



ANNUAL CORPORATE GOVERNANCE  
REPORT

(SEC FORM – ACGR)

FOR YEAR 2015



SECURITIES AND EXCHANGE COMMISSION

SEC FORM - ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is Filed for the Year 2015
2. Exact Name of Registrant as Specified in its Charter DOUBLED DRAGON PROPERTIES CORP.
3. DD Meridian Park Bay Area corner Macapagal and EDSA Extension Avenues Brgy. 76 Zone 10 San Rafael Pasay City  
Address of Principal Office 1302  
Postal Code
4. SEC Identification Number 30354
5.  Use Only)  
Industry Classification Code
6. BIR Tax Identification Number 287 -191-423-000
7. +632 8567111  
Issuer's Telephone number, including area code
8. 5<sup>th</sup> Floor People's Hotel Delgado Street, Iloilo City  
Former name or former address, if changed from the last report

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**A. BOARD MATTERS**

1) Board of Directors

Number of Directors per Articles of Incorporation **Eight (8)**

Actual number of Directors for the year **Eight (8)**

(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) <sup>1</sup>	Elected when (Annual /Special Meeting)	No. of years served as director
Edgar J. Sia II	ED			12 November 2013	26 Aug. 2015	Annual	4
Tony Tan Caktiong	NED			12 November 2013	26 Aug. 2015	Annual	4
Ferdinand J. Sia	ED			12 November 2013	26 Aug. 2015	Annual	4
Rizza Marie Joy J. Sia	ED			12 November 2013	26 Aug. 2015	Annual	4
William Tan Untiong	NED			12 November 2013	26 Aug. 2015	Annual	4
Joseph Tanbuntiong	NED			12 November 2013	26 Aug. 2015	Annual	4
Gary P. Cheng	ID			27 January 2014	26 Aug. 2015	Annual	3
Vicente S. Perez, Jr.	ID			17 February 2014	26 Aug. 2015	Annual	3

(b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please

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

emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities.

The Company has adopted governance policies and mechanisms to serve as its foundation and guiding principle for good governance. These are found primarily in its Articles of Incorporation and By-Laws. The Company, however, continues to adopt policies and mechanisms in accordance with established rules and best practices.

#### 1. Code on Corporate Governance

The Company's Code on Corporate Governance ("Code") exemplifies principles and best practices on good corporate governance. It lays down, among others, the qualifications and disqualifications of members of the Board of Directors as well as their duties and responsibilities. It further provides the framework of rules, systems and processes the Board and Management's duties and responsibilities to stockholders which include, among others, customers, employees, government and community in which it operates. Furthermore, the Code underscores the Company's compliance system and disclosure and transparency geared towards the promotion and recognition of the rights of the stakeholders. The Code is subject to periodic review by the Board as initiated by the Corporate Governance Committee.

Among the Policies are:

##### Policy on Conflict of Interest

The policy provides that conflict of interest exists in a situation that undermines the impartiality of a director, officer or employee because of the actual or potential clash between his or her personal interest and the interest of the Company. It also provides for the duties of Directors, officers and employees to immediately disclose any involvement in material conflict of interest and not to participate in the decision-making process relating to the transaction.

##### Policy on Insider Trading

As a listed company, the Corporation is subject to various laws and regulations regarding securities trading. The policy is aimed to assist the Company, its subsidiaries, its directors and employees in complying fully with these laws. It provides the guidelines and procedures to be followed by the Company, its subsidiaries, directors and employees when in possession of Material Non-Public Information or information which has not been generally disclosed to the public and would likely affect the market price of the security after being disseminated to the public and after the lapse of a reasonable time for the market to absorb the information.

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

The Board reviews and approves the Company's vision and mission periodically to make sure their efficiency in relation to the prevailing situation of the Company.

