only the practice of the Discretionary Bonus (page 13 of Handbook on "Other Bonuses, which is hereto attached as Annex "L"

2. Company has policies and practices on health, safety and welfare of its employees.	√	See "Schedule of Corrective Actions. Table V: Safety, Health, Security and Public Order" of the Employee Handbook – Code of Good Behavior hereto attached as Annex "L"	
3. Company has policies and practices on training and development of its employees.	√	Please see "Training Request Authorization Form – HR 2016-02." Hereto attached as Annex "M"	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	X		Vivant Corporation has no specific anti-corruption policy and program in its Code of Conduct. Steps will be undertaken to include such policy and program therein.
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	X		
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	X	Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices. Include any finding of violations of the company policy.	Vivant Corporation has no specific anti-corruption policy and program in its Code of Conduct. Steps will be undertaken to include such policy and program therein.
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-	

illegal or unethical practices, without fear of retaliation		Manual-on-Corporate-Governance-2017.pdf	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	√	http://www.vivant.com.ph/wp-content/uploads/2016/12/VVT-Manual-on-Corporate-Governance-2017.pdf	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	X		Vivant Corporation has not had an instance of whistleblowing.
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	√	http://www.vivant.com.ph/corporate-social-responsibility/	
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	X		Vivant Corporation has no policy on ensuring environmentally-friendly value chain, but it encourages employee volunteerism.

			http://www.vivant.com.ph/corporate-social-responsibility/employee-volunteerism/
2. Company exerts effort to interact positively with the communities in which it operates	√	http://www.vivant.com.ph/corporate-social-responsibility/vivant-foundation-inc/ http://www.vivant.com.ph/responsibilities/ribbon-cutting-of-vivant-cipc-science-laboratory-at-salvacion-national-high-school/	



November 22, 2017

ATTY. JUSTINA CALLANGAN
Director
Corporation Finance Department
11th Floor SEC Building
EDSA, Mandaluyong City

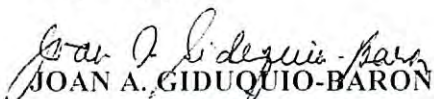
Subject: Corporate Governance Seminar for Vivant Corporation

Dear Atty. Callangan:

Please be advised that on November 10, 2017, Members of the Board of Directors (including Independent Directors) and its key executive officers attended a seminar on Corporate Governance by the *De La Salle University Center for Professional Development in Business* that was conducted exclusively for Vivant Corporation at The Cebu Grand Convention. Attached are photocopies of the Certificates of Attendance for your reference.

This seminar was in pursuit of the continuing commitment of Vivant Corporation to keep abreast with the best practices in Corporate Governance.

Very truly yours,


JOAN A. GIDUQUIO-BARON
Asst. Corporate Secretary



**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS OF
VIVANT CORPORATION**

March 31, 2017 at 9:00 A.M.

Vivant Boardroom, Unit 907-908 Ayala Life-FGU Center,
Mindanao Avenue corner Biliran Road,
Cebu Business Park, Cebu City

PRESENT:

Mr. Dennis N. A. Garcia	-	Chairman of the Board
Mr. Ramontito M. Garcia	-	President
Mr. Elbert M. Zosa	-	Member
Mr. Gil A. Garcia II	-	Member
Mr. Charles Sylvestre A. Garcia	-	Member
Mr. Emil Andre M. Garcia	-	Member
Mr. Efren P. Sarmiento	-	Member
Mr. Antonio S. Abacan, Jr.	-	Member (by videoconference)
Mr. Jose Marko Anton G. Sarmiento	-	Member
Atty. Jesus B. Garcia, Jr.	-	Independent Member
Amb. Raul Ch. Rabe	-	Independent Member (by videoconference)

ALSO PRESENT:

Mr. Arlo A.G. Sarmiento	-	Executive Vice President/Chief Operating Officer
Ms. Minuel Carmela N. Franco	-	Treasurer/Vice President for Finance
Atty. Jess Anthony N. Garcia	-	Corporate Secretary/General Counsel
Ms. Ma. Victoria E. Sembrano	-	AVP for Finance and Administration
Atty. Macario C. Padullo, Jr.	-	AVP for Corporate Management Services
Mr. Rogelio Q. Lim	-	Consultant

I. Call to Order

The Chairman of the Board, Mr. Dennis N. A. Garcia ("DAG"), called to order the Regular Meeting of the Board of Directors (the "Board") of Vivant Corporation (the "Corporation") at 9:00 o'clock in the morning and presided over the same. The Corporate Secretary, Atty. Jess Anthony N. Garcia ("JNG"), recorded the minutes of the meeting.

II. Certification of Quorum

JNG certified that notices of the meeting have been sent to all members of the Board, and with the presence of at least a majority of all directors, there was a quorum to transact business as may come before the Board.

III. Reading and Approval of the Minutes of the Previous Meeting



IV. Matters Arising from Previous Meeting



V. Approval of Financial Statements

Ms. Ma. Victoria E. Sembrano (“MES”) presented the year-end financial reports.

Income was reported at Php1.293bn, which was 55% higher than the Php 834.6mn budget. She also compared the figures against the 2015 income of Php 1.052bn. This year yielded a 23% higher income than 2015.

Core Net Income was recorded at Php 1.369bn or 64% higher than budget of Php 834.6mn and 37% higher than 2015 which was Php 1bn.

Taking into consideration Northern Renewables (“NR”) at Finance Lease, net income was at P1.214bn, with contribution from the distribution business of Php 689mn and the generation business of Php 984.3mn. She discussed in detail these contributions.

For Parent Company, net loss was at Php 380.1mn. This was lower compared to budget, but higher compared to 2015. Considering, however, Core Net Income, Parent’s loss contribution was at Php 360mn due the Php 20.2mn reversal of advances to projects account. Therefore, loss of Parent became lower than 2015. Another factor was the increase in charges to subsidiaries and associates, and the increase in rental income.

MES discussed in detail the contribution of the distribution and generation sectors of the business.

Atty. Macario C. Padullo, Jr. (“MCP”) discussed the relevant variances between the actual financial performance of each non-Visayan Electric Company, Inc. (“VECO”) related subsidiary against 2016 budget and actual results of 2015.

Calamian Islands Power Corporation ("CIPC") was higher than 2016 budget and actual results of the year 2015 due to growth in the BISELCO franchise area. For non-VECO related companies, it was noted to be at 96% higher than budget and 1,315% higher than actual results of the year 2015. This was due to better contribution from other generation companies. Moreover, he reported that income was better in 2016 due to higher sales to the Wholesale Electricity Spot Market ("WESM").

Mr. Roger Q. Lim ("RQL") asked if there were provisions made by the generation companies for potential penalties due to Must Offer Rule ("MOR") and Real Time Dispatch schedule ("RTD Schedule") violations, to which AGS replied that no provisions were made. MES also informed the Board that for 1590 Energy Corporation ("1590 EC"), what was received were Preliminary Notices of Investigations ("PNI"), and Legal was of the position that the deviations can be justified.

In connection with 1590 EC, MCP informed that Board its sales in 2016 were 45% from WESM compared to 21% in 2015.

Third, MES reported the Balance Sheet of the Corporation. The following items were highlighted.

There was a 6% asset expansion due to the following:

1. Collections of dividends from VECO, Cebu Energy Development Corporation ("CEDC"), CPPC, CIPC, and Delta P, Inc. ("DPI");
2. Advances to Global Luzon Energy Development Corporation ("GLEDC") for pre-development costs;
3. Recognition of 1590 EC's amortization of the Special Payment Agreement
4. Additional investment in Mindanao Power Corporation ("MPC"), DPI, Sabang Renewable Energy Corporation ("SREC"), and Luna Power Core, Inc. ("LPCI"); and
5. Advance payment to the Engineering Procurement Construction and Commissioning ("EPC") contractor of Vivant-Malago Hydropower, Inc. ("VMHI").

The increase was, however, tempered by the following items:

1. Sale of 1590 EC's Sector 4 assets,
2. Project write-offs, and
3. Collection of advances to CIPC.

The 5% drop in liabilities was due to the settlement of trade payables outstanding as of end-2015. This was partially negated by the following:

1. Availment of short term loan by 1590 EC;
2. Accrual of pension expense by Parent; and
3. Deferred tax liability on 1590 EC's Engine repairs

There was a 12% growth in equity which came from net income for the period and net of Vivant Parent's dividend declaration.

On the other hand, liabilities decreased from Php 4.8bn in 2015 to Php 4.5bn in 2016. There were increases in total assets from Php 13.7bn to Php 14.6bn and equity from Php 8.4bn to 9.5bn.

MES presented the financial ratios of the Corporation and the cash flow report stating that there was an increase in cash from Php4.068 bn in 2015 to Php 4.438bn in 2016.

MES likewise presented the salient points of the Annual Report of Vivant Corporation in SEC Form 17-A, and the consolidated Profit and Loss highlights for 2016.

In comparing the results of 2016 and 2015, the following points were noted:

1. **Energy Fees-** a decline of 15% was reported due to the decline in 1590 EC's topline performance which was mitigated by the improved performance of Unified Leyte.
2. **Equity in Net Earnings of Associates and Joint Ventures** - an increase of 28% was reported due to the improved bottom line contribution of VECO, CIPC, CPPC, and CEDC. This was net of the drop in DPI's performance due to reduction in their average selling prices and DPI's insurance claim in 2015, and the recognition of the share in net earnings of CIPC which was covered by International Accounting Standard (IAS) 28 starting May 2015.
3. **For Management Fees-** an increase of 6% was reported because of the adjustment billing to DPI to effect the new management fees. There were also new management/service contracts with DPI and Aboitiz Energy Solutions, Inc. ("AESI"). However, additional Service Level Agreements ("SLAs") for various services rendered in favor of CPPC in 2015 were higher than the one-time consultancy fees in 2016.
4. **For Generation Costs-** a decrease of 22% was due to the reduced volume of generated power by 1590 EC, coupled with cheaper fuel price.
5. **For Salaries and Wages Expenses-** an increase of 6% was reported because of the increase in head count and upward adjustment of salaries.
6. **For Taxes and Licenses-** a decrease of 33% for 2016 was reported because in 2015, the bulk of its expenses under this account was due to the Documentary Stamp Tax payment for the capitalization of Vivant Energy Corporation ("VEC") and Vivant Intergrated Generation Corporation ("VIGC").
7. **Travel Expenses** - an increase of 15% was due to the increase in frequency of travels for business, meetings and training both local and abroad.
8. **For Management Fee Expense-** a decrease of 44% was due to the downward adjustment in management fees.
9. **For Depreciation and Amortization Expense-** an increase of 12% was due to the purchase of capitalizable assets.
10. **For Rent and Association Dues** – an increase of 42% was attributed to the operating leases for additional office spaces and warehouse.

11. **For Representation Expense** – a decrease of 14% in 2016 was reported because in 2015, the bulk of the expenses were due to sponsorships by the Corporation and a number of representation expense incurred with business partners and other stakeholders.
12. **For Communication and Utilities** – an increase of 27% was due to the installation of new communication facilities and the increase in manpower headcount. Moreover, the additional office spaces and the operation of the warehouse resulted in an increase in power and water charges for the year.
13. **For Outside Services** – a decrease of 32% was attributed to the reduction of 1590 EC's janitorial and security services.
14. **For Other General and Administrative Expenses** – an increase of 51% was due to the writing-off of bad debts and pre-development costs for cancelled projects. The net of reduction in royalty fees of 1590 EC and Securities Exchange Commission fees for the increases in capitalization of VEC and VIGC.
15. **EBITDA** – an increase of 29% was attributed to the improved bottom line contribution of VEC, associates, and joint ventures. Moreover, there was also an increase in management fees and equity share in net earnings.
16. **Finance Cost** – a decrease of 3% was due to the increase in Gross Receipts Tax from 1% to 5% starting February 2016. This was net of the partial payment of the Floating Rate Capital Notes ("FRCN") principal.
17. **Other Charges** – a decrease of 84% was attributed to the non-recurrence of Hijos de F. Escaño, Inc. ("HDFE") Php 241mn revaluation gain in 2015. Other factors which caused the decrease were the increases in ICC charges and intercompany billings to associated and joint ventures, rental escalation, gain on sale of vehicle, and new technical service contracts by Parent. The increases in ICC charges and intercompany billings to associates and joint ventures, rental escalation, gain on sale of vehicle, and new technical service contracts by Parent also caused its decrease.
18. **Tax Expense** – a decrease of 23% was due to the decline in income tax of Parent and Subsidiary Group. Likewise, the net higher income taxes of VEC and 1590 EC were due to improved performance in 2016. One of the factors for tax expenses in 2015 was the deferred tax recognition for the gain on fair value re-measurement of HDFE's investment properties.
19. **Net Income** – increase of 14% due to the increase in equity in net earnings of its associates and joint ventures, and higher management fees.

Reported Net Income for the year was at Php1.42bn compared to Php1.248bn in 2015.

Lastly, MES reported the 2016 Improperly Accumulated Earnings Tax exposure. The Corporation allocated Php 698.8mn for Therma Visayas Inc. and MPC.

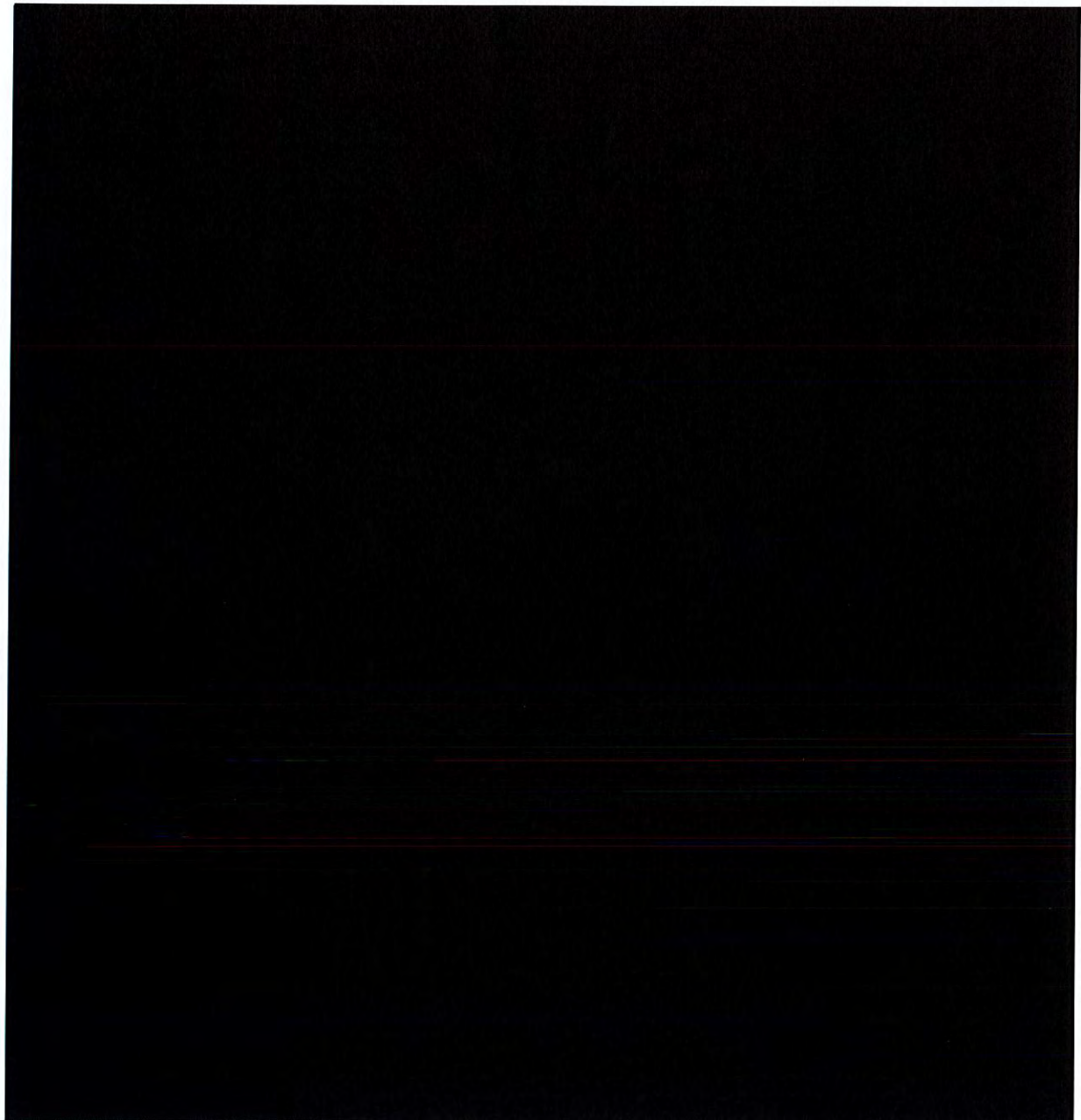
The Board approved the financial statements as presented, as well as the appropriation of retained earnings for future projects of the Corporation and its subsidiaries.