(d) Directorship in Other Companies

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

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

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Edgar J Sia II	<ol style="list-style-type: none"> <li>1. DD-Meridian Park Development Corp.</li> <li>2. CityMall Commercial Centers Inc.</li> <li>3. DD HappyHomes Residential Centers Inc. (formerly Zion Land Development Ph, Inc.)</li> <li>4. Picadilly Circus Landing Inc.</li> <li>5. DoubleDragon Property Management Corp. (formerly One Eleven Property Management Corp.)</li> <li>6. DoubleDragon Sales Corp.</li> </ol>	<p>ED</p> <p>ED</p> <p>ED</p> <p>ED</p> <p>ED</p> <p>ED</p>
Tony Tan Caktiong	<ol style="list-style-type: none"> <li>1. DD-Meridian Park Development Corp.</li> <li>2. CityMall Commercial Centers Inc.</li> <li>3. DoubleDragon Sales Corp.</li> </ol>	<p>NED</p> <p>NED</p> <p>NED</p>
Ferdinand J. Sia	<ol style="list-style-type: none"> <li>1. DD-Meridian Park Development Corp.</li> <li>2. CityMall Commercial Centers Inc.</li> <li>3. DD HappyHomes Residential Centers Inc. (formerly Zion Land Development Ph, Inc.)</li> <li>4. Picadilly Circus Landing Inc.</li> <li>5. DoubleDragon Property Management Corp. (formerly One Eleven Property Management Corp.)</li> <li>6. DoubleDragon Sales Corp.</li> </ol>	<p>ED</p> <p>ED</p> <p>ED</p> <p>ED</p> <p>ED</p> <p>ED</p>
Rizza Marie Joy J. Sia	<ol style="list-style-type: none"> <li>1. DD-Meridian Park Development Corp.</li> <li>2. CityMall Commercial Centers Inc.</li> <li>3. DD HappyHomes Residential Centers Inc. (formerly Zion</li> </ol>	<p>ED</p> <p>ED</p> <p>ED</p>

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

		Land Development Ph, Inc.)	ED
		4. Picadilly Circus Landing Inc.	ED
		5. DoubleDragon Property Management Corp. (formerly One Eleven Property Management Corp.)	ED
		6. DoubleDragon Sales Corp.	
William Tan Untiong		1. DD-Meridian Park Development Corp.	NED
		2. CityMall Development Centers Inc.	NED
		3. DoubleDragon Sales Corp.	NED

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group:

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Tony Tan Caktiong	1. Jollibee Foods Corporation	ED
	2. St. Luke's Medical Hospital	ED
Edgar J. Sia II	1. Philippine Bank of Communication	NED
	2. Maxicare Healthcare Corporation	NED
William Tan Untiong	1. Jollibee Foods Corporation	ED
Joseph Tanbuntiong	1. Jollibee Foods Corporation	ED

(iii) Relationship within the Company and its Group

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

Edgar J. Sia II, Ferdinand J. Sia and Rizza Marie Joy J. Sia are siblings. Likewise, Tony Tan Caktiong, William tan Untiong, Joseph Tanbuntiong and Ernesto Tanmantiong are siblings.

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

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	The guiding principle shall be that the maximum number of directorship or officership for a particular	The CEO and other executive directors shall submit themselves to lower indicative limits for



	director shall be limited by his ability to perform his duties diligently.	membership in other boards. The same limit shall apply as well to non-executive directors who serve as full time executives in other companies.
<b>Non-Executive Director</b>		
<b>CEO</b>		

4. Shareholding in the Company

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

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Edgar J. Sia II	1000	None	Nil
Tony Tan Caktiong	1000	None	Nil
Ferdinand J. Sia	1000	None	Nil
Rizza Marie Joy J. Sia	1000	None	Nil
William Tan Untiong	3,501,000	None	Nil
Joseph Tanbuntiong	4,001,000	None	Nil
Gary P. Cheng	250,001	None	Nil
Vicente S. Perez, Jr.	250,001	None	Nil
<b>TOTAL</b>	<b>8,006,002</b>		

2) Chairman and CEO

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

Yes  No

Identify the Chair and CEO:

<b>Chairman of the Board</b>	Edgar J. Sia II Tony Tan Caktiong
<b>CEO</b>	Edgar J. Sia II
<b>President</b>	Ferdinand J. Sia

(b) Roles, Accountabilities and Deliverables

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

	<b>Chairman</b>	<b>Chief Executive Officer</b>
<b>Role</b>	Shall preside at all meetings of stockholders and of the Board of Directors.	Responsible for the supervision, administration and management of the business of the Company.

Accountabilities/Deliverables	<ol style="list-style-type: none"> <li>1. Ensure that the meetings of the Board are held in accordance with the By-Laws or as the Chair may deem necessary;</li> <li>2. Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management and the Directors;</li> <li>3. Maintain qualitative and timely lines of communication and information between the Board and the Management.</li> </ol>	<ol style="list-style-type: none"> <li>1. Develop and recommend strategic plans to the Board that ensure the Company's profitable growth and achievement of its business objectives;</li> <li>2. Successfully implement the strategic plans approved by the Board;</li> <li>3. Review and report regularly to the Board on the Company's overall progress against its business and financial plans and objectives;</li> <li>4. Such other duties and responsibilities as may be imposed on the CEO by the Board of Directors.</li> </ol>
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3) Explain how the board of directors plan for the succession of the CEO/Managing Director/President and the top key management positions?

The review for the succession of the CEO/Managing Director/President and the top key management positions is done by the Board of Directors.

4) Other Executive, Non-Executive and Independent Directors

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

The company adheres principally to the qualifications, set by the Corporation Code, on its Board of directors. Nonetheless, the Code of Corporate Governance of the Company has provided certain stringent qualifications for membership in the Board to ensure that the Company is run prudently and diligently. Notwithstanding this, the Company do not lose sight to employ diversity of experience in its Board. In fact, one of its directors is a 25-year-old Certified Public Accountant female.

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

Yes. The Code on Corporate Governance, in addition to the Corporation Code, provides

stringent qualifications as to the competency of a director. These qualifications are:

1. College education or equivalent academic degree;
2. Practical understanding of the business of the corporation;
3. Membership in good standing in relevant industry, business or professional organizations; and
4. Previous business experience.

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

	Executive	Non-Executive	Independent Director
Role	A director who is also the head of a department or unit of the corporation or performs any work related to its operation.	A director who is not the head of a department or unit of the corporation nor performs any work related for its operation.	To exercise independent judgment in carrying out his duties as director.
Accountabilities/Deliverables	<p>To ensure a high standard of best practice for the Company, its subsidiaries and ultimately the stakeholders, each board member shall:</p> <ol style="list-style-type: none"> <li>1. Implement a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. Appoint competent, professional, honest and highly motivated management officers. Adopt an effective succession program for Management.</li> <li>2. Provide sound strategic policies and guidelines to the corporation on major capital expenditures. Establish programs that can sustain its long term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budget and Management's overall performance.</li> <li>3. Ensure the Corporation's faithful compliance with relevant laws, regulations and best business practices.</li> <li>4. Establish and maintain an investor relations program that will keep the stakeholders informed of important developments in the corporation.</li> <li>5. Identify the Corporation's stakeholders in the community in which the corporation operates or are directly affected by its operations and formulate a clear policy of accurate, timely and</li> </ol>		

effective communication with them.

6. Adopt a system of checks and balances with the Board. A regular review of the effectiveness of such system should be conducted to ensure the integrity of the decision making and reporting processes at all times. There should be a continuing review of the corporation's internal control system in order to maintain its adequacy and effectiveness.
7. Identify key risks areas and performance indicators and monitor these factors with due diligence to enable the corporation to anticipate and prepare for possible threats to its operational and financial viability.
8. Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships by members of the Board.
9. Constitute an Audit Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities.
10. Establish and maintain an alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders, and the corporation and the third parties, including the regulatory authorities.
11. Meet at such times or frequency as may be needed. The minutes of such meetings should be duly recorded. Independent views during Board meetings should be encouraged and given due consideration.
12. Keep activities and decisions of the Board within its authority under the Articles of incorporation and By-Laws, and in accordance with existing laws, rules and regulations.

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

Independence means the exercise of judgment and carrying out duties and responsibilities, in accordance to the best corporate practice, free from any business or other relationship which could or could reasonably be perceived to materially interfere with such exercise and performance. In this view, the Company has two independent directors in its Board.

Does the company have a term limit of five consecutive years for independent directors? If after two years, the

company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

The Company adopted the SEC Rule on Term Limit of Independent Directors, which provides that an independent director can serve for five consecutive years in covered corporations. After the completion of such five-year service, an independent director shall be ineligible for election as such in the same corporation unless he undergoes a two-year cooling off period. During such period, such independent director shall not engage in any activity that disqualifies a person from being elected as an independent director in the same company.

After the cooling off period, an independent director may be re-elected as such in the same company and can serve for another five consecutive years. Thereafter, the independent director shall be perpetually barred from being elected as such in the same company.

As per By-Laws, Persons appointed as Chairman "Emeritus", "ex-officio" Directors/Officers or Members of any Executive Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities shall be subject to a 1-year cooling off period prior to his qualification as an independent director.