[REDACTED]

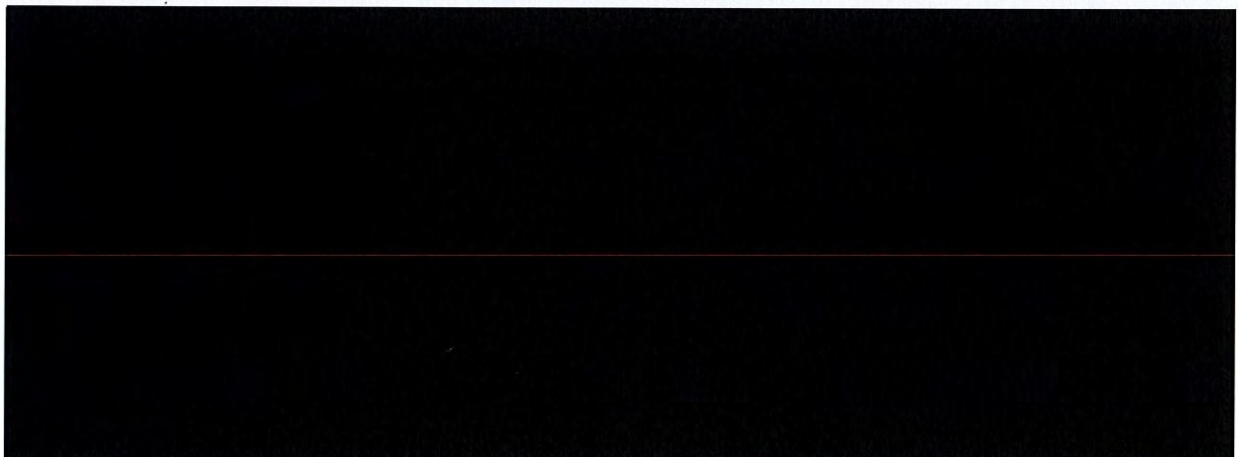
[REDACTED]

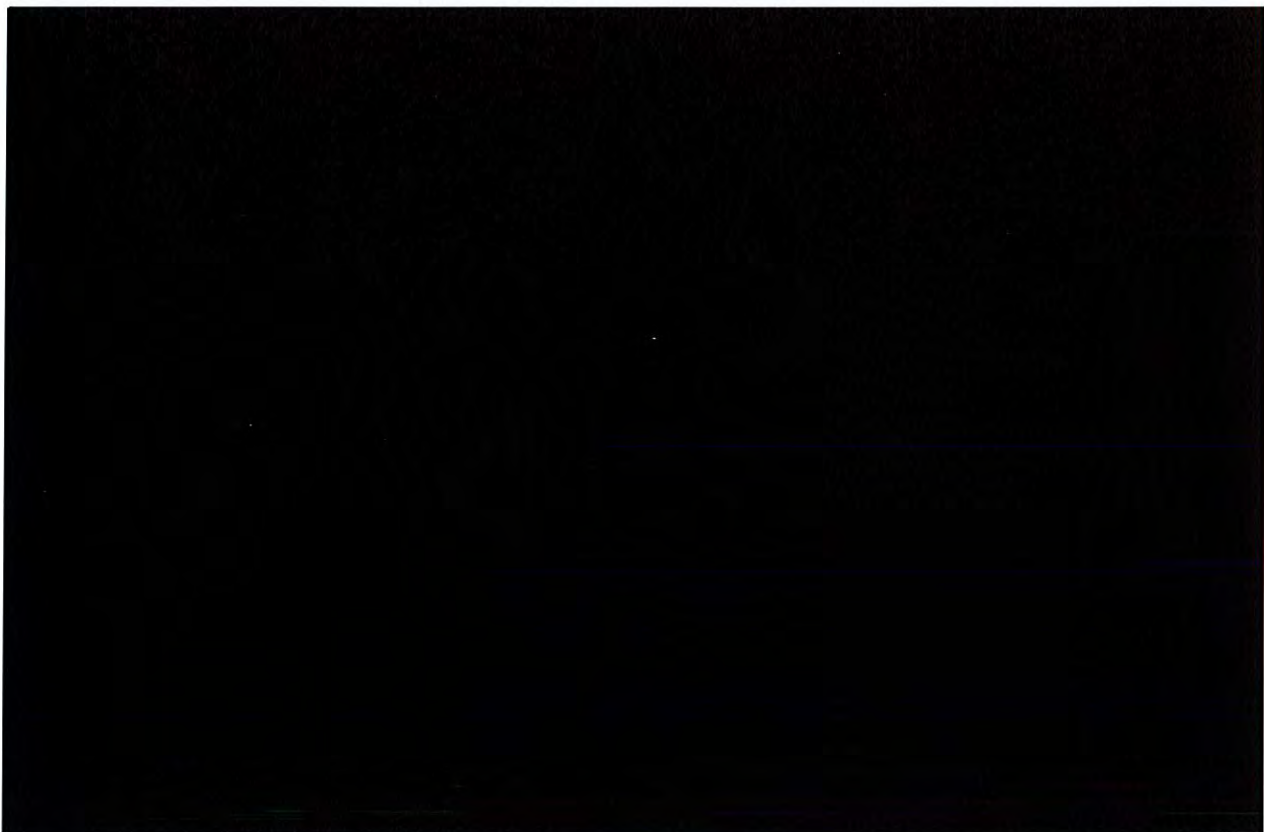
[REDACTED]

[REDACTED]



VIII. Subsidiary Update





IX. Project Updates



X. Risk Committee Charter Approval

JNG presented the Risk Committee Charter. The Board noted that the charter should be specific and applicable to the Corporation with possible revisions, given the changing demands of the corporation.

The Board approved the charter together with the inclusions of the members to the committee.

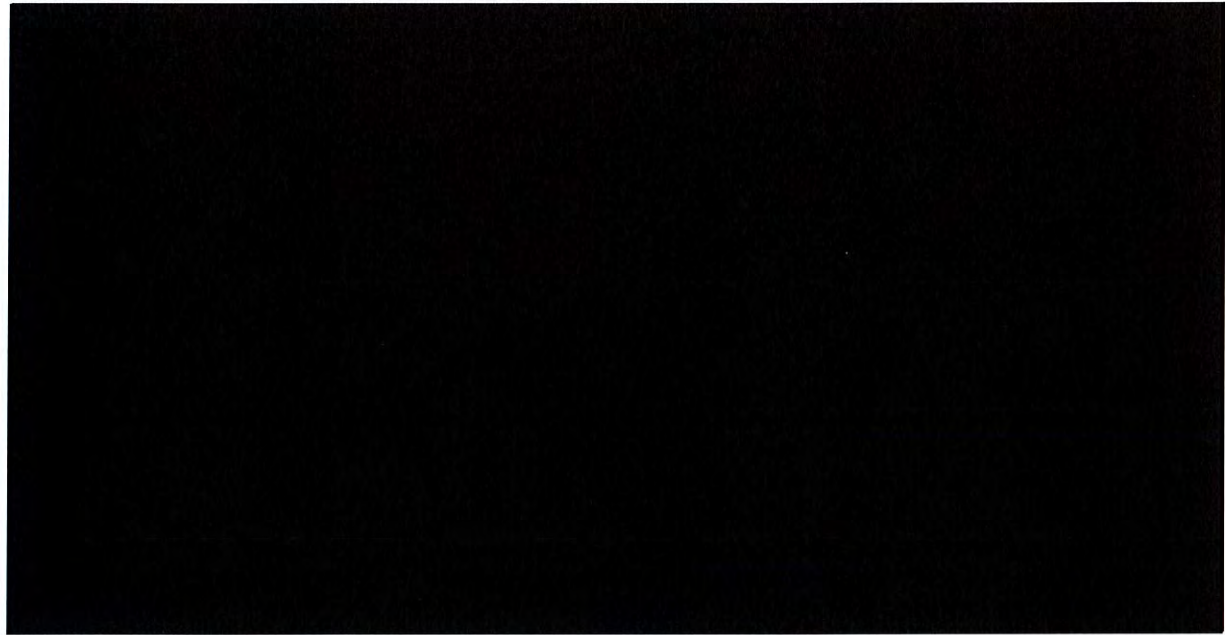
ANNEX
B

XI. Approval for Record Date of Annual Stockholders' Meeting



XIII. Other Matters





IX. Adjournment

There being no other matter to be discussed, the regular meeting of the Board was adjourned at 12 noon, after motion duly made and seconded.

Prepared by:


ATTY. JESS ANTHONY N. GARCIA
Corporate Secretary

Attested by:


MR. DENNIS N.A. GARCIA
Chairman


MR. CHARLES SYLVESTRE A. GARCIA
Member


MR. JOSE MARKO ANTON G. SARMIENTO
Member

MR. GIL A. GARCIA
Member


MR. ELBERT M. ZOSA
Member


MR. RAMON TITO E. GARCIA
Member

MR. EFREN P. SARMIENTO
Member

MR. ANTONIO S. ABACAN, JR.
Member


MR. EMIL ANDRE M. GARCIA
Member


ATTY. JESUS B. GARCIA, JR.
Independent Director

AMB. RAUL CH. RABE
Independent Director

Prepared by:

ATTY. JESS ANTHONY N. GARCIA

Corporate Secretary

Attested by:

MR. DENNIS N.A. GARCIA

Chairman

**MR. CHARLES SYLVESTRE A.
GARCIA**

Member

**MR. JOSE MARKO ANTON G.
SARMIENTO**

Member

MR. GIL A. GARCIA

Member

MR. ELBERT M. ZOSA

Member

MR. RAMONTITO E. GARCIA

Member

MR. EFREN P. SARMIENTO

Member

MR. ANTONIO S. ABACAN, JR.

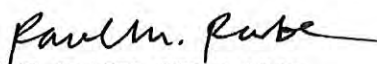
Member

MR. EMIL ANDRE M. GARCIA

Member

ATTY. JESUS B. GARCIA, JR.

Independent Director


AMB. RAUL CH. RABE

Independent Director





Schedule IV

**VIVANT CORPORATION
RETIREMENT PLAN**

RULES AND REGULATIONS

**ARTICLE I
NAME, PURPOSE AND EFFECTIVE DATE**

Section 1. NAME

The name of this Plan shall be the **VIVANT CORPORATION RETIREMENT PLAN**.

Section 2. PURPOSE

This Plan shall establish the **VIVANT CORPORATION RETIREMENT TRUST FUND** which will provide retirement, death, disability, and severance benefits for all eligible employees of the Company.

Section 3. DATE AND EFFECTIVITY

The Plan shall be in effect on November 1, 2013.

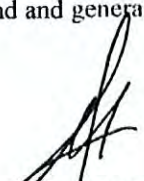
**ARTICLE II
DEFINITION OF TERMS**

Section 1. DEFINITIONS

The following words or phrases used in the Plan shall be defined as follows:

- a) "Company" shall mean **VIVANT CORPORATION**.
- b) "Plan" shall mean the Retirement Plan adopted herein together with any amendments or further amendments duly adopted by the Company.
- c) "Fund" shall mean the Retirement Trust Fund established under this Plan, and shall mean generally the Company's contributions together with all income, gains and other additions thereto, less any losses, expenses, and benefit payments therefrom.
- d) "Trustee" or "Trustees" shall mean the entity, person or persons appointed by the Company responsible for the assets of the fund and general administration of the Plan.


MARIA VICTORIA SEMBRANO


ARLO A.G. SARMIENTO

-
- e) "Member" shall mean any officer or employee who has qualified for membership under Article III and whose membership has not been terminated as provided therein.
 - f) "Plan Salary" or "Pay" shall mean the latest monthly salary paid to the Member, or if paid daily shall be converted to monthly, for services rendered during normal working days and hours excluding allowances, overtime pay, commissions, bonuses and/or profit-sharing payments and other fluctuating emoluments or monetary benefits which are not considered as part of or integrated into the regular salary of the employee.
 - g) "Service" shall mean the period of service rendered by a Member as determined from the records of the Company. Period of service shall be reckoned from date of hire to date of retirement, death, permanent disability, or severance.
 - h) "Credited Service" shall mean the number of years and completed months of Service rendered by the Member. For purposes of determining the number of years of Credited Service, leave of absence without pay shall not be considered while a fraction of six (6) months or more shall be considered as one (1) year and a fraction of less than six (6) months shall be in accordance with Company policy.
 - i) "Regular Employment Status" shall mean an employee who is under the regular payroll of the Company on a full-time basis.
 - j) "Beneficiary" shall mean the person or persons who shall receive the death benefit provided for herein. The nomination of beneficiaries shall be in accordance with Article VI Section 2.
 - k) "Actuarial Advisor" shall mean a person who is accredited with the Insurance Commission as an actuary or a consulting firm with an accredited actuary in its staff.

Section 2. GENDER

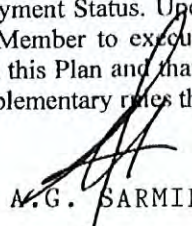
The masculine pronoun shall include the feminine gender and the single number shall include the plural unless the context indicates otherwise.

ARTICLE III MEMBERSHIP

Section 1. MEMBERSHIP

Membership in the Plan shall be automatic for all officers and employees of the Company who are considered having Regular Employment Status. Membership in the Plan will commence retroactively on the first day of the month coincident with or next following his attainment of Regular Employment Status. Upon commencement of membership the Company may require the Member to execute a pledge to the effect that he has read and is in conformity with this Plan and that he shall abide by its provisions and with any amendments and supplementary rules thereto.


MARIA VICTORIA SEMBRANO


ARLO A.G. SARMIENTO

Section 2. TERMINATION

Membership in the Plan shall cease automatically upon termination of the Member's service to the Company.

Section 3. RE-EMPLOYMENT

A Member whose membership in the Plan is terminated and is subsequently employed by the Company shall, upon re-admission to the Plan, be treated as a new Member.

Section 4. LEAVE OF ABSENCE

Membership in the Plan shall continue during any period over which a Member is on leave of absence approved by the Company in writing, and during any period of absence due to furlough, sickness, accident or other causes not constituting a severance of the employer-employee relationship.

**ARTICLE IV
THE FUND**

Section 1. NON-CONTRIBUTORY PLAN

No Member shall be required to make any contribution to the Fund.

Section 2. FUNDING

The funding of the Plan shall be determined by the Actuarial Advisor and payment of the benefits thereunder shall be provided for through the medium of a Fund held by a Trustee under an appropriate Trust Agreement. The contributions to the Fund so created together with gains and losses realized and unrealized plus contributed accrued liabilities, if any, shall constitute the Fund.

Section 3. VALUATION

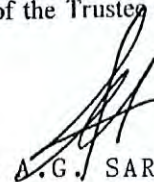
The contributions to the Fund shall be actuarially determined at least once every two or three years.

Section 4. PROCEDURE FOR PAYMENT

Application for the payment of the retirement benefits under Article V must be made in writing in the form and manner prescribed by the Trustee and must be filed with the Trustee at least thirty (30) days in advance of the date of actual retirement, resignation or separation without cause. Decision of the Trustee shall be final and binding upon all parties.



MARIA VICTORIA SEMBRANO



ARLO A.G. SARMIENTO

Section 5. MANNER OF PAYMENT

At the option of the Trustee, all benefits under the Plan shall be payable to the withdrawing Member in the form of a single sum payable anytime within sixty (60) days from the date of such withdrawal from the Plan. Such benefit shall be payable directly to the Member or to his beneficiary as the circumstances of each case may warrant.

Section 6. NON-DIVERSION OF FUNDS

All contributions made to the Fund shall be held solely and exclusively for the benefit of the Members or their beneficiaries and no part of the said Fund shall be used for, or diverted to, purposes other than for the exclusive benefit of the members or their beneficiaries.

Section 7. WAIVER OF CLAIMS

Receipt of any benefit by any Member of the Plan shall be deemed a final settlement of any and all claims that the Member may have under the Plan. The Member shall hereby waive, quitclaim and release the Company and the Plan from any and all claims, actions and liabilities arising from this Plan.

**ARTICLE V
RETIREMENT DATES AND BENEFITS**

Section 1. COMPULSORY RETIREMENT

The Normal Retirement Date of a Member shall be the first day of the month coincident with or next following his sixtieth (60th) birthday. The Member's Compulsory Retirement Benefit shall be a sum equal to 100% of Plan Salary for every year of Credited Service.

Section 2. OPTIONAL RETIREMENT

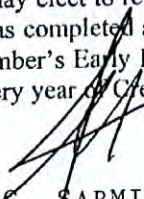
A Member may elect to retire prior to his Compulsory Retirement Date provided he has completed at least ten (10) years of Service and is at least age fifty-five (55). The Member's Optional Retirement Benefit shall be a sum equal to a 100% of Plan Salary for every year of Credited Service.

Section 3. EARLY RETIREMENT

With the consent of the Company, a Member may elect to retire prior to his Optional or Compulsory Retirement Date provided he has completed at least ten (10) years of Service and is at least age fifty (50). The Member's Early Retirement Benefit shall be a sum equal to a 100% of Plan Salary for every year of Credited Service.



MARIA VICTORIA SEMBRANO



ARLO A.G. SARMIENTO

Section 4. DISABILITY BENEFIT

In the event that a Member is retired by the Company due to permanent total incapacity or disability or due to sickness, as determined by a competent physician appointed by the Company, his disability retirement benefit shall be a single sum equal to 100% of Plan Salary for every year of Credited Service.

Section 5. SEVERANCE BENEFIT

A Member who is involuntarily separated by the Company due to a retrenchment program not due to serious business losses or financial reverses or redundancy or for causes not due to his own fault, misconduct, or material neglect shall be entitled to a benefit determined in accordance with the Termination Pay provision under the Labor Code or similar legislation on involuntary termination or if applicable, the amount of retirement benefits due to him hereunder, whichever is greater but shall not be entitled to all or any combination of all.

Section 6. TAX EXEMPTION OF BENEFITS

In accordance with the provisions for tax qualification under Republic Act No. 4917 (as reiterated by Section 32 (B) (6) (a) of the Tax Code of 1997), any retirement benefit received from the Plan shall be wholly exempt from tax provided the Member has served the Company for at least ten (10) years and is at least age fifty (50) at the time of retirement. It is further provided that any amount received under the Plan due to death, disability, or for any cause beyond the Member's control shall likewise be exempt from all taxes.

Section 7. DISMISSAL FOR CAUSE

A Member who is dismissed by the Company for cause shall not be entitled to any benefit under the Plan.