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

(a) Resignation/Death/Removal

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

There has been no change in the composition of the Board brought about by resignation, death or removal.

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

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

Procedure	Process Adopted	Criteria
<b>a. Selection/Appointment</b>		
(i) Executive Directors	The election of all directors is held during each regular stockholders' meeting, unless a vacancy occurred which shall be filled in immediately during a meeting called for the purpose and the person so elected shall serve only the unexpired portion of his predecessor in office.	<ol style="list-style-type: none"> <li>1. Holder of at least one (1) share of a capital stock of the corporation.</li> <li>2. Must be a college graduate or equivalent academic degree.</li> <li>3. Must have practical understanding of the business of the corporation.</li> <li>4. Membership in good standing in relevant industry, business or professional organizations.</li> </ol>
(ii) Non-Executive Directors		

			5. Must have previous business experience.
(iii) Independent Directors		<p>1. The nomination of the Independent director shall be conducted by the Nomination Committee prior to a stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.</p> <p>2. After the nomination, the Nomination Committee shall prepare a final list of candidates which shall contain all the information about all the nominees for the independent directors. The list shall be made available to the SEC and to all the stockholders through the filing and distribution of the Information Statement or Proxy Statement, or in such other reports the Corporation is required to submit to the Commission.</p> <p>3. Only nominees whose names appear on the</p>	<p>1. He shall have at least one (1) share of stock of the corporation.</p> <p>2. He shall be at least a college graduate or he shall have been engaged or exposed to the business of the corporation for at least five (5) years.</p> <p>3. He shall possess integrity and probity.</p> <p>4. He shall be assiduous.</p>

		<p>Final List of Candidates shall be eligible for election as an Independent Director. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. No further nomination shall be entertained or allowed on the floor during the actual stockholders' meeting.</p> <p>4. The specific slot for independent directors shall not be filled-up by unqualified nominees.</p> <p>5. In case of failure of election for the independent director, the Chairman of the meeting shall call a separate election during the same meeting to fill up the vacancy.</p>	
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<b>b. Re-appointment</b>			
(i) Executive Directors		Shall follow the process for nomination of directors.	Must have all the qualifications and none of the disqualifications of a director as mentioned above.
(ii) Non-Executive Directors		Shall follow the process for nomination of directors.	Must have all the qualifications and none of the disqualifications of a director as mentioned above.
(iii) Independent Directors		Shall follow the process for nomination of directors.	Must have all the qualifications and none of the disqualifications of a director as

		mentioned above.
<b>c. Permanent Disqualification</b>		
(i) Executive Directors	<p>A director permanently disqualified shall be remove in office in accordance with the Corporation Code which provides:</p> <p>Section 28 of the Corporation Code:</p> <p>Sec. 28. <i>Removal of directors or trustees.</i> - Any director or trustee of a corporation may be removed from office by a vote of the stockholders holding or representing at least two-thirds (2/3) of the outstanding capital stock, or if the corporation be a non-stock corporation, by a vote of at least two-thirds (2/3) of the members entitled to vote: Provided, That such removal shall take place either at a regular meeting of the corporation or at a special meeting called for the purpose, and in either case, after previous notice to stockholders or members of the corporation of the intention to propose such removal at the meeting. A special meeting of the stockholders or members of a corporation for the purpose of removal of directors or trustees, or any of them, must be called by the secretary on order of the president or on the written demand of the stockholders representing or holding at least a majority of the outstanding capital stock, or, if it be a non-stock</p>	<p>Without prejudice to a specific provision of law prescribing disqualifications of a director, the following shall be permanently disqualified of a director:</p> <ol style="list-style-type: none"> <li>1. Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase and sale of securities, as defined in the SRC; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them.</li> <li>2. Any person who, by reason of misconduct, after</li> </ol>
(ii) Non-Executive Directors		
(iii) Independent Directors		



	<p>corporation, on the written demand of a majority of the members entitled to vote. Should the secretary fail or refuse to call the special meeting upon such demand or fail or refuse to give the notice, or if there is no secretary, the call for the meeting may be addressed directly to the stockholders or members by any stockholder or member of the corporation signing the demand. Notice of the time and place of such meeting, as well as of the intention to propose such removal, must be given by publication or by written notice prescribed in this Code. Removal may be with or without cause: Provided, That removal without cause may not be used to deprive minority stockholders or members of the right of representation to which they may be entitled under Section 24 of this Code.</p>	<p>hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.</p> <p>3. Any person convicted by final judgment or order by a court or competent</p>
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			<p>administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts.</p> <p>4. Any person who has been adjudged by final judgment or order of the Commission, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, SRC or any other law administered by the Commission or BSP or any of its rule, regulation or order.</p> <p>5. Any person earlier elected as independent director who becomes an officer, employee or consultant of the same corporation.</p> <p>6. Any person judicially</p>
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			<p>declared as insolvent.</p> <p>7. Judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in paragraphs 1 and 5 above.</p> <p>8. Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.</p> <p><i>Note: Same criteria is applied for Independent Directors.</i></p>
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**d. Temporary Disqualification**

(i) Executive Directors		<p>Directors elected or appointed without the qualifications mentioned herein or possessing the disqualifications as well shall vacate their positions immediately.</p>	<p>1. Refusal to comply with the disclosure requirements of SEC and its IRR's. The disqualification shall be in effect as long as the refusal persists.</p> <p>2. Absence in more than fifty (50) percent of all</p>
(ii) Non-Executive Directors			

			<p>regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election.</p> <p>3. Dismissal or termination for cause as director of any corporation covered by this Code. The disqualification shall be in effect until he was cleared himself from any involvement in the cause that gave rise to his dismissal or termination.</p> <p>4. If the beneficial equity ownership of an independent director in the corporation or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock. The disqualification shall be lifted if the limit is later</p>
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			<p>complied with.</p> <p>5. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.</p> <p>A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.</p>
	(iii) Independent Directors	Directors elected or appointed without possessing the qualifications mentioned herein or possessing the disqualifications as well shall vacate their positions immediately.	Same as above, in addition to possession of the disqualifications to be an independent director.
<b>e. Removal</b>			
	(i) Executive Directors	A director shall be remove in office in accordance with the Corporation Code which provides:	Possession of the grounds for permanent disqualifications and those provided under applicable laws.
	(ii) Non-Executive Directors	Section 28 of the Corporation Code: Sec. 28. <i>Removal of directors or trustees.</i> - Any director or trustee of a corporation may be removed from office by a vote of the stockholders holding or representing at least two-thirds (2/3) of the outstanding capital stock, or if the corporation be a non-stock corporation, by a vote of at least two-thirds	Possession of the grounds for permanent disqualifications and those provided under applicable laws.
	(iii) Independent Directors		Possession of the grounds for permanent disqualifications and those provided under applicable laws.

(2/3) of the members entitled to vote: Provided, That such removal shall take place either at a regular meeting of the corporation or at a special meeting called for the purpose, and in either case, after previous notice to stockholders or members of the corporation of the intention to propose such removal at the meeting. A special meeting of the stockholders or members of a corporation for the purpose of removal of directors or trustees, or any of them, must be called by the secretary on order of the president or on the written demand of the stockholders representing or holding at least a majority of the outstanding capital stock, or, if it be a non-stock corporation, on the written demand of a majority of the members entitled to vote. Should the secretary fail or refuse to call the special meeting upon such demand or fail or refuse to give the notice, or if there is no secretary, the call for the meeting may be addressed directly to the stockholders or members by any stockholder or member of the corporation signing the demand. Notice of the time and place of such meeting, as well as of the intention to propose such removal, must be given by publication or by written notice prescribed in this Code. Removal

		may be with or without cause: Provided, That removal without cause may not be used to deprive minority stockholders or members of the right of representation to which they may be entitled under Section 24 of this Code.	
<b>f. Re-instatement</b>			
(i) Executive Directors		The process for reinstatement of a director shall be similar to the process for nomination and election of directors.	To be reinstated, a director must possess all the qualifications and none of the disqualifications for a director provided herein.
(ii) Non-Executive Directors		The process for reinstatement of a director shall be similar to the process for nomination and election of directors.	To be reinstated, a director must possess all the qualifications and none of the disqualifications for a director provided herein.
(iii) Independent Directors		The process for reinstatement of a director shall be similar to the process for nomination and election of directors.	To be reinstated, a director must possess all the qualifications and none of the disqualifications for a director provided herein.
<b>g. Suspension</b>			
(i) Executive Directors		The Company removes a director either permanently or temporarily.	
(ii) Non-Executive Directors			
(iii) Independent Directors			

Voting Result of the last Annual General Meeting

There has been no change in the composition of the Board of Directors considering that the Corporation has filed a postponement of the 2014 annual general meeting.