Section 8. FORFEITURES

The portion of the amount standing to the credit of a separated Member which is not paid to him by virtue of the limitations specified in this Plan shall be retained in the Fund and shall be used to reduce future contributions of the Company. Such forfeitures, which may arise from severance of employment, death or any other reason, shall not be applied to increase the benefits any Member would otherwise receive under the Plan at any time prior to the termination of the Plan or the complete discontinuance of Company contributions thereunder.


MARIA VICTORIA SEMBRANO


ARLO A.G. SARMIENTO

**ARTICLE VI
DEATH BENEFIT**

Section 1. BENEFIT

In the event that a Member dies from any cause except self-inflicted injuries, his beneficiaries shall be entitled to receive a death benefit in a lump sum equal to 100% of Plan Salary for every year of Credited Service.

Section 2. NOMINATION OF BENEFICIARY

Procedure. Each employee shall, upon eligibility to participate in the Plan, forthwith nominate in writing, in such forms as shall be prescribed by the Trustee, a person or persons entitled to succeed such Member, by testate or intestate succession under existing laws, to receive the amount which may be due the Member in case of his death or inability to receive in person any sum due him from the Fund.

Every nomination or appointment shall remain in force until the death of the nominee or appointee or until revoked or amended by the Member making it by delivering to the Trustee another nomination or appointment in the prescribed form.

In the event of death of a designated or appointed beneficiary during the lifetime of the designating or appointing Member, said Member shall forthwith nominate or appoint another person in place of the deceased beneficiary.

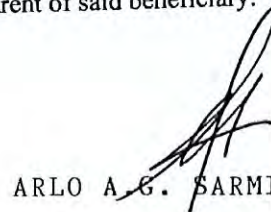
Failure to Nominate. If at the death of the Member there shall exist no valid nomination by him of a beneficiary, the existing laws on succession shall prevail.

If the person or persons from among those enumerated in the existing laws on succession do not exist at the time of the member's death, no death benefit shall be paid by the Plan. The death benefit which should have been paid shall be forfeited in favor of the Fund.

Minor / Incompetent Beneficiary. In case the beneficiary is a minor or under any disability to give legal discharge for payment of the benefits, then payment of the benefits shall not be made until a legal guardian is appointed in behalf of the minor or person under disability, but the beneficiary shall not be entitled to any income on the amount of the accrued benefits during the period that the payment was deferred because of the absence of a legal guardian; provided further that if the amount of benefit is such that existing laws would allow the payment thereof to the surviving parent of the minor or incompetent beneficiary, then benefit payments for the account of said beneficiary shall be made to the surviving parent of said beneficiary.



MARIA VICTORIA SEMBRANO



ARLO A. G. SARMIENTO

ARTICLE VII ADMINISTRATION

Section 1. THE PLAN

The Plan shall be administered by a Trustee appointed by the Company who shall be responsible for the general administration of the Plan and the management of the Fund. The Company may create a Retirement Committee which will coordinate with the Trustee in the implementation of this Plan. The Trustee may seek the advice of counsel and may appoint an investment manager or managers to manage the Fund, an independent accountant to audit the Fund and an actuary to value the Fund. Fees and expenses incurred in the investing and accounting and / or actuarial audit, amendment and other services for the Plan may be charged to the Fund.

Section 2. TRUST AGREEMENT

The powers, authorities and discretion necessary or expedient for the Trustee to perform his / their duties shall be expressed in the Trust Agreement executed by the Company and the duly appointed person(s) or entity.

Section 3. RETIREMENT COMMITTEE

The duties of the retirement committee shall consist of the following functions solely as they relate to the Plan:

1. Implement the rules and procedures set forth in this Plan in filling applications for benefits, for furnishing proofs necessary to establish the Member's qualification, age and continuous service.
2. Recommend to the Trustee the appropriate payment of the amount due to the Member in accordance with the provisions of the Plan less accountabilities to the Company, if any.
3. Interpret together with the Trustee the meaning, coverage, interpretation and application of the provisions of the Plan.

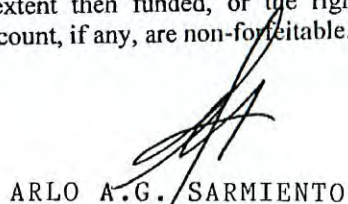
ARTICLE VIII AMENDMENT AND TERMINATION OF THE PLAN

Section 1. NON-FORFEITURE OF RIGHTS

Upon termination of the Plan or upon the complete discontinuance of contributions under the Plan, the rights of each Member to benefits accrued to the date of such termination or discontinuance, to the extent then funded, or the rights of each Member to the amounts credited to his account, if any, are non-forfeitable.



MARIA VICTORIA SEMBRANO



ARLO A.G. SARMIENTO

Section 2. AMENDMENT

The Company may amend or modify this Plan at any time. Any amendment should conform to Republic Act Nos. 4917 and 7641 and their implementing regulations. Said amendments shall be immediately communicated to the trustee and the Members of the Plan.

Section 3. TERMINATION BY LIQUIDATION

The Company reserves the right at any time on account of business necessity to terminate, withdraw, amend, or modify the Plan in whole or in part, at the discretion of the Company. In the event of the termination of the Plan, the liability of the Company to make contributions shall cease, and the assets of the Fund shall be allocated, subject to provisions for expenses of administration or liquidation.

The Trustee shall pay all debts and obligations of the Fund and settle or dispose of any claims then outstanding against the Fund, and thereafter allocate the property remaining in the Fund to the employees or their beneficiaries, as follows:

- a. A sum in full or pro-rata to provide for the payment to members who are eligible for normal and late retirement, or for death and disability benefits, but who have not received their benefit payments by the date of termination of the plan.
- b. If any amount remains after (a) above, a sum, in full or pro-rata, to provide for the payment of benefits to employees who are eligible for early retirement by the date of termination of the Plan.
- c. If any amount remains after (b) above, a sum, in full or pro-rata, to provide for the payment of benefits to employees who remain and who may have contingent benefit interest as the Trustee/Retirement Committee may determine on the termination of the Plan.
- d. Any amount remaining in the Fund after making the above allocations and after paying all liabilities shall revert to the Company.

Section 4. TERMINATION BY TRANSFER

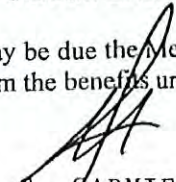
In the event the Company terminates the Plan by transferring it to any other Fund which is similar, in the opinion of the Trustee, to the purpose and terms of this Plan, each Member shall be entitled to the same benefits as they would have had from this Plan had this Plan not been terminated.

ARTICLE IX EFFECT OF LEGISLATION

Section 1. SOCIAL SECURITY SYSTEM AND WORKMEN'S COMPENSATION

Except as otherwise provided, whatever benefits may be due the Member on account of the Social Security Law shall not be deducted from the benefits under this Plan.


MARIA VICTORIA SEMBRANO


ARLO A.G. SARMIENTO

Section 2. NON-DUPLICATION OF BENEFITS

In the event existing or future laws, including the Collective Bargaining Agreement, require the Company to pay similar or analogous benefits to those already herein provided, the Member concerned shall not be entitled to receive both what the law, legislation or CBA requires the Company to give but shall be entitled only to whichever benefit is the greater among them; or, the Company may exercise the right to reduce its current contributions or benefits under this Plan by the amount of any amount of any payments required by the subsequent legislation or CBA in accordance with the regulations promulgated by the Company.

**ARTICLE X
MISCELLANEOUS PROVISIONS**

Section 1. IRREVOCABILITY

The Company shall have no right, or interest in the contributions made by them to the Trust and no part of the Fund shall revert to the Company except after satisfaction of all liabilities of the Plan; however, such contributions as may have been made by the Company as a result of overpayment may revert to the Company.

Section 2. NON-TRANSFERABILITY OF RIGHTS

No benefit payable under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or change; and any action by way of anticipating, alienating, selling, transferring, assigning, pledging, encumbering, changing the same shall be void and of no effect.

Section 3. LIEN OF THE COMPANY

The Company shall have the first lien upon the amount standing to the credit of its employee-member to cover all liabilities of the Member to the Company. Said amount of liability shall be deducted by the Trustee from the benefit payment to the Member and shall be remitted to the Company.

Section 4. EMPLOYMENT

The establishment of the Plan shall not be construed as conferring any right upon any Member or any person to a continuation of employment.


MARIA VICTORIA SEMBRANO


ARLO A.G. SARMIENTO

APPROVED:

VIVANT CORPORATION

By:


Name : MARIA VICTORIA SEMBRANO
EVP FINANCE
Position : _____
Date : _____


ARLO A.G. SARMIENTO
EVP & COO

(Please sign each page of the Plan Rules.)



VIVANT CORPORATION

Minutes of the Regular Meeting of the Board of Directors

Held on August 11, 2017 at 9:00 A.M.

Vivant Corporation Boardroom

Unit 907-908 Ayala Life-FGU Center, Cebu Business Park

PRESENT:

Mr. Ramontito E. Garcia	-	President
Mr. Gil A. Garcia II	-	Member
Mr. Charles Sylvestre A. Garcia	-	Member
Mr. Carmelo Maria Luza Bautista	-	Member
Mr. Jose Marko Anton G. Sarmiento	-	Member
Mr. Emil Andre M. Garcia	-	Member; VP for Operations and Business Dev't
Mr. Arlo A.G. Sarmiento	-	Member; EVP and COO
Mr. Rogelio Q. Lim	-	Independent Director
Atty. Jesus B. Garcia, Jr.	-	Independent Director
Amb. Raul Ch. Rabe	-	Independent Director

ALSO PRESENT:

Atty. Jess Anthony N. Garcia	-	Corporate Secretary/General Counsel
Ms. Minuel Carmela N. Franco	-	Treasurer/Vice President for Finance
Mr. Mark D. Habana	-	VP for Commercial Affairs
Atty. Macario C. Padullo, Jr.	-	AVP for Corporate Management Systems
Ms. Maria Victoria E. Sembrano	-	AVP for Finance

NOT PRESENT:

Mr. Dennis N. A. Garcia	-	Chairman of the Board
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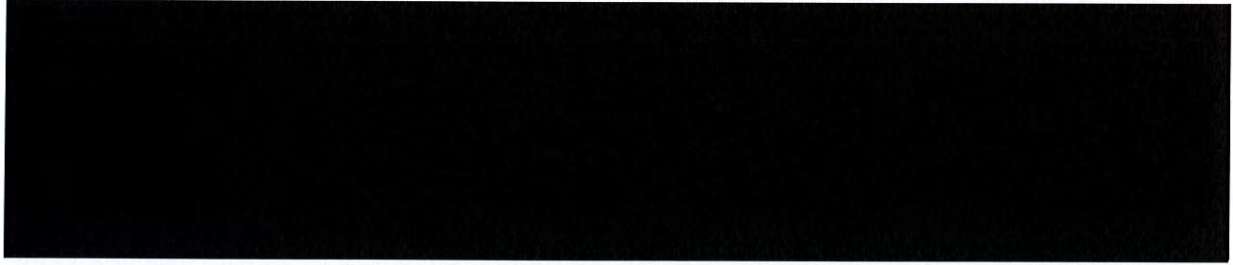
I. Call to Order

The President, Mr. Ramontito E. Garcia ("REG"), acted as Chairman for the Regular Meeting of the Board of Directors (the "Board") of Vivant Corporation ("Vivant"), called the meeting to order at 9:00 o'clock in the morning and presided over the same. The Corporate Secretary, Atty. Jess Anthony N. Garcia ("JNG"), recorded the minutes of the proceedings.

II. Certification of Quorum

JNG certified that notices of the meeting have been sent to all members of the Board, and that with the presence of at least a majority of its members, there was a quorum to transact business.

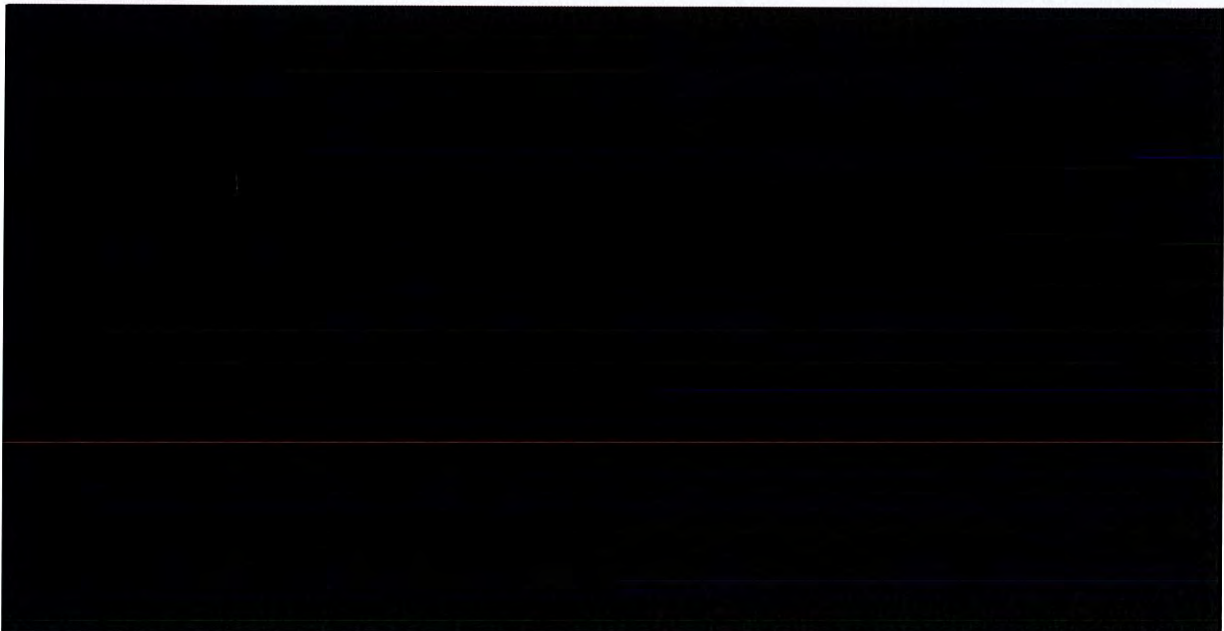
III. Reading and Approval of the Minutes of the Previous Board Meeting

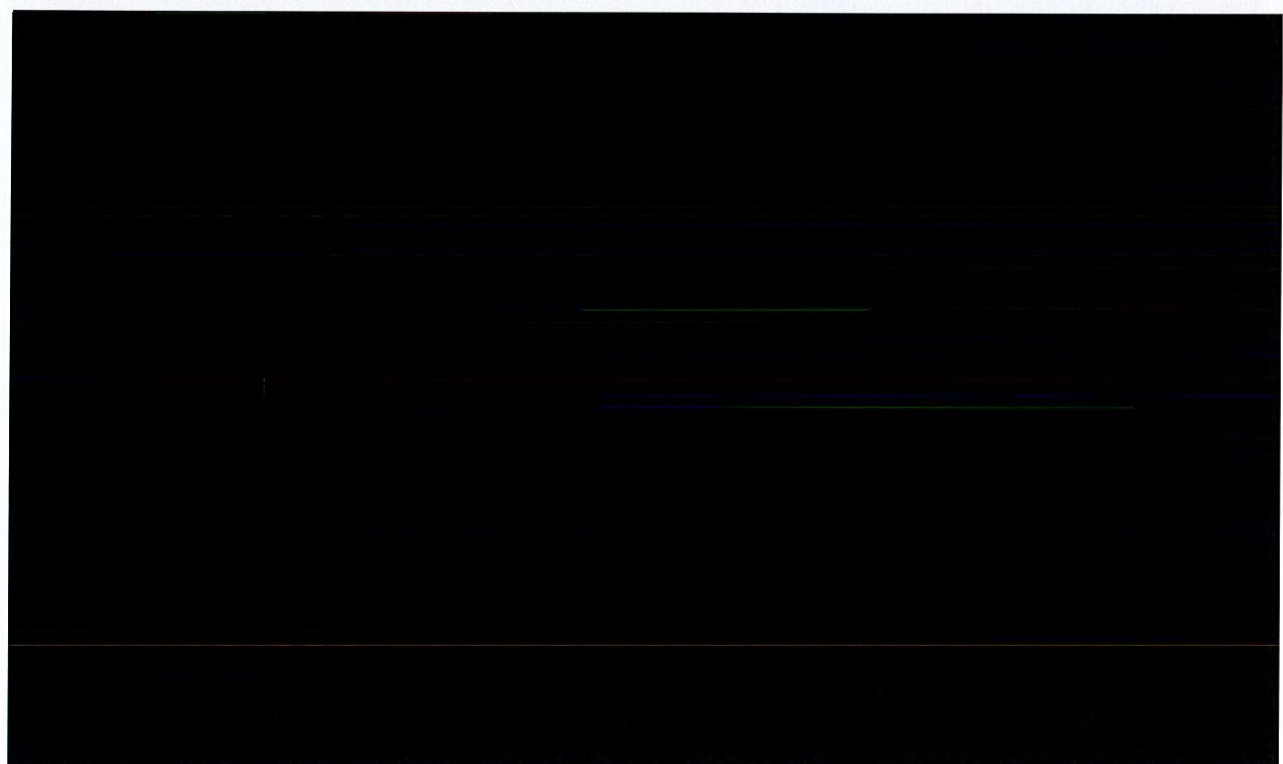
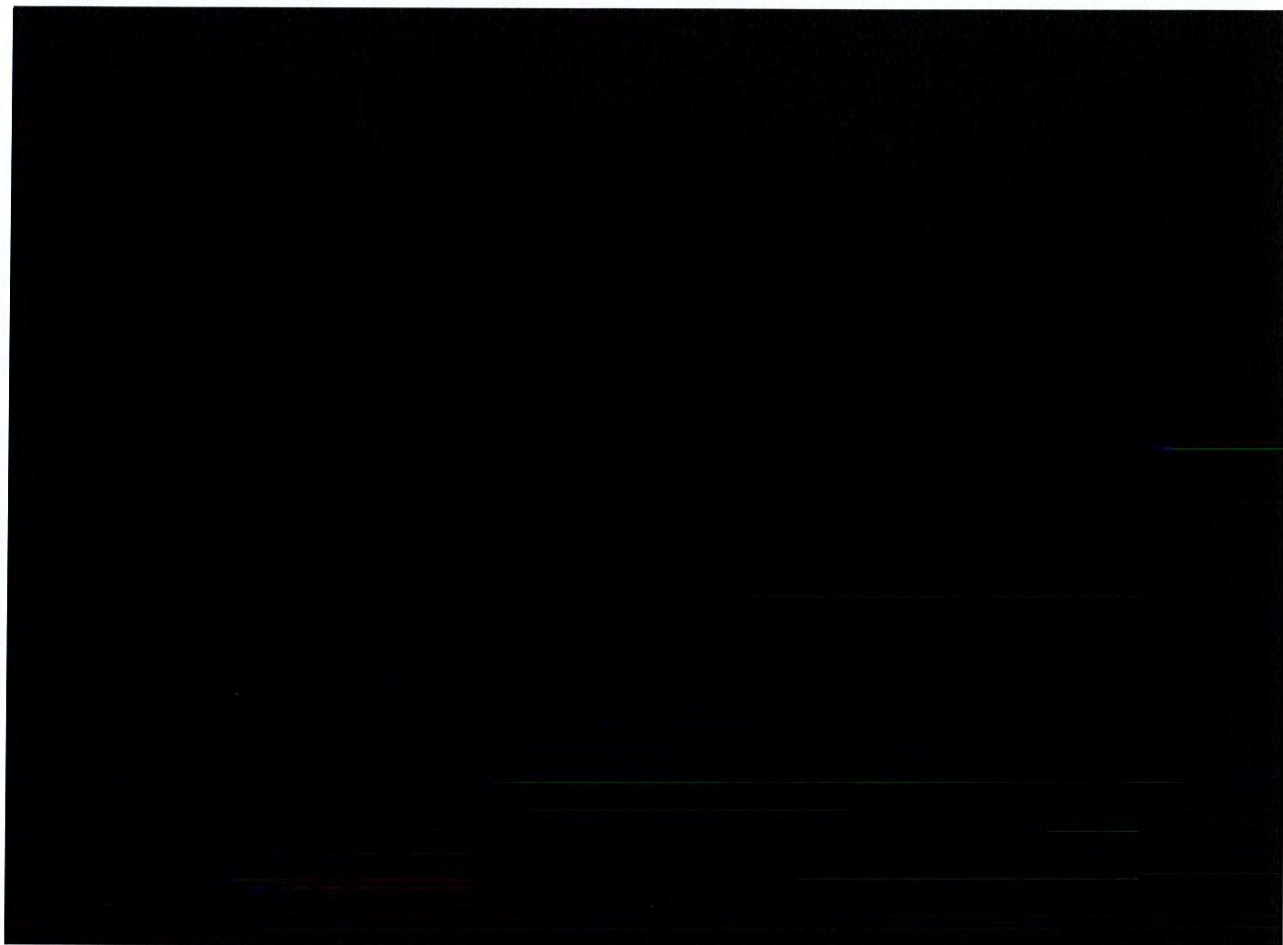