6) Orientation and Education Program

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

The Corporate Governance Committee is responsible for making recommendations to the Board regarding required trainings and continuing education of directors.

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

1. April 16-17 2015  
Department of Trade and Industry  
PHILIPPINE TRADE TRAINING CENTER

**Maximizing Leadership Potential**

2. March 09, 2015  
KPMG  
R.G. Marabat & Co.

**Requirements for Large Taxpayers**

3. December 04, 2014  
KPMG  
R.G. Marabat & Co.

1. **Taxation on Real Estate Transactions**
2. **Business Combination (IFRS 3)**
3. **Subsidiaries & Joint Arrangements (IFRS 10 & 11)**
4. **Corporate Governance & Financial Reporting**

4. November 14, 2014  
Business Works Incorporated

**Knock-out Presentation Skills**

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

Please refer to the immediately preceding section.

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

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

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. If	The Company fully respects the employee's private life. However, it is expected that an employee would avoid situations that could result in a conflict between their personal interests and those of the Company.	

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



		an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision making process.	
(b) Conduct of Business and Fair Dealings		It is a duty of a director to conduct fair business transactions with the Company and avoid any personal bias with respect to Board decisions.	Every employee must perform his duties in accordance with the highest ethical and professional standards of the Company with diligence of a good father of family.
(c) Receipt of gifts from third parties		It is a duty of a director to conduct fair business transactions with the Company and avoid any personal bias with respect to Board decisions.	Every employee must perform his duties in accordance with the highest ethical and professional standards of the Company with diligence of a good father of a family. Further, receipt of gifts from third parties must at all times be dealt with in a prudent manner.
(d) Compliance with Laws & Regulations		It is the duty of directors to ensure faithful compliance with all the laws, rules and regulations.	It is a policy of the Company to strictly and faithfully comply with relevant laws and government regulations. Prompt compliance thereto is equally enforced.
(e) Respect for Trade Secrets/Use of Non-public Information		It is the duty of directors to observe confidentiality with respect to non-public information they may acquire by reason of their position as director.	It is a company policy that all employees must observe confidentiality with respect to non-public information an employee may acquire by reason of their being an employee of the Company.
(f) Use of Company Funds, Assets and Information		1. It is a duty of a director to conduct fair business transactions with the	All assets by the Company shall be used solely in furtherance of its business. Likewise, every employee must observe confidentiality with respect to non-public information it may acquire by reason of their being an employee.

		<p>Company and avoid any personal bias with respect to Board decisions.</p> <p>2. It is the duty of a director to observe confidentiality</p>	
3. Employment & Labor Laws & Policies		It is the duty of directors to ensure faithful compliance with all the laws, rules and regulations.	It is a policy of the Company to strictly and faithfully comply with relevant laws and government regulations. Prompt compliance thereto is equally enforced.
4. Disciplinary action		A director is disciplined, subject to the rules on due process, either by removal as such permanently or temporarily.	The Company adopts the relevant provisions of Labor Code and other laws and regulations, in addition to the Company's Code of Conduct in the process of employee discipline particularly the grounds for suspension or dismissal.
5. Whistle Blower		The Company abhors fraud, corruption or any other misconduct that would certainly affect its public image and goodwill.	In line with the Code of Conduct, all employees are required to disclose acts related to fraud, corruption, or any other misconduct that come to their attention. Similarly, the Company requires its partners and stakeholders to disclose acts of fraud, corruption or any other misconduct that involve personnel as well as actions that undermine Company Operations.
6. Conflict Resolution		Directors shall attempt in good faith to resolve any conflict that may arise between them relating to their rights and responsibilities provided in the Articles of Incorporation, By-Laws and the Code on Corporate Governance.	Conflicts involving the Code of Conduct and corporate governance shall be resolved in accordance with administrative investigation procedure.

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

Yes. The Code of Conduct has been disseminated to all directors, senior management and employees.

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

Every new employee attends an orientation program wherein the rules and Code of Conduct of the Company are exhaustively explained. More so, the Company through the Human Resources Department reiterates compliance thereof by issuance of memoranda and notices to explain to erring employees. At any rate, strict compliance to Labor Code and other relevant laws particularly the rules on due process is observed in the implementation of the Code.