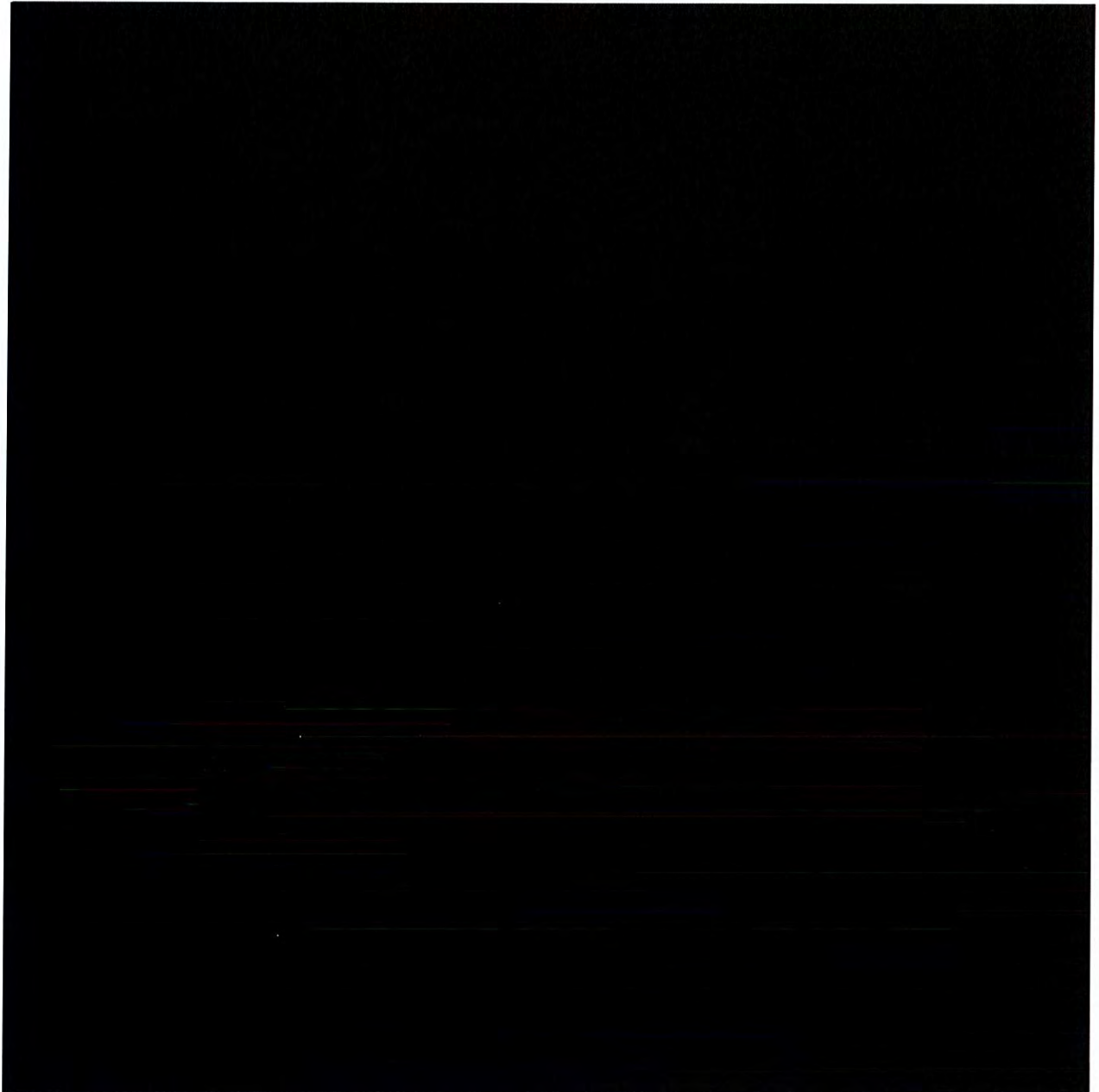
IV. Matters Arising from the Previous Minutes



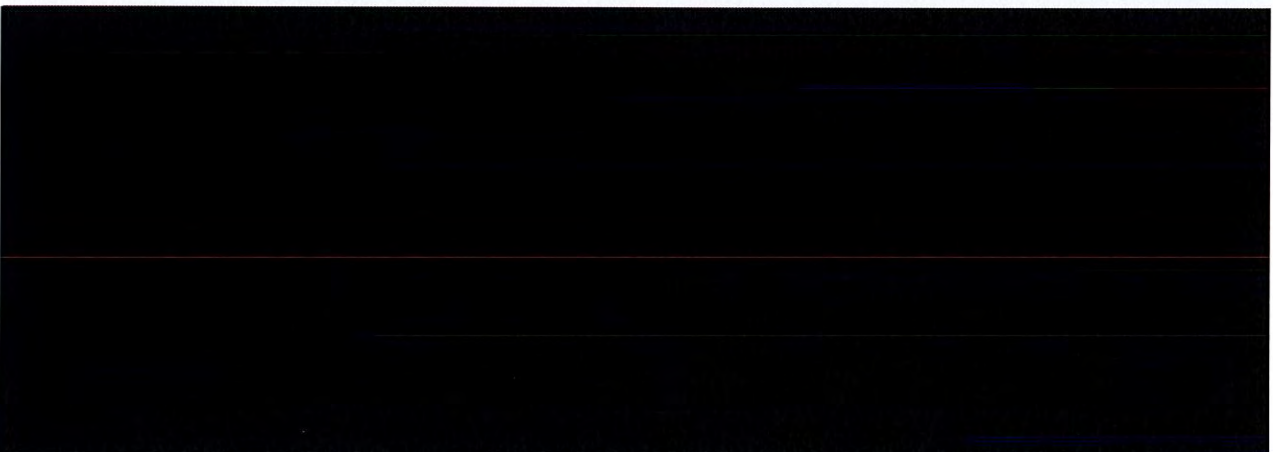
V. Approval of 2nd Quarter 2017 Financial Reports







VI. Subsidiary Updates



VII. Corporate Updates

(a) Updates

i. Risk Committee

Ms. Minuel Carmela N. Franco (“MNF”) reported on updates on the Risk Committee (“Riskcom”).

The Riskcom held its first meeting on June 5, 2017. The key decisions to be made pertain to the Enterprise Risk Management (“ERM”) Framework based on ISO 31000, Risk Architecture, Scope, Risk Calendar, and Compliance.

MNF then presented the framework and process for managing risks based on ISO 31000 which is an international standard for risk management principles. She presented the Risk Architecture, showing the reporting and monitoring lines between and among the Board, Riskcom, Audit Committee, Risk Management Unit, Departments and Business Units.

The following were then presented as members of the Riskcom:

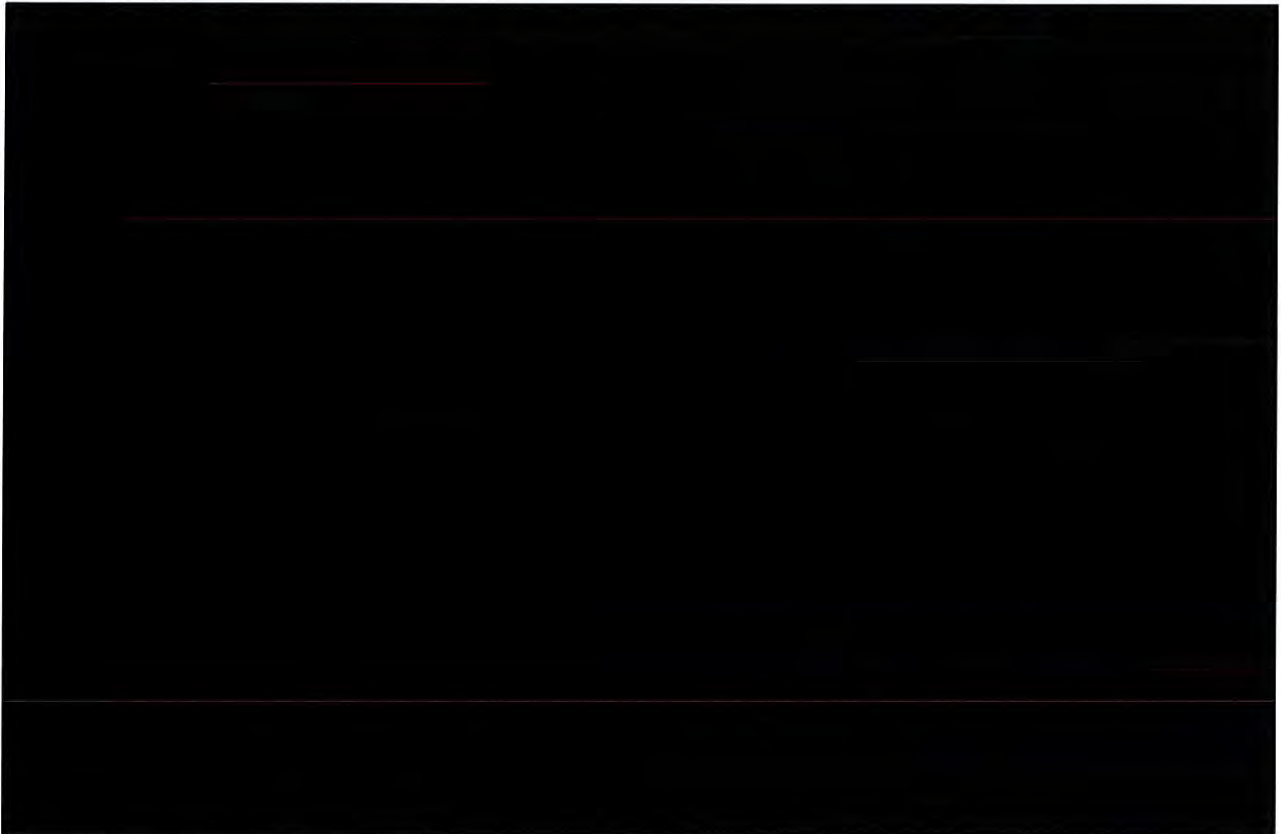
Amb. Raul Ch. Rabe – Chairman
Dennis N. A. Garcia – Member
Ramontito E. Garcia – Member
Charles Sylvestre A. Garcia – Member
Rogelio Q. Lim – Advisor
Arlo A. G. Sarmiento – *Ex Officio*
Emil Andre M. Garcia – *Ex Officio*
Minuel Carmela N. Franco – *Ex Officio*
Atty. Jess Anthony N. Garcia – *Ex Officio*

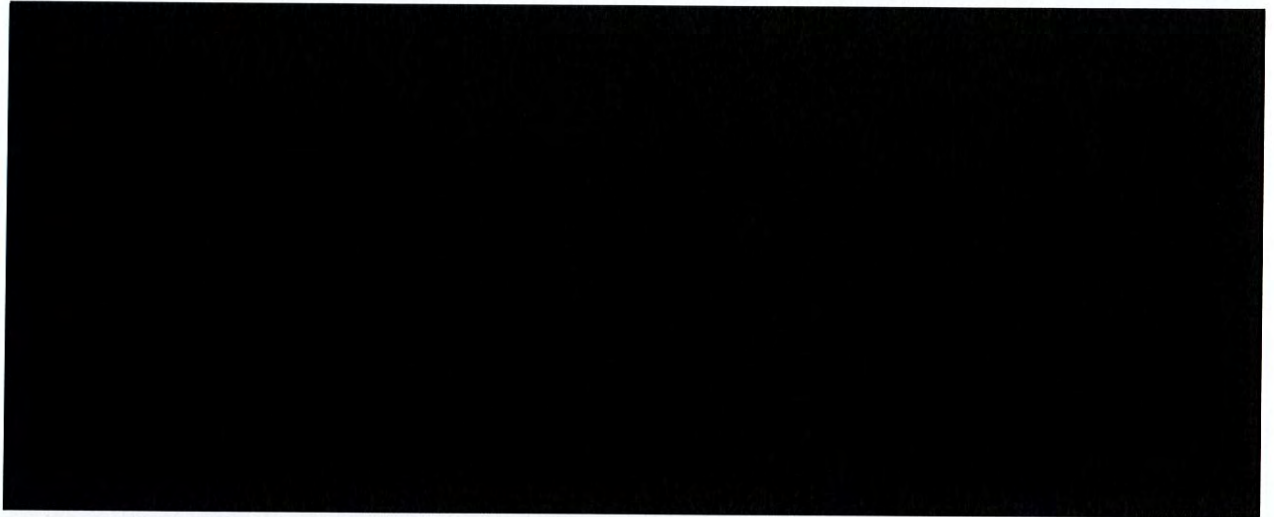
The Risk Management Unit shall be composed of the Chief Risk Officer and Risk Team.

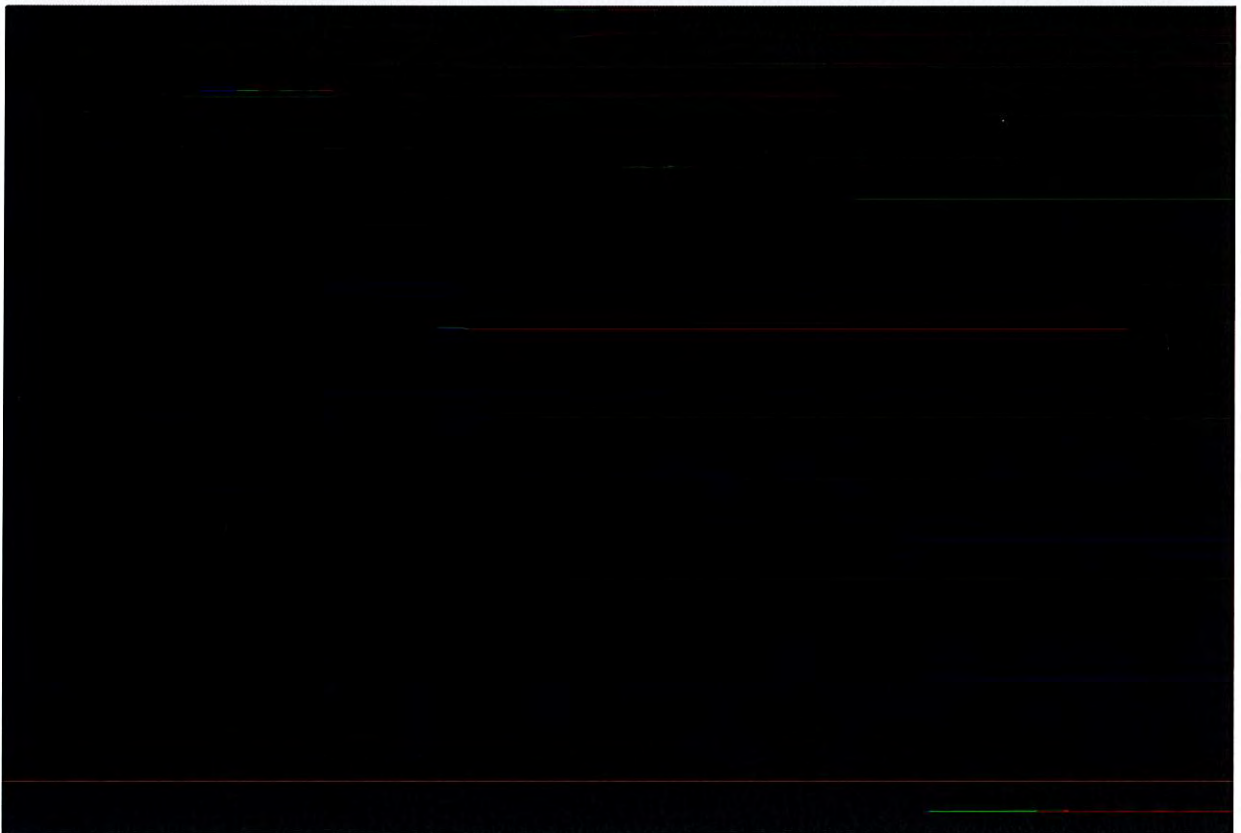
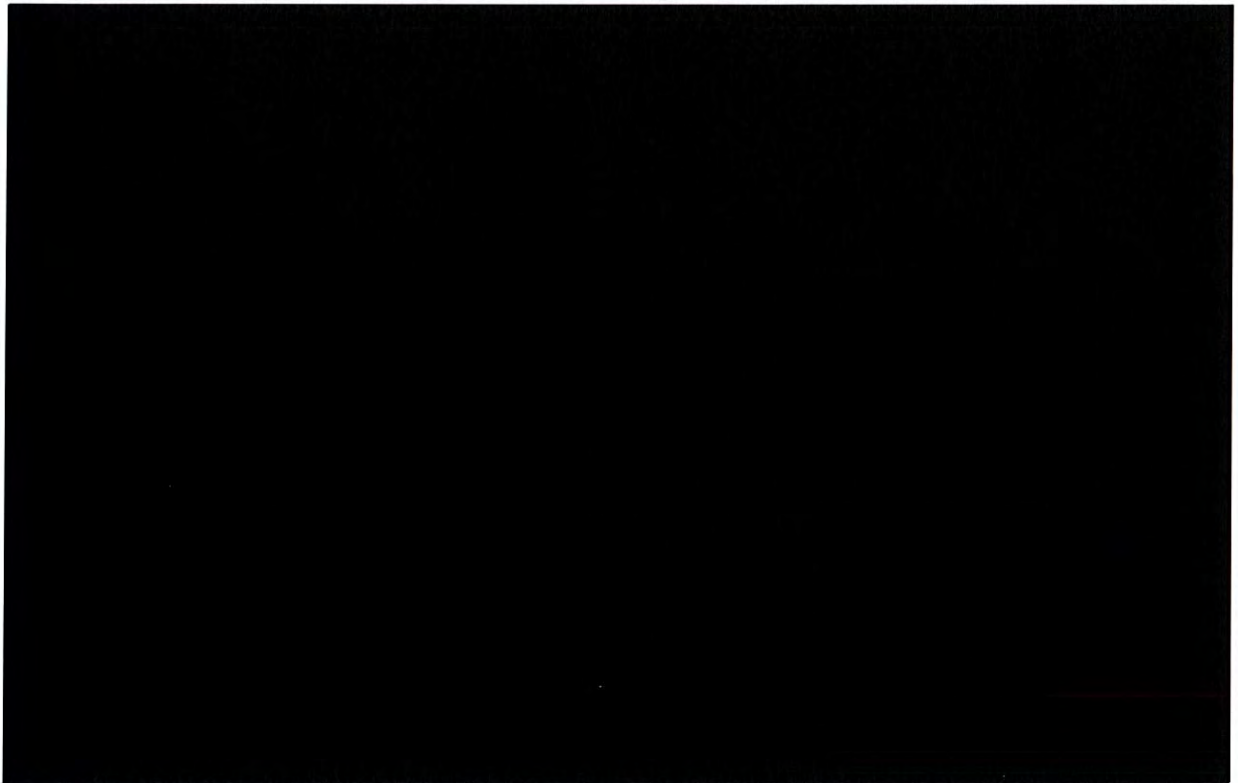
The Risk Owner/Business Unit shall be the relevant Department Heads, Business Unit BoDs and Heads.

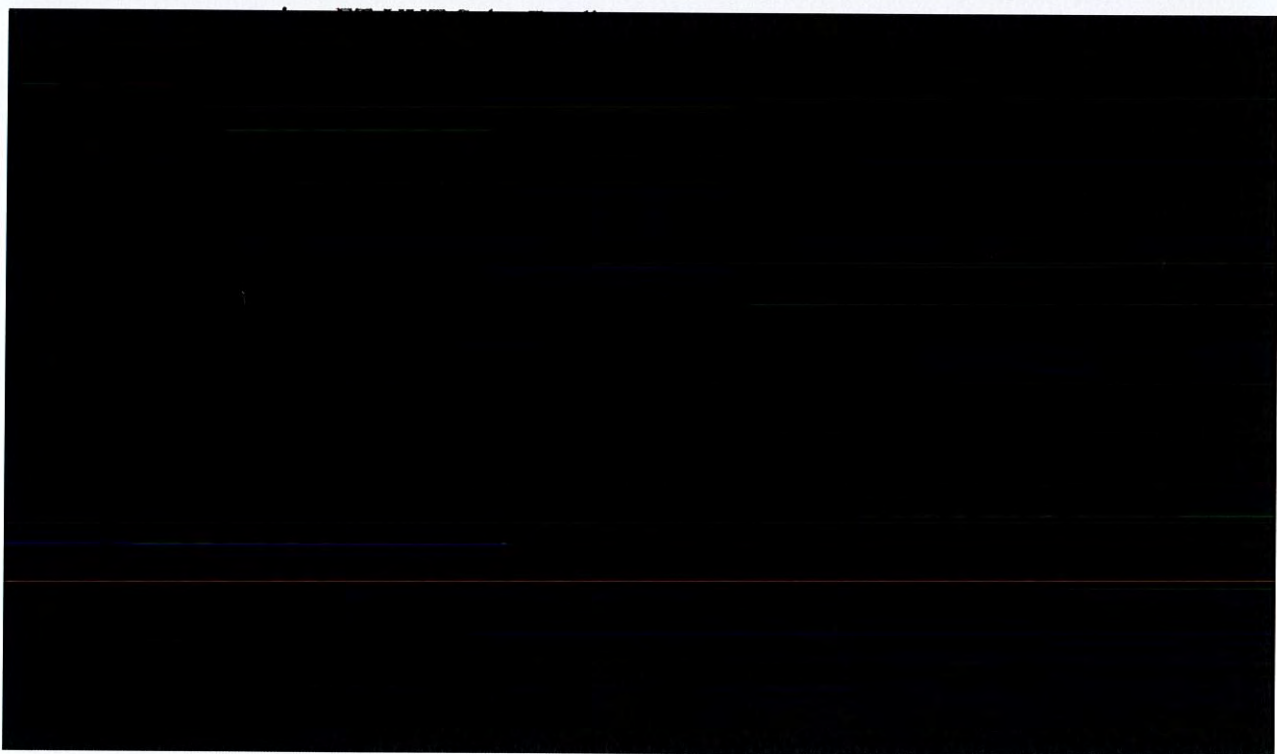
With Vivant being a holding company, risk management (“RM”) will be undertaken at two (2) levels: Parent level and Group/Business Unit level. RM in each level will be dependent on identified critical risk areas resulting from the evaluation of respective business models and process mapping. RM will cover: Strategic, Operational, Hazard, and Financial types of risks.

The 2017 – 2018 Calendar for Riskcom activities was then presented to the Board.



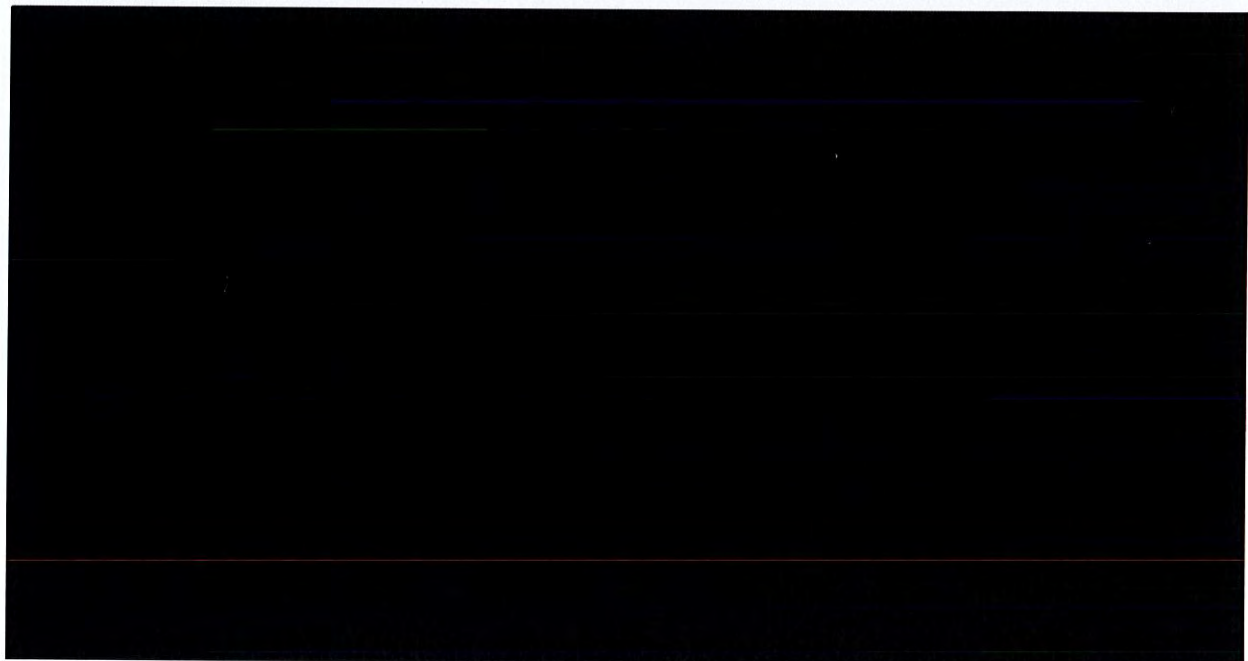








VIII. Other Matters



IX. Adjournment

Upon motion duly made and seconded, the regular meeting of the Board of Vivant was adjourned at 12:00 P.M..

Prepared by:


ATTY. JESS ANTHONY N. GARCIA
Corporate Secretary

Attested by:


MR. RAMONITO E. GARCIA
Acting Chairman

Not Present
MR. DENNIS N.A. GARCIA
Chairman


MR. JOSE MARKO ANTON G. SARMIENTO
Member


MR. CHARLES SYLVESTRE A. GARCIA
Member


MR. ARLO A.G. SARMIENTO
Member


MR. GIL A. GARCIA
Member

MR. CARMELO MARIA LUZA BAUTISTA
Member


MR. EMIL ANDRE M. GARCIA
Member


MR. ROGELIO Q. LIM
Independent Director


ATTY. JESUS B. GARCIA, JR.
Independent Director

AMB. RAUL CH. RABE
Independent Director

IX. Adjournment

Upon motion duly made and seconded, the regular meeting of the Board of Vivant was adjourned at 12:00 P.M..

Prepared by:

ATTY. JESS ANTHONY N. GARCIA

Corporate Secretary

Attested by:

MR. RAMONTITO E. GARCIA

Acting Chairman

Not Present

MR. DENNIS N.A. GARCIA

Chairman

**MR. JOSE MARKO ANTON G.
SARMIENTO**

Member

**MR. CHARLES SYLVESTRE A.
GARCIA**

Member

MR. ARLO A.G. SARMIENTO

Member

MR. GIL A. GARCIA

Member

**MR. CARMELO MARIA
LUZA BAUTISTA**

Member

MR. EMIL ANDRE M. GARCIA

Member

MR. ROGELIO Q. LIM

Independent Director

ATTY. JESUS B. GARCIA, JR.

Independent Director


AMB. RAUL CH. RABE
Independent Director

MEMORANDUM

For: *All Directors, Officers and Employees of Vivant Corporation*

From: *The Corporate Secretary*

Subject: *Disclosure of Transactions and "Blackout" of Transactions by Directors, Officers, Employees, and Related Individuals of Vivant Corporation Shares*

Date: *30 June 2014*

A. Disclosure of Transactions Involving Shares of Vivant Corporation

Section 23 of the Securities Regulation Code and Section 13 of the Revised Disclosure Rules of the Philippine Stock Exchange ("PSE") require that all directors and officers of Vivant Corporation should disclose any transaction (purchase or sale) involving shares of Vivant Corporation.

In this connection, all transactions (purchase or sale) of Vivant shares must be reported to the Corporate Secretary **not later than one (1) trading day from the date of the transaction**. This will give sufficient time for the Corporate Secretary to disclose the transaction to the Securities and Exchange Commission (SEC) and PSE on the following trading day.

B. "Blackout" Period for Transacting Shares of Vivant Corporation

To avoid the perception of "insider trading", all directors, officers, employees (and their Related Individuals) of Vivant Corporation must avoid purchasing or selling shares, or in any way dealing, with shares of Vivant Corporation during the following periods, which are hereby adopted and declared as **"blackout" periods**:

- (1) Quarterly Report blackout period – 10 trading days before and until 2 trading days after the following dates of each year:
 - a. April 15
 - b. August 15
 - c. October 15
- (2) Annual Report blackout period – 10 trading days before and until 2 trading days after April 15 of each year.

- (3) Material Transaction blackout period – 10 trading days before and until 2 trading days after Vivant’s disclosure of each the material transaction or event.

“Related Individuals” shall include the director’s/officer’s/employee’s spouse (or live-in partner), relatives by affinity (by blood) or consanguinity (in-laws) within the second degree, legitimate or common-law.

Specifically, Related Interest includes:

- The director, officer, and employee of Vivant Corporation
- The legal spouse (or live-in partner) of such director, officer, and employee
- The director’s, officer’s, or employee’s sibling
- The sibling of the legal spouse (or live-in partner) of such director, officer, and employee

Any transaction during the blackout period may be treated by the Securities Regulation Code as insider trading and may subject the director, officer, or employee to civil (monetary) liability in a suit brought by any investor who, contemporaneously with the purchase or sale of securities that is the subject of the violation, purchased or sold securities of the same class unless such director, officer, or employee, proves that such investor knew the information or would have purchased or sold at the same price regardless of disclosure of the information to him.

Please be guided accordingly.

-Nothing follows-

Republic of the Philippines)
City of Cebu) S.S.

ANNEX "G"

CERTIFICATION

I, **ATTY. JESS ANTHONY N. GARCIA**, Filipino, of legal age and with business address at Unit 907-908 Ayala Life-FGU Center, Mindanao Avenue corner Biliran Road, Cebu Business Park, Barangay Luz, Cebu City, Philippines, after having been duly sworn in accordance with law hereby certify that:

1. I am the Corporate Secretary of **Vivant Corporation**, a corporation duly organized and existing pursuant to the law of the Republic of the Philippines, with principal office address at Unit 907-908 Ayala Life-FGU Center, Mindanao Avenue corner Biliran Road, Cebu Business Park, Barangay Luz, Cebu City, Philippines ("Vivant");
2. For the year ending December 31, 2017, the Audit Committee of Vivant Corporation held five (5) meetings with the following members and officers in attendance:

AUDIT COMMITTEE MEETING 2017						
NAME	POSITION	March 17, 2017	May 11, 2017	August 10, 2017	August 30, 2017	November 9, 2017
JBG	Chairman	Not Present	Present	Present	present	present
EMZ	Member	Present	Present	Not a member	Not a member	Not a member
GAG	Member	Present		Not a member	Not a member	Not a member
REG	Member	-	-	present	present	present
AGS	Member since June 2017	Present	present	present	present	present
DAG	Member since June 2017	Present	-	Out of the country	present	present
RQL	Member since June 2017	-	-	present	present	present
RABE	Member since June 2017	-	-	Not present	present	Not present
MES	AVP Controllershship	Present	Present	Present	present	present
MCP	AVP CMS	Present	present	Present	present	present
MNF	VP Finance	Present	present	Present	present	present
CFB	IA Sr. Mngr.	Present	present	present	present	present
JNG	Corp Sec.	Present	present	present	present	present

3. The foregoing statements are in accordance with the records of Vivant.

IN WITNESS WHEREOF, I have hereunto affixed my signature on this 21st day of May 2018 at Cebu City, Philippines.


ATTY. JESS ANTHONY N. GARCIA
Corporate Secretary

SUBSCRIBED AND SWORN to before me this **MAY 21 2018** day of May 2018, affiant exhibiting to me his Philippine Passport No. EC5373999 issued on September 17, 2015 at the DFA Cebu Consular Office.

Doc No. 264
Page No. 53
Book No. 111
Series of 2018.




ATTY. JOAN A. GIDUQUIO-BARON
NOTARIAL COMMISSION NO. 049-17
NOTARY PUBLIC
UNTIL DECEMBER 31, 2019
UNITS 1501-1502 AYALA LIFE-FGU CENTER
CEBU BUSINESS PARK, CEBU CITY
ROLL NO. 41829
PTR NO. 1434687 - CEBU CITY - 01/04/18
IBP NO. AR000748 - CEBU CITY - 01/04/18



VIVANT CORPORATION

Minutes of the Regular Meeting of the Board of Directors

January 26, 2018 at 9:00 A.M.