- 4) Related Party Transactions

- (a) Policies and Procedures

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

Related Party Transactions	Policies and Procedures
(1) Parent Company	<p>A Board approval is necessary before the commencement of each new Related Party Transactions (RPT). It shall be the duty of the Committee to identify and report all the details regarding each new, existing or proposed RPT to the Board for review and approval. However, if there are RPTs which were not identified and reviewed before commencement, they must immediately be reviewed and ratified by the Board. The Board may require any RPT already approved by it to also be submitted to the stockholders for consideration and ratification.</p> <p>The Board, with the assistance of the Committee, shall evaluate whether or not the terms of the RPTs are fair and at arm's length with the Company, by considering the following factors, without limitation:</p> <ul style="list-style-type: none"> <li>a. Materiality;</li> <li>b. Purpose and timing of the transaction;</li> <li>c. Benefits that the Company will receive if it chooses to push through with the transaction;</li> <li>d. The availability of other sources of comparable products or services;</li> <li>e. The aggregate value of the RPT;</li> <li>f. Extent of the related party's interest in the RPT;</li> <li>g. Actual or apparent conflict of interest of the related party; and</li> <li>h. Any other relevant information regarding</li> </ul>
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	
(7) Directors including spouse/children/siblings/parents	
(8) Interlocking director relationship of Board of Directors	

	<p>the transaction.</p> <p>Directors and key management personnel shall disclose their interest in transactions and any other conflicts of interest. The Company requires directors and key management personnel to abstain and/or inhibit themselves from participating in discussions on a particular agenda when they are conflicted.</p> <p>The Company shall ensure that RPTs carried out by its subsidiaries are also conducted in accordance with this Policy.</p>
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(b) Conflict of Interest

a. Directors/Officers and 5% or more Shareholders

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

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	None
Name of Officer/s	None
Name of Significant Shareholders	None

b. Mechanism

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

Company	<p style="text-align: center;"><b>Directors/Officers/Significant Shareholders</b></p> <p>The policy on conflict of interest provides the guidelines on how to avoid or handle such situations. This policy also lays down what are considered as prohibited activities:</p> <ol style="list-style-type: none"> <li>1.1. An Associate or Director shall not take or hold a personal financial interest in any transaction which he or she knows, or ought to know, the Company is or may be interested.</li> <li>1.2. While working for the Company, an Associate shall not have a second job or any type of business relationship, with a supplier, client, or competitor of the Company.</li> </ol>
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	<p>1.3. Neither an Associate nor a member of his or her family within the fourth (4<sup>th</sup>) civil degree of consanguinity or affinity may solicit or receive a fee, commission, or any other favor from any actual or potential supplier, competitor, or client of the Company.</p> <p>1.4. Gifts or tokens from actual or potential suppliers, clients, or competitors of the Company should not be accepted by an Associate. The Associate should never allow himself or herself to be in a position where his or her decision making might appear to have been influenced by the acceptance of any gift or token. However, customary gifts or tokens (maximum value of Php 1,000.00) given to Associates during religious or festive occasions shall be collected and shall be raffled (to all Associates) every last Friday of the month.</p>
Group	

5) Family, Commercial and Contractual Relations

The following are culled from Note 20 of the Notes to the Consolidated Financial Statements:

- a. *Sale of Real Estate Inventories*  
The Group sold condominium units to entities with control or significant influence over the Group and key management personnel amounting to nil and Php30.70 million in 2014 and 2013, respectively.
- b. *Executive Management Services Agreement*  
The Group entered into an agreement with a shareholder for executive corporate, strategic, administrative and financial oversight services relative to the real estate business of the Group. The term of the agreement is one year effective January 1, 2012.
- c. *Lease of Showroom*  
The Group leases showroom and sales office from III and Jollibee Foods Corporation, respectively.
- d. *Cash Advances*

The amount pertains to unsecured, non-interest bearing advances granted to and received from related parties for working capital requirements. These advances are generally settled within one year from the date of grant.

6) Alternative Dispute Resolution

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

Alternative Dispute Resolution System	
Corporation & Stockholders	The Corporation and its stockholders will attempt in good faith to settle their controversies before any of them shall resort to court action.
Corporation & Third Parties	The Corporation may opt to settle their controversies through direct negotiation or resort to alternative dispute resolution, if the third party adheres to such process, before any of them shall recourse to court action.
Corporation & Regulatory Authorities	The Corporation may opt to settle the controversies against Regulatory Authorities through alternative dispute resolution should the latter adhere to such procedure.