**9/F Ayala-Life- FGU Center
Cebu Business Park, Cebu City**

Present:

Mr. Dennis N.A. Garcia	-	Chairman and CEO
Mr. Ramontito E. Garcia	-	President
Mr. Arlo A.G. Sarmiento	-	Member; EVP and Chief Operating Officer
Mr. Emil Andre M. Garcia	-	Member; VP – Operations
Mr. Carmelo Maria Luza Bautista	-	Member
Mr. Charles Sylvestre A. Garcia	-	Member
Mr. Gil A. Garcia II	-	Member
Mr. Jose Marko Anton G. Sarmiento	-	Member
Amb. Raul Ch. Rabe	-	Independent Director
Mr. Rogelio Q. Lim	-	Independent Director

Also Present:

Atty. Jess Anthony N. Garcia	-	Corporate Secretary
Ms. Minuel Carmela N. Franco	-	VP – Finance
Mr. Mark D. Habana	-	VP – Commercial Affairs
Atty. Catherine S. Bringas	-	AVP – Legal
Atty. Macario C. Padullo, Jr.	-	AVP – Corporate Management Services

Not Present:

Atty. Jesus B. Garcia, Jr.	-	Independent Director
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I. CALL TO ORDER

The Chairman of the Board, Mr. Dennis N.A. Garcia ("DAG"), called to order the Meeting of the Board of Directors (the "Board") of Vivant Corporation ("Corporation") at 9:00 in the morning and presided over the same. The Corporate Secretary, Atty. Jess Anthony N. Garcia ("JNG"), recorded the minutes of the proceedings.

II. CERTIFICATION OF QUORUM

JNG certified that the notices of the meeting have been sent to all members of the Board, and that with the presence of more than a majority of its members, there was a quorum to transact business.

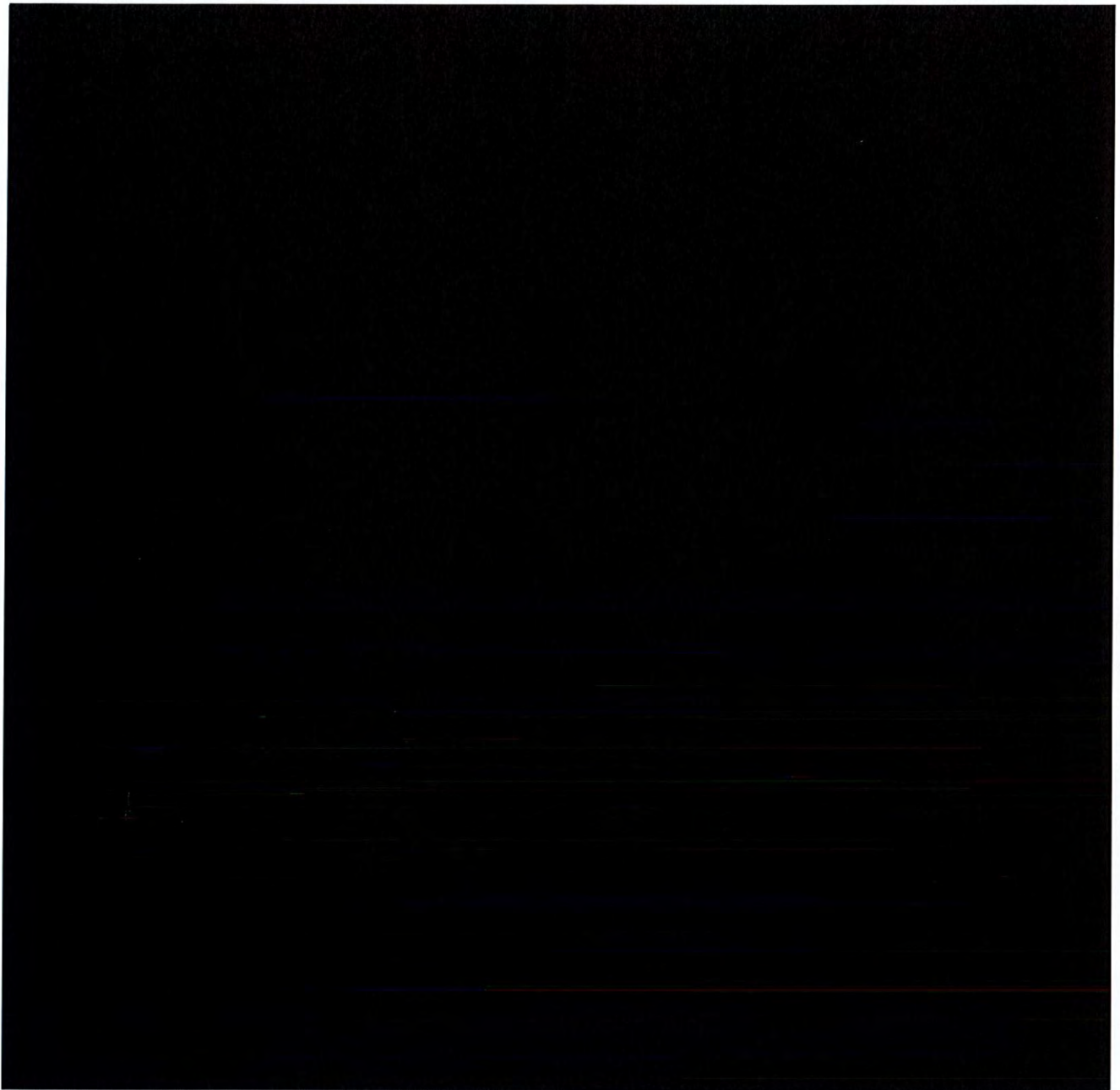
1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

2. Once the problem is identified, the next step is to define the objectives and goals of the project. This helps to clarify what needs to be achieved and provides a clear direction for the team.

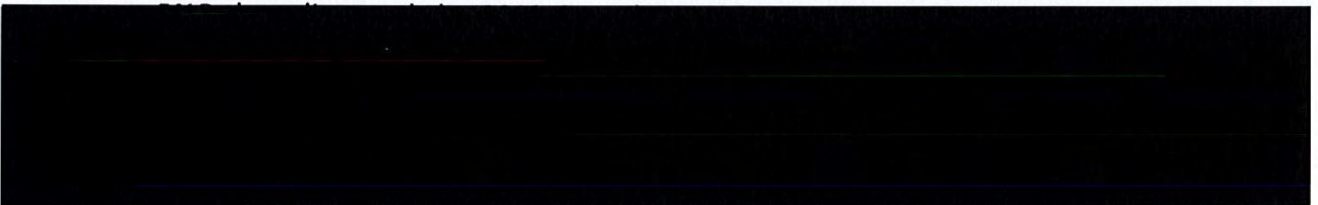
3. The third step is to develop a plan or strategy to address the problem. This involves breaking down the problem into smaller, manageable tasks and determining the resources needed to complete each task.

4. The fourth step is to implement the plan. This involves assigning tasks to team members, setting deadlines, and monitoring progress to ensure that the project is on track.

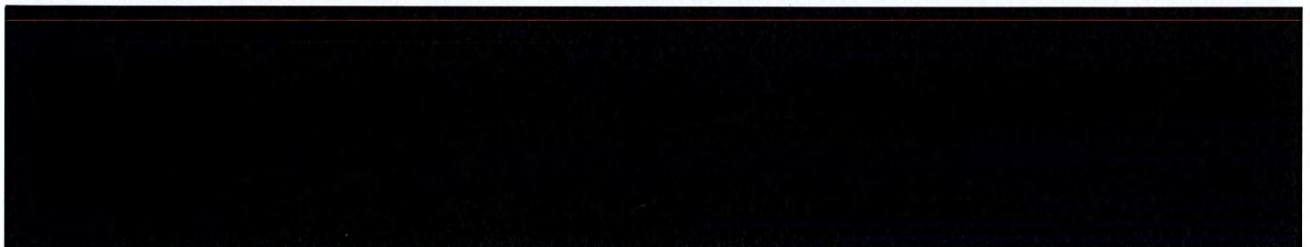
5. The final step is to evaluate the results of the project. This involves comparing the actual outcomes with the objectives and goals to determine the effectiveness of the project and identify areas for improvement.



C. Capital Expenditures

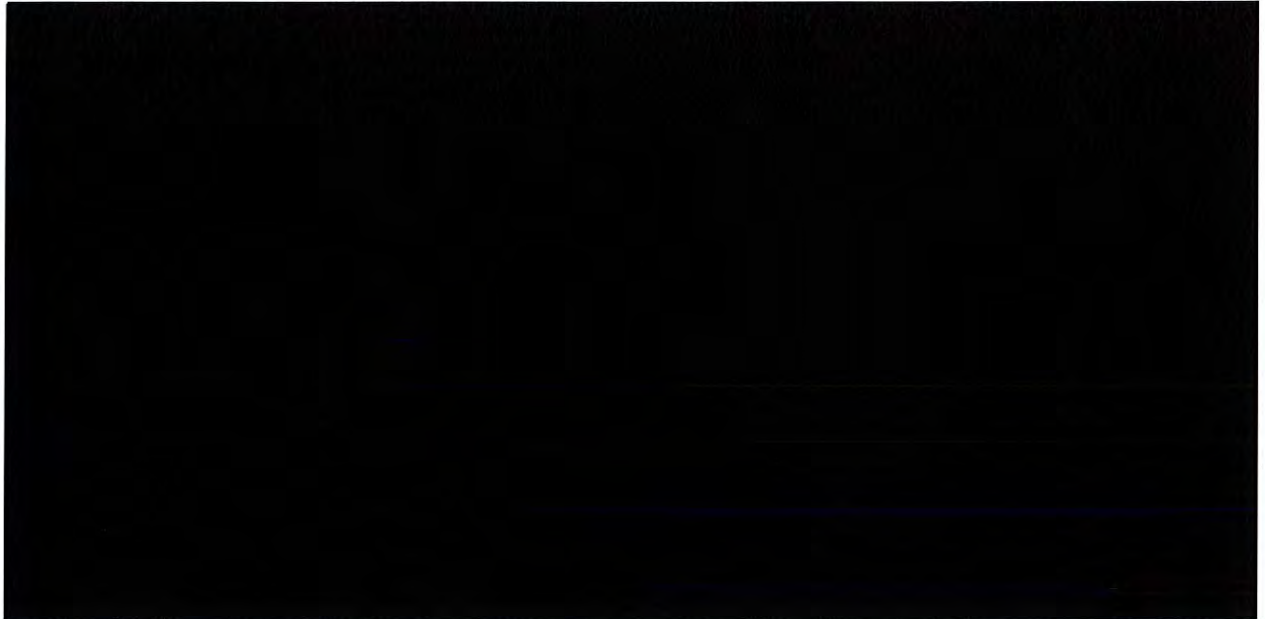


D. Income Statement

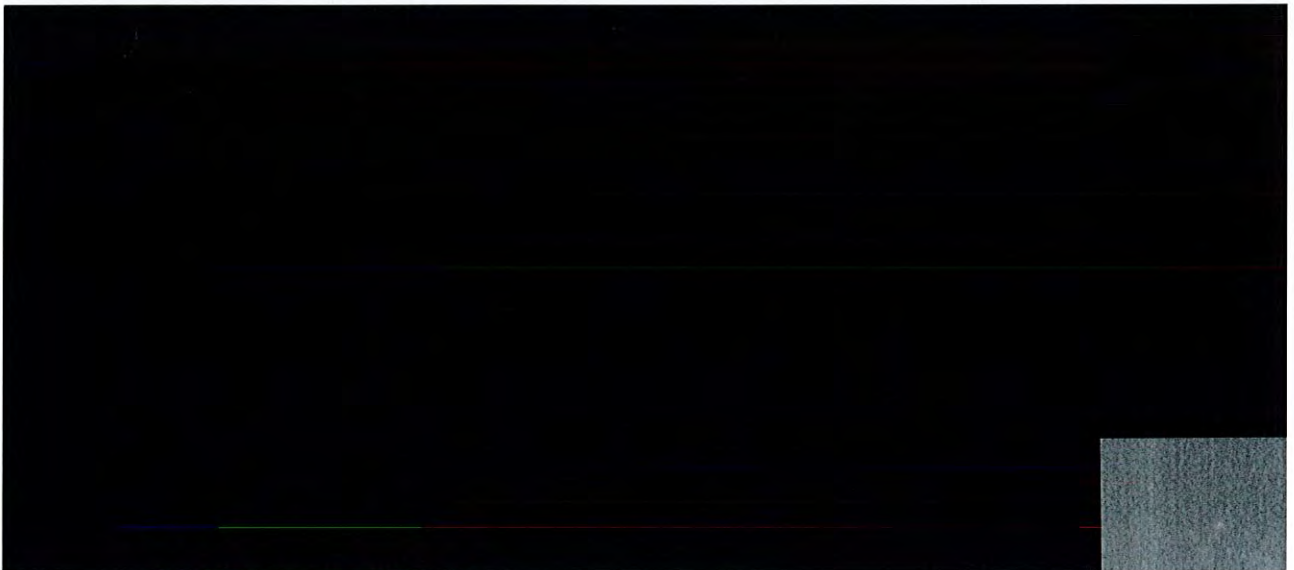


VII. CORPORATE MATTERS

A. Approvals



B. Ratifications



C. 2018 Legal Calendar

JNG presented the 2018 Calendar for Board, Executive Committee, and Board Committees Meetings. AGS asked to add to the legal calendar an Executive Committee meeting in December. AGS informed the Board that there was a possibility of a Special Board Meeting on February 12, 2018 for Project Puma.

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#11

VIII. ADJOURNMENT

Upon motion duly made and seconded, the regular meeting of the Board of Vivant was adjourned at 11 o'clock in the morning.

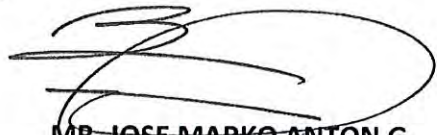
Prepared by:


ATTY. JESS ANTHONY N. GARCIA
Corporate Secretary

Attested by:

MR. DENNIS N.A. GARCIA
Chairman


MR. RAMONTITO E. GARCIA
President


MR. JOSE MARKO ANTON G. SARMIENTO
Member


MR. CHARLES SYLVESTRE A. GARCIA
Member


MR. ARLO A.G. SARMIENTO
Member


MR. GIL A. GARCIA
Member

MR. CARMELO MARIA LUZA BAUTISTA
Member


MR. EMIL ANDRE M. GARCIA
Member


MR. ROGELIO Q. LIM
Independent Director

Not Present
ATTY. JESUS B. GARCIA, JR.
Independent Director

AMB. RAUL CH. RABE
Independent Director

**MEMORANDUM**

For: *All Directors, Officers and Employees of Vivant Corporation*

From: *Office of the Corporate Secretary*

Subject: *Disclosure of Transactions and "Blackout" of Transactions by Directors, Officers, Employees, and Related Individuals of Vivant Corporation Shares*

Date: *2 July 2014*

A. Disclosure of Transactions Involving Shares of Vivant Corporation

Section 23 of the Securities Regulation Code (the "Code") and Section 13 of the Revised Disclosure Rules of the Philippine Stock Exchange ("PSE") require that all directors and officers of Vivant Corporation should disclose any transaction (purchase or sale) involving directly-owned or beneficially-owned shares of Vivant Corporation.

As defined by the Code, "Beneficial Ownership" means any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote, or to direct the voting of such security; and/or investment returns or power, which includes the power to dispose of, or to direct the disposition of such security; provided, however, that a person shall be deemed to have an **indirect beneficial ownership** interest in any security which is:

- i. held by members of his immediate family sharing the same household;
- ii. held by a partnership in which he is a general partner;
- iii. held by a corporation of which he is a controlling shareholder; or
- iv. subject to any contract, arrangement or understanding which gives him voting power or investment power with respect to such securities;

A person shall also be deemed to be the beneficial owner of a security if that person has the right to acquire beneficial ownership, within thirty (30) days, including, but not limited to, any right to acquire, through the exercise of any option, warrant or right; through the conversion of any security; pursuant to the power to revoke a trust, discretionary account or similar arrangement; or pursuant to automatic termination of a trust, discretionary account or similar arrangement.

In this connection, all transactions (purchase or sale) of Vivant shares, whether directly or indirectly owned, must be reported to the Corporate Secretary **not later than two (2) trading days from the date of the transaction**. This will give sufficient time for the Corporate Secretary to disclose the transaction to the Securities and Exchange Commission (SEC) and PSE on the following trading day.

B. "Blackout" Period for Transacting Shares of Vivant Corporation

To avoid the perception of "insider trading", all directors, officers and employees deemed to have access to material and non-public information on Vivant Corporation must not purchase or sell shares, or in any way deal, with shares of Vivant Corporation during the following periods, which are hereby adopted and declared as **"blackout" periods**:

- (1) Quarterly Report blackout period – 10 trading days before and until 2 trading days after the date of disclosure to the PSE and SEC
- (2) Annual Report blackout period – 10 trading days before and until 2 trading days after the date of disclosure to the PSE and SEC.
- (3) Material Transaction blackout period – 10 trading days before and until 2 trading days after Vivant's disclosure to the PSE and SEC of each of the material transaction or event.

The blackout periods also apply to the directors, officers and relevant employees' Related Individuals, which include the following:

1. The legal spouse (or live-in partner) of such director, officer, or employee
2. The director's, officer's, or employee's sibling
3. The sibling of the legal spouse (or live-in partner) of such director, officer, or employee
4. Any member of the immediate family of the director, officer or employee sharing the same household
5. A partnership in which the director, officer or employee in which he/she is a general partner
6. A corporation of which the director, officer or employee is the controlling shareholder
7. Any natural individual or juridical entity who gives the director, officer or employee voting power or investment power with respect to the Vivant shares, under any contract or arrangement

The Office of the Corporate Secretary shall send an e-mail to advise the directors, officers and relevant employees of any blackout period at least two (2) trading days before said period begins.

Any transaction during the blackout period may be treated by the Securities Regulation Code as insider trading and may subject the director, officer, or employee to civil (monetary) liability in a suit brought by any investor who, contemporaneously with the purchase or sale of securities that is the subject of the violation, purchased or sold securities of the same class unless such director, officer, or employee, proves that such investor knew the information or would have purchased or sold at the same price regardless of disclosure of the information to him.

Please be guided accordingly.

-Nothing follows-

Vivant Corporation Group of Companies

Proposal to Audit the Financial Statements as of
And for the Year Ending December 31, 2017

SGV

Building a better
working world

November 22, 2017

Mr. Arlo Angelo G. Sarmiento

Executive Vice-President and Chief Operating Officer

Vivant Corporation

Unit 907-908 Ayala Life FGU Center

Mindanao Ave., cor. Biliran Road

Cebu Business Park, Cebu City

Dear Mr. Sarmiento:

1. This Engagement Letter, together with the attached General Terms and Conditions, (collectively, this "Agreement"), confirms the terms and conditions upon which SyCip Gorres Velayo & Co. ("we" or "SGV") has been engaged to audit and report on the stand-alone and consolidated financial statements of Vivant Corporation, and the stand-alone financial statements of the companies under the Vivant Group (Vivant Corporation and companies under the Vivant Group are herein collectively referred to as the "Group") for the year ending December 31, 2017. The services described in this Agreement may hereafter be referred to as either the "Audit Services" or the "Services."

The companies included in the engagement letter are as follows:

1. Vivant Corporation (Parent Company)



2. Should conditions not now anticipated preclude us from completing our audit and issuing our auditor's report (the "Report") as contemplated by this Agreement, we will advise you and those charged with governance promptly and take such action as we deem appropriate.

Audit Responsibilities and Limitations

3. We will conduct the audit in accordance with Philippine Standards on Auditing ("PSAs") as promulgated by the Auditing and Assurance Standards Council. Those standards require that we are independent and that we fulfill our other ethical responsibilities that are relevant to our audit.
4. The objectives of our audit are to obtain reasonable assurance about whether the stand-alone and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on whether the stand-alone and consolidated financial statements present fairly, in all material respects, the financial position, financial performance and cash flows of Vivant Group in accordance with Philippine Financial Reporting Standards ("PFRS").

In addition:

- (a) in relation to our audit of the stand-alone financial statements of the companies in the Group taken as a whole, we shall report on the supplementary information required under Revenue Regulations 15-2010 as prepared by management;
- (b) in relation to our audit of the stand-alone and consolidated financial statements taken as a whole, we shall report on the following supplementary schedules prepared by management as required under Securities Regulation Code (SRC) Rule 68, As Amended (2011) and Securities and Exchange Commission (SEC) Financial Reporting Bulletin No. 001, dated February 16, 2012:
 - i. Supplementary schedules required by SRC Rule 68, Part II, Annex 68-E;
 - ii. Reconciliation of retained earnings available for dividend declaration;
 - iii. Tabular schedule of standards and interpretations as of reporting date;
 - iv. Map of the conglomerate or group of companies within which the reporting entity belongs.
5. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these stand-alone and consolidated financial statements.
6. As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material misstatement of the stand-alone and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
7. There are inherent limitations in the audit process, including, for example, the use of judgment and selective testing of data and the possibility that collusion, forgery, intentional omissions, misrepresentations, or the override of internal control may preclude the detection of material error, fraud, or non-compliance with laws or regulations. Accordingly, there is some risk that a material misstatement of the stand-alone and consolidated financial statements may remain undetected. Also, an audit is not designed to detect fraud or error that is immaterial to the stand-alone and consolidated financial statements.

8. As part of our audit, we will also:

- Consider, solely for the purpose of planning our audit and determining the nature, timing, and extent of our audit procedures, the Group's internal control over financial reporting. This consideration will not be sufficient to enable us to express an opinion on the effectiveness of internal control or to identify all significant deficiencies.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.
- Evaluate the overall presentation, structure and content of the stand-alone and consolidated financial statements, including the disclosures, and whether the stand-alone and consolidated financial statements represent the underlying transactions in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the stand-alone and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

9. In accordance with the PSAs, we will communicate certain matters related to the conduct and results of the audit to those charged with governance. Such matters include:

- Our responsibility under the PSAs for forming and expressing an opinion on the stand-alone and consolidated financial statements that have been prepared by management with the oversight of those charged with governance and that such an audit does not relieve management and those charged with governance of their responsibilities.
- An overview of the planned scope and timing of the audit including the significant risks that we have identified and the type of work to be performed on the stand-alone and consolidated financial statements of the Group's components and the nature of the group engagement team's planned involvement in the work to be performed by component auditors on the financial information of significant components.
- Significant findings from the audit, which include: (1) our views about the significant qualitative aspects of the Group's accounting practices, including accounting policies, accounting estimates, and stand-alone and consolidated financial statements disclosures; (2) significant difficulties, if any, encountered during the audit; (3) uncorrected misstatements, other than those we believe are trivial; (4) disagreements with management, if any, whether or not satisfactorily resolved; and (5) other matters, if any, arising during the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding the oversight of the financial reporting process, including significant matters in connection with the Group's related parties.
- Circumstances that affect the form and content of our Report including those highlighted in the next section.
- Written representations requested from management and significant matters, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

As part of our responsibility as an accredited external auditor of the Philippine Securities and Exchange Commission (the "Commission"), we shall report to the Commission any of the following cases which may have been discovered based on PSAs, if the Parent Company fails to disclose the same to the Commission under its current reports:

- a. Any material findings involving fraud or error which reduces or increases the consolidated total assets, total liabilities or income of the Parent Company by five percent (5%);
- b. Losses or potential losses the aggregate of which amounts to at least ten percent (10%) of the consolidated total assets of the Parent Company;
- c. Any findings to the effect that the consolidated assets of the Parent Company, on a going concern basis, are no longer adequate to cover the total claims of the creditors;
- d. Material internal control weaknesses which may lead to financial reporting problems.

The disclosure of the above information by us to the Commission shall not be a ground for civil, criminal or disciplinary proceedings against us.

- 10. In addition, we will communicate all relationships and other matters between SGV, other member firms of the global Ernst & Young network ("EY Firms") and the Group that, in our professional judgment, may reasonably be thought to bear on independence (including total fees charged during the period covered by the stand-alone and consolidated financial statements for audit and non-audit services provided by SGV and EY Firms to the Parent Company and components controlled by the Parent Company) and the related safeguards that have been applied to eliminate identified threats to independence or reduce them to an acceptable level. Further, we will confirm that the engagement team and other SGV Persons as appropriate, SGV and, when applicable, EY Firms have complied with relevant ethical requirements regarding independence.
- 11. When we become aware of identified or suspected non-compliance with laws and regulations, including fraud, we will bring such matters to the attention of the appropriate level of management. If we become aware of fraud involving management or fraud involving employees who have significant roles in internal control, we will report this matter directly to those charged with governance. We will communicate with those charged with governance matters involving non-compliance with laws and regulations, including fraud, that come to our attention unless they are clearly inconsequential. However, we will not communicate non-compliance matters, including fraud to the extent we are prohibited to do so by law or regulation.
- 12. We will communicate in writing significant deficiencies in internal control identified during the audit of the Group's separate and consolidated financial statements.
- 13. We also may communicate our observations as to the potential for economies in, or improved controls over, the Group's operations.

Circumstances that Affect the Form and Content of our Report

- 14. From the matters we communicate with those charged with governance, we are required to determine those matters that were of most significance in our audit (i.e., Key Audit Matters). We describe those matters in our Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our Report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- 15. We have responsibilities for other information included in document(s) comprising an annual report as described in the Other Information section below. We are required to include an Other Information section in our Report that identifies the documents subject to our responsibilities and a description of our responsibilities to read and consider the other information in connection with our audit. We are also required, for documents that are available

prior to our Report date, to include a statement that we have nothing to report or a statement describing any uncorrected material misstatements of the other information.

16. The final form and content of our Report will reflect the results of our final audit findings and conclusions. We will communicate to management and those charged with governance all circumstances affecting the final form and content of our Report.

Management's Responsibilities and Representations

17. Our audit will be conducted on the basis that management and where appropriate, those charged with governance, acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the stand-alone and consolidated financial statements in accordance with PFRS.

In preparing the stand-alone and consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

- b. For such internal control as management determines is necessary to enable the preparation of stand-alone and consolidated financial statements that are free from material misstatement, whether due to fraud or error.
- c. To provide us with: 1) access, on a timely basis, to all information of which management is aware that is relevant to the preparation of the stand-alone and consolidated financial statements and related disclosures such as records, documentation and other matters; 2) additional information that we may request from management for the purpose of the audit; and 3) unrestricted access to persons within the Group from whom we determine it necessary to obtain audit evidence as well as to your affiliates, their personnel and their auditors for purposes of the group audit;

Management's failure to provide us with the information referred to above or access to persons within the Group and that of your affiliates may cause us to delay our Report, modify our procedures, or even terminate our engagement.

18. Management is also responsible for adjusting the stand-alone and consolidated financial statements to correct misstatements identified by us and for affirming to us in its representation letter that they believe the effects of unrecorded misstatements are immaterial, individually and in aggregate, to the stand-alone and consolidated financial statements as a whole.
19. Management is responsible, with the oversight of those charged with governance, to determine that the Group's business activities are conducted in accordance with laws and regulations. It is also the responsibility of management and those charged with governance to identify and address any non-compliance with applicable laws or regulations. Management is responsible for communicating to us on a timely basis, to the extent that management or those charged with governance are aware, all instances of identified or suspected non-compliance with laws and regulations (a) involving financial improprieties, (b) having a direct effect on the determination of material amounts and disclosures in the Group's stand-alone and consolidated financial statements and/or (c) that do not have a direct effect on amounts and disclosures in the stand-alone and consolidated financial statements, but compliance with which may be fundamental to the operations of the Group's business, its ability to continue its business, or to avoid material penalties. Management must communicate the foregoing instances regardless of the source or the form in which the instances of identified or suspected non-compliance may

have been discovered or communicated to them (including, without limitation, instances identified by "whistle-blowers," employees, former employees, analysts, regulators or others), and provide us full access to information and any internal investigations related to them. Such instances include manipulation of financial results by management or employees, misappropriation of assets by management or employees, intentional circumvention of internal controls, inappropriate influence on related party transactions by related parties, intentionally misleading SGV, or other identified or suspected non-compliance with law and regulation, including fraud that could result in a misstatement of the stand-alone and consolidated financial statements or otherwise affect the financial reporting of the Group. If the Group limits the information otherwise available to us under this paragraph (based on the Group's claims of attorney/client privilege, work product doctrine, or otherwise), the Group will immediately inform us of the fact that certain information is being withheld from us. Any such withholding of information could be considered a restriction on the scope of the audit and may prevent us from opining on the Group's stand-alone and consolidated financial statements; alter the form of Report we may issue on such stand-alone and consolidated financial statements; or otherwise affect our ability to continue as the Group's independent auditors. We will disclose any such withholding of information to those charged with governance.

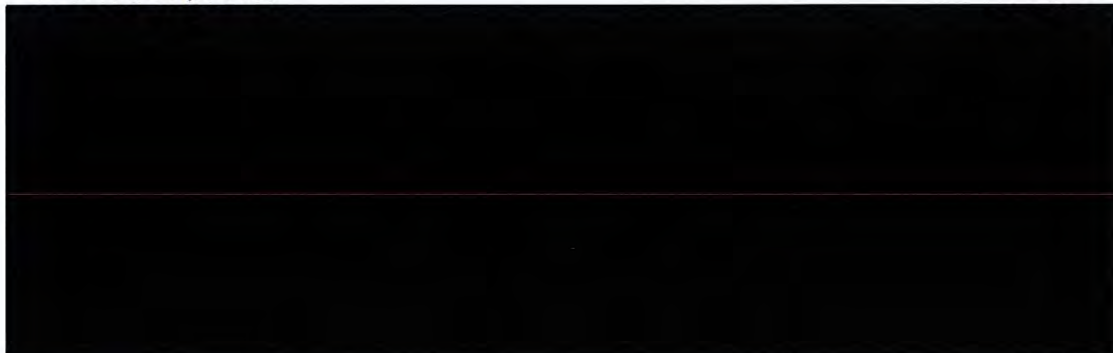
20. We will make specific inquiries of management about the representations contained in the stand-alone and consolidated financial statements. At the conclusion of the engagement, we will also obtain written representations from management about these matters, and that management has:
- Fulfilled its responsibility for the preparation and fair presentation of stand-alone and consolidated financial statements in accordance with PFRS and that all transactions have been recorded and are reflected in the stand-alone and consolidated financial statements.
 - Provided us with all relevant information and access as contemplated in this Agreement. The responses to those inquiries, the written representations, and the results of our procedures comprise evidence on which we will rely in forming an opinion on the stand-alone and consolidated financial statements.

Fees and Billings

21. We estimate that our fees for the 2017 Audit Services is ₱2,083,100, exclusive of value-added tax (VAT) and out-of-pocket expenses (OPEs). However, our actual fees may exceed this estimate based on changes to the business (e.g., nature of the business or change in business entities) or out-of-scope work. Actual OPEs incurred in connection with our work shall be for the account of the companies in the Group. OPEs normally include costs of communications, supplies, computer time, transportation, meals and other expenses. Periodic monthly invoices will be made and payment is due upon receipt.

1. Vivant Corporation

₱543,000





P2,083,100

22. Our estimated pricing and schedule of performance are based upon, among other things, our preliminary review of the Group's records and the representations Group personnel have made to us and are dependent upon the Group's personnel providing a reasonable level of assistance. Should our assumptions with respect to these matters be incorrect or should the condition of records, degree of cooperation, results of our audit procedures, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimates are based, we may adjust our fees and planned completion dates. Fees for any special audit-related projects, such as proposed business combinations or research and/or consultation on special business or financial issues, will be billed separately from the fees referred to above and will be the subject of other written agreements.

Other Information in the Parent Company's Annual Report

23. The Parent Company shall provide us with final draft(s) of its annual report prior to filing, and when possible, prior to our Report date, in order to perform the procedures required for our audit. Management of the Parent Company is responsible for the preparation of the other information contained within the annual report and to ensure the documents are free of material misstatements. We will read the documents and, in doing so, consider whether the other information contained in the documents is either materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. We have responsibility for reading and considering the annual report regardless of whether the documents are available prior to, or after, our Report date. We will include an Other Information section in our Report as described in the *Circumstances affecting the form and content of our Report* section above.
24. If we identify that a material inconsistency appears to exist (or become aware that the other information appears to be materially misstated), we will advise management, and inform those charged with governance, when appropriate. When we determine that a material misstatement of the other information exists in other information, which is not corrected, we will take appropriate action for the circumstances, including reporting that material misstatement in our auditor's report when identified prior to our Report date.

To the extent that SGV is engaged to perform Audit Services for a subsequent fiscal year, the terms and conditions set forth in this Agreement shall apply to the performance of such Audit Services, except as specifically modified, amended, or supplemented by the parties to this Agreement. Changes in the scope of the Audit Services and estimated fees for such services in subsequent fiscal years will be communicated in supplemental letters.

We appreciate the opportunity to be of assistance to the Group. If this Agreement accurately reflects the terms and conditions on which the Group has agreed to engage us, please sign below on behalf of the Group and return it to Leovina Mae V. Chu at Unit 1003 & 1004, Insular Life Cebu Business Centre, Mindanao Avenue corner Biliran Road, Cebu Business Park, Cebu City.

Yours very truly,



Leovina Mae V. Chu

Partner

For and on behalf of SyCip Gorres Velayo & Co.

Agreed and accepted by:

Vivant Corporation Group of Companies

By:



Mr. Arlo Angelo G. Sarmiento

Executive Vice-President and Chief Operating Officer

Date:

cc:

Ms. Maria Victoria E. Sembrano

Assistant Vice-President, ^{Controllershship} ~~Finance and Administration~~

Enclosures: General Terms and Conditions

GENERAL TERMS AND CONDITIONS

Our Relationship with You

1. We are a member of the global network of Ernst & Young firms ("EY Firms"), each of which is a separate and distinct legal entity.
2. We may subcontract portions of the Services to other EY Firms, who may deal with you directly. Nevertheless, we alone will be responsible to you for the Report(s), the performance of the Services, and our other obligations under this Agreement.

Your Responsibilities

3. You shall be responsible for your personnel's compliance with your obligations under this Agreement.

Our Reports

4. You may not rely on any draft Report.

Limitations

5. You (and any others for whom Services are provided) may not recover from us, in contract or tort, under statute or otherwise, any amount with respect to loss of profit, data or goodwill, or any other consequential, incidental, indirect, punitive or special damages in connection with claims arising out of this Agreement or otherwise relating to the Services, whether or not the likelihood of such loss or damage was contemplated.
6. You (and any others for whom Services are provided) may not recover from us, in contract or tort, under statute or otherwise, aggregate damages in excess of the fees actually paid for the Services that directly caused the loss in connection with claims arising out of this Agreement or otherwise relating to the Services.
7. If we are liable to you (or to any others for whom Services are provided) under this Agreement or otherwise relating to the Services, as shall have been finally determined by a court of competent jurisdiction, for loss or damage to which any other persons have also contributed, our liability to you shall be several, and not joint, with such others, and shall be limited to our fair share of that total loss or damage, based on our contribution to the loss and damage relative to the others' contributions. No exclusion or limitation on the liability of other responsible persons imposed or agreed at any time shall affect any assessment of our proportionate

liability hereunder, nor shall settlement of or difficulty enforcing any claim, or the death, dissolution or insolvency of any such other responsible persons or their ceasing to be liable for the loss or damage or any portion thereof, affect any such assessment.

8. You shall make any claim relating to the Services or otherwise under this Agreement no later than the applicable period provided under Philippine laws.
9. The limitations in Sections 6 and 8 will not apply to losses or damages caused by our bad faith, fraud or willful misconduct or to the extent prohibited by applicable law or professional regulations.
10. You may not make a claim or bring proceedings relating to the Services or otherwise under this Agreement against any other EY Firm or our or its subcontractors, members, shareholders, directors, officers, partners, principals or employees ("EY Persons"). You shall make any claim or bring proceedings only against us.

Indemnity

11. To the fullest extent permitted by applicable law and professional regulations, you shall indemnify us, the other EY Firms and the EY Persons against all claims by third parties (including your affiliates and lawyers) and resulting liabilities, losses, damages, costs and expenses (including reasonable external and internal legal costs) arising out of or relating to the Services or this Agreement. On behalf of yourself and your affiliates, you release us, the other EY Firms and the EY Persons from all claims and causes of action (together, "Claims"), pending or threatened, that you or they may have arising out of the Services or this Agreement to the extent such Claims result from or arise out of any misrepresentation or fraudulent act or omission by you, your employees or agents on your behalf.

Confidentiality

12. We follow professional standards of confidentiality and will treat information related to you disclosed to us by you or on your behalf ("Client Information") as set forth in the IFAC Code of Ethics Section 140 and in the Code of Ethics for Professional Accountants in the Philippines Section 140.
13. Either of us may use electronic media to correspond or transmit information and such

GENERAL TERMS AND CONDITIONS

use will not in itself constitute a breach of any confidentiality obligations under this Agreement.

14. Subject to applicable law, we may provide Client Information to other EY Firms, EY Persons and external service providers of EY, other EY Firms, or EY Persons ("Service Providers") who may collect, use, transfer, store or otherwise process it (collectively "Process") in various jurisdictions in which they operate for purposes related to:
- the provision of the Services;
 - complying with regulatory, and legal obligations to which we are subject;
 - conflict checking;
 - risk management and quality reviews; and
 - our internal financial accounting, information technology and other administrative support services (collectively "Processing Purposes").

We shall be responsible for maintaining the confidentiality of Client Information regardless of by whom such Information is Processed on our behalf.

15. You agree that, if a regulatory or governmental authority responsible for auditor oversight asks or orders us to produce information or documents in our files relating to your affairs, including our working papers or other work product, we may provide these materials to it. Except where prohibited by law, we will advise you of the request or order.
16. You shall cause all of your foreign subsidiaries and affiliates included in your consolidated financial statements to provide any authorization, to the fullest extent permissible under applicable law, to permit compliance with requests from regulatory or governmental authorities for production of documents or information in a foreign public accounting firm's, associated person's or our possession, custody and control that was obtained in the conduct of the Services by such firm or person.

Data Protection

17. For the Processing Purposes referred to in Section 14 above, we and other EY Firms, EY Persons and Service Providers may Process Client Information relating to identified or identifiable natural persons ("Personal Data") in various jurisdictions in which they operate (EY office locations are listed at www.ey.com). The transfer of Personal Data within the EY network is subject to EY Binding Corporate

Rules policies (listed at www.ey.com/bcr). We will Process Personal Data in accordance with data protection requirements under applicable law and professional regulations including (without limitation) the Data Privacy Act of 2012. We will require any Service Provider that Processes Personal Data on our behalf to adhere to such requirements. For Services where we act as processor processing Personal Data on your behalf, appropriate data processing terms will be included in this Agreement.

18. You warrant that you have the authority to provide Personal Data to us in connection with the performance of the Services and that any Personal Data provided to us has been Processed in accordance with applicable law.

Solicitation and Hiring of EY personnel

19. Our auditor independence may be impaired if you solicit or hire certain EY personnel. This may either delay the provision of the Services or cause us to resign from the engagement. You shall not, during the term of this Agreement, for any reason, without our prior written consent, solicit to employ or nominate for a position on your Board of Directors or a financial reporting oversight role, or hire or appoint to your Board of Directors or a financial reporting oversight role, any professional employee of EY or of any other EY Firm who is or has been involved directly or indirectly with the performance of the Services for the current or prior financial year. A person in a financial reporting oversight role exercises, or is in a position to exercise, influence over the financial statements and anyone who prepares the financial statements.

Fees and Expenses Generally

20. You shall pay our professional fees and specific expenses in connection with the Services as detailed in the Engagement Letter. You shall also reimburse us for other reasonable expenses incurred in performing the Services. Our fees are exclusive of value-added taxes which you shall pay. Unless otherwise set forth in the applicable Engagement Letter, payment is due within 30 days following receipt of each of our invoices.
21. If we are required by applicable law, legal process or government action to produce information or personnel as witnesses with respect to the Services or this Agreement, you

GENERAL TERMS AND CONDITIONS

shall reimburse us for any professional time and expenses (including reasonable external and internal legal costs) incurred to respond to the request, unless we are a party to the proceeding or the subject of the investigation.

Force Majeure

22. Neither you nor we shall be liable for breach of this Agreement (other than payment obligations) caused by circumstances beyond your or our reasonable control.

Term and Termination

23. This Agreement applies to the Services whenever performed (including before the date of this Agreement).
24. This Agreement shall terminate on the completion of the Services, unless provided otherwise in the Engagement Letter. We may terminate this Agreement, or any particular Services, immediately upon written notice to you if we reasonably determine that we can no longer provide the Services in accordance with applicable law or professional obligations.
25. You shall pay us for all work-in-progress, Services already performed, and expenses incurred by us up to and including the effective date of the termination of this Agreement.

Governing Law and Dispute Resolution

26. This Agreement, and any non-contractual matters or obligations arising out of this Agreement or the Services, shall be governed by, and construed in accordance with, the laws of the Republic of the Philippines, without giving effect to the conflict of laws rules.
27. Any dispute relating to this Agreement or the Services shall be subject to the exclusive jurisdiction of the courts of Makati City, Metro Manila, Philippines, to which each of us agrees to submit for these purposes.

Miscellaneous

28. This Agreement constitutes the entire agreement between us as to the Services and the other matters it covers, and supersedes all prior agreements, understandings and representations with respect thereto, including any confidentiality agreements previously delivered.

29. Both of us may execute this Agreement (including Engagement Letters), as well as any modifications to it, by electronic means and each of us may sign a different copy of the same document. Both of us must agree in writing to modify this Agreement and any Engagement Letter hereunder.

30. Each of us represents that the person signing this Agreement (and any Engagement Letters hereunder) on its behalf is expressly authorized to execute it and to bind each of us to its terms.

You represent that your affiliates or any others for whom Services are performed shall be bound by the terms of this Agreement (and the applicable Engagement Letter).

31. We retain ownership in the working papers compiled in connection with the Services.
32. Neither of us may assign any of our rights, obligations or claims under this Agreement.
33. If any provision of this Agreement (in whole or part) is held to be illegal, invalid or otherwise unenforceable, the other provisions shall remain in full force and effect.
34. If there is any inconsistency between provisions in different parts of this Agreement, those parts shall have precedence as follows (unless expressly agreed otherwise): (a) the Engagement Letter, (b) these General Terms and Conditions, and (c) other annexes to this Agreement.
35. We may use your name publically to identify you as a client, but we may refer to you in connection with the Services only if it is a matter of public knowledge that we are providing them (or have provided them).
36. The limitations in Sections 5 to 8 and 10 and the provisions of Sections 11, 14 and 17 are intended to benefit the other EY Firms and all EY Persons, who shall be entitled to enforce them.

Republic of the Philippines)
CITY OF MAKATI) S.S.

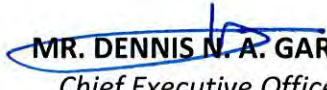
ANNEX "K"

ATTESTATION

I, **MR. DENNIS N. A. GARCIA**, Filipino, of legal age and with business address at Unit 907-908 Ayala Life-FGU Center, Mindanao Avenue corner Biliran Road, Cebu Business Park, Barangay Luz, Cebu City, Philippines, after having been duly sworn in accordance with law hereby attest that:

1. I am the Chief Executive Officer of **Vivant Corporation**, a corporation duly organized and existing pursuant to the law of the Republic of the Philippines, with principal office address at Unit 907-908 Ayala Life-FGU Center, Mindanao Avenue corner Biliran Road, Cebu Business Park, Barangay Luz, Cebu City, Philippines ("Vivant").
2. **Vivant Corporation** has a sound internal audit, control and compliance system in place and is working effectively.
3. The foregoing statements are in accordance with the records of Vivant.

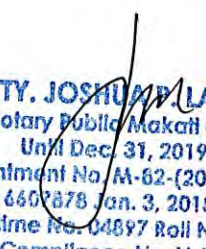
IN WITNESS WHEREOF, I have hereunto affixed my signature on this **MAY 30 2018**
at **CITY OF MAKATI**


MR. DENNIS N. A. GARCIA
Chief Executive Officer

MAY 30 2018

SUBSCRIBED AND SWORN to before me this _____ day of May 2018, affiant exhibiting to me his Philippine Passport No. EC0044262 issued on January 20, 2014 at the DFA Cebu Consular Office.

Doc No. 04
Page No. 02
Book No. 109
Series of 2018.


ATTY. JOSHUA P. LAPUZ
Notary Public/Makati City
Until Dec. 31, 2019
Appointment No. M-62-(2018-2019)
PTR No. 4402878 Jan. 3, 2019/ Malabon
IDP Lifetime No. 04897 Roll No. 45790
MCLE Compliance No. V-0019692
G/F Fedman Bldg., 199 Salcedo St.
Legaspi Village, Makati City

COMPENSATION AND BENEFITS

PAYROLL

Payroll cut-off is on the 10th and 25th of every month. The payroll period will be on a twice a month basis, every 15th and end of the month. Payroll may be paid in cash, check, or credited automatically to an employee's payroll bank account, at management's discretion. Payslips will be available in the Human Resource Information System (HRIS)

COMPANY BENEFITS

The Company is committed to provide all employees the benefits due them in accordance with the Labor Code of the Philippines and or any other Philippine laws. In addition, the following benefits accrue to employees starting on the date of regularization and depending on the position they hold in the Company.

14th MONTH PAY

Regular employees are entitled to 14th month pay or a pro rata thereof to be disbursed before the Christmas vacation of the applicable year. This benefit is given pro rata if regularization happens in the middle of the year or if the employee terminates his employment prior to the end of the year.

OTHER BONUSES

Regular employees may also be granted additional bonuses on top of the statutory 13th month pay and the 14th month pay.

LEAVE BENEFITS

The Company provides each employee twenty four (24) working days as Service Incentive Leave (SIL) with pay every year. Employees start to earn SIL credits upon successful completion of the probationary period subject to the necessary approval process. Upon regularization, leave credits are earned monthly counting from the date of regularization, so employees who join the Company in the middle of the year are entitled to pro rata SIL.

Application for Service Incentive Leave

An employee may apply for the SIL by filing online through the HRIS. The employee's immediate manager will be notified through electronic mail of the filed SIL for approval.

1. Leaves must be used in no less than half day, or four (4)-hour increments for morning and five (5) hours in the afternoon.
2. As a general rule, one (1)-day leaves may be availed of only when filed on the HRIS at least one (1) day prior to the intended date of leave. An exception to the rule would be for those leaves availed for sickness or emergency. In such case, employee must file it upon return to work.
3. Leaves of more than two (2) days, when warranted, should be filed at least three (3) days in advance. Failure to follow this procedure would warrant the denial of the leave of absence and if the employee concerned nonetheless goes on leave, such would be considered AWOL (Absence Without Leave).
4. SILs due to sickness of three (3) days or more will be approved only if duly supported by a doctor's certificate. Said certification should have the following characteristics:
 - a. Issued by a physician/specialist
 - b. Indicate the employee's illness
 - c. Indicate employee's fitness for work and/or full recovery from illness.

b. Any act constituting disrespect and disregard of authority of Company superiors and officers.	15 days Suspension	30 days Suspension	Dismissal		
c. Any act which constitutes resistance, threat, intimidation or assault against a person of authority in the Company or any of this agent.	15 days Suspension	30 days Suspension	Dismissal		
d. Any other act constituting insubordination not included in the preceding sections.	15 days Suspension	30 days Suspension	Dismissal		
e. Willful disobedience of the lawful orders of the Company and any of its officers.	15 days Suspension	30 days Suspension	Dismissal		
SECTION 13 Posting on or removing from Company bulletins any material without authority.	Written Warning	6 days Suspension	15 days Suspension	30 days Suspension	Dismissal
SECTION 14 Immoral conduct or indecent / lascivious acts.	Dismissal				
SECTION 15 Removal of any Company property without proper authorization.	Written Warning	6 days Suspension	15 days Suspension	30 days	Dismissal
SECTION 16 Gambling					
a. During working hours	15 days Suspension	30 days	Dismissal		
b. On off-work time but in Company premises	15 days Suspension	30 days Suspension	Dismissal		

V. SAFETY, HEALTH, SECURITY AND PUBLIC ORDER

A clean and safe working environment benefits all employees and the Company. Therefore, it is the responsibility of each employee to follow appropriate hygienic practices; undergo annual physical examination; wear identification cards, prescribed uniforms and safety equipment; contribute to the good housekeeping and follow safety and security rules and regulations at the work place.

OFFENSE	PENALTIES				
	1 st	2 nd	3 rd	4 th	5 th
SECTION 1 Failure to undergo the annual physical examination as scheduled with clinic/medical. Upon serving of Counseling or suspension, the employee shall have thirty (30) days within which to comply with his physical examination, it shall be construed as another violation.	Written Warning	3 days Suspension	6 days Suspension	15 days Suspension	30 days Suspension
<i>NOTE: For sixth (6th) Offense – Dismissal</i>					
SECTION 2 Reporting for work or working without ID Card for more than two times per calendar month	Written Warning	3 days Suspension	6 days Suspension	15 day Suspension	30 days Suspension
<i>NOTE: For sixth (6th) Offense – Dismissal</i>					
SECTION 3 Unauthorized carrying or possession of firearms, explosives, or other deadly weapons within Company premises.	Dismissal				
SECTION 4 Smoking in "No Smoking" areas or violation of other safety and security rules and regulations.					
a. If no damage or injury caused	Written Warning	6 days Suspension	15 days Suspension	30 days Suspension	Dismissal
b. If there is damage or injury caused	15 days Suspension	30 days Suspension	Dismissal		
<i>NOTE: One (1) to thirty (30) days suspension depending on the extent of damage or injury and other aggravating and mitigating circumstances.</i>					
SECTION 5 Committing acts against proper sanitation and good housekeeping such as littering, hanging of personal belongings in common areas and so forth.	Written Warning	3 days Suspension	6 days Suspension	15 days Suspension	30 days Suspension
SECTION 6 Willful disregard of office directive relating to sanitary conditions, cleanliness and orderli-	Written Warning	6 days Suspension	15 days Suspension	30 days Suspension	Dismissal

ness of the office, security of office supplies and equipment or performing any act contributing to unsanitary condition or practice on Company premises or job sites.					
SECTION 7 Unauthorized possession, duplication, or use of false keys, pick locks or similar devices which can open lockers, drawers, cabinets etc., or other property of the Company or those of other employee	Written Warning	6 days Suspension	15 days Suspension	30 days Suspension	Dismissal
SECTION 8 Reporting for work while having a contagious disease which may endanger the health of other employees, knowing about it, yet failing to report or willfully withholding information thereof to Company authorities.	Written Warning	6 days Suspension	15 days Suspension	30 days Suspension	Dismissal
SECTION 9 Reckless, improper, and unsafe driving/maneuvering of Company vehicles inside or outside Company premises.	Written Warning	6 days Suspension	15 days Suspension	30 days Suspension	Dismissal
<i>NOTE: Offenses or violations of any Company Policy, Rules and Regulations not included among the foregoing will be subject to disciplinary action in accordance with the circumstances of each case.</i>					

VI. ANTI-SEXUAL HARASSMENT

The Company is committed to upholding the rights and dignity of all its employees through the creation of a work environment characterized by professionalism, openness, respect, and trust.

The Company values the dignity of every individual, enhances the development of its human resources, guarantees full respect for human rights and upholds the dignity of its employees and applicants for employment. Towards the end, all forms of sexual harassment in the workplace are hereby declared unlawful.

OFFENSE	CORRECTIVE ACTION				
	1 st	2 nd	3 rd	4 th	5 th
1. Persistently telling smutty jokes to a co-employee who has indicated that he/she finds them offensive;	Written Warning	6 days Suspension	15 days Suspension	30 days Suspension	Dismissal
2. Taunting a co-employee with constant talk of sex or sexual innuendoes;	Written Warning	6 days Suspension	15 days Suspension	30 days Suspension	Dismissal



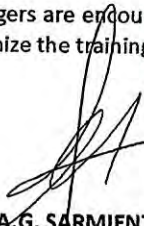
TO : ALL CONCERNED
FROM : HR
RE : Training Request Authorization Form
DATE : February 23, 2016

Ref. No. HR 2016-02

Effective immediately, all trainings shall be filed using the Training Request Authorization (TRA) form. The requesting employee shall fill out the TRA and will have the immediate manager sign as endorser. HR will then determine whether said training falls within the approved training plan. Once approved by HR, it will be forwarded to the requestor's Department Head and Group Head for final approval. If unbudgeted, approval from Corporate Planning and the EVP-COO is required. Accounting will only process disbursements upon completion of the TRA.

The employee is expected to complete and submit his Training Brief and all materials obtained from the training event to HR within fourteen (14) calendar days from the end of training. Failure to submit said requirements shall bar rest of his Department from further training enrollments.

Managers are encouraged to send only up to two (2) team members to any particular training to maximize the training budget.



ARLO A.G. SARMIENTO
EVP & Chief Operating Officer