C. BOARD MEETINGS & ATTENDANCE

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

Yes. The Board of Directors' meetings, as well as its committees' meetings are set at the start of the year.

2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Edgar J. Sia II	26 August 2015	9	9	100
	Tony Tan Caktiong			7	77
Member	Ferdinand J Sia	26 August 2015	9	9	100
Member	Rizza Marie Joy J. Sia	26 August 2015	9	9	100
Member	William Tan Untiong	26 August 2015	9	9	100
Member	Joseph Tanbuntiong	26 August 2015	9	7	77
Independent	Gary P. Cheng	26 August 2015	9	9	100
Independent	Vicente S. Perez, Jr.	26 August 2015	9	9	100

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

There is no separate meeting for non-executive directors.

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

The minimum quorum requirement is set at majority based on the provisions of the Corporation Code.

- 5) Access to Information

- (a) How many days in advance are board papers<sup>5</sup> for board of directors meetings provided to the board?

The board papers are disseminated at least a day before the actual meeting.

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

The Board members may always ask for information they need with respect to the performance of their duties and responsibilities.

- (c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc.

Article 3 L of the Code of Corporate Governance provides:

The Corporate Secretary shall:

1. Be responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its committees, as well as the other official records of the corporation;
2. Be loyal to the mission, vision and objectives of the corporation;
3. Work fairly and objectively with the Board, Management, stockholders and other stakeholders;
4. Have appropriate administrative and interpersonal skills;
5. If he is not at the same time the corporation's legal counsel, be aware of the laws, rules and regulations necessary in the performance of his duties and responsibilities;
6. Have working knowledge of the operations of DD;
7. Inform the members of the Board, in accordance with the by-laws, of the agenda of their meetings and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
8. Attend all Board meetings, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent him from doing so;
9. Ensure that all Board procedures, rules and regulations are strictly followed by the members.

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

<sup>5</sup> Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

The Corporate Secretary is well aware of the laws, rules and regulations necessary in the performance of his duties and responsibilities.

(e) Committee Procedures

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

Yes  No

Committee	Details of the procedures
Executive	Members of all board committees may always ask for information they need to be able to prepare in advance for the meetings of different committees.
Audit	
Nomination	
Remuneration	
Others (specify)	

6) External Advice

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

Directors may receive external advice such as external opinions on legal or financial matters, etc. The Corporation has external consultants that may be referred to by the Directors.

7) Change/s in existing policies

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

There has been no material or substantial change on existing policies that may have an effect on the business of the Corporation. However, these policies are subject to periodic review to ensure that the same will conform to the global best practices.

**D. REMUNERATION MATTERS**

1) Remuneration Process

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

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	As one of the key executive of the Corporation, the CEO receives salaries, bonuses and standard benefits in accordance with the performance management philosophy on meritocracy.	As key executives of the Corporation, Management officers receive salaries, bonuses and standard benefits in accordance with the performance management philosophy on meritocracy.
(2) Variable remuneration	None	None
(3) Per diem allowance	None	None



(4) Bonus	See item 1	See item 1
(5) Stock Options and other financial instruments	Yes	Yes
(6) Others (specify)	None	None

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

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

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	<u>The levels of remuneration of the Corporation should be able to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors may be structured or be based on corporate and individual performance.</u>	No Director shall participate in deciding on his/her remuneration. As compensation, the Board shall receive and allocate an amount of not more than 10% of the net income before tax of the corporation during the preceding year.	The Corporation ensures that the remuneration for directors is aligned with the industry. Thus benchmarking with the market is resorted to.
Non-Executive Directors	The levels of remuneration of the Corporation should be able to attract and retain the services of qualified and competent directors and officers.	No Director shall participate in deciding on his/her remuneration. In addition, Non-Executive directors do not receive compensation for services rendered.	-

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

Yes. Article III Section 8 of the Corporation's By-Laws provides:

Section 8. Compensation - By resolution of the Board, each director shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than 10% of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may

deem proper, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders.

3) Aggregate Remuneration

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

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	As directors, they do not receive compensation for services rendered. They receive compensation as officers of the corporation if they hold position as such.	None	None
(b) Variable Remuneration	None	None	None
(c) Per diem Allowance	Yes	Yes	Yes
(d) Bonuses	None	None	None
(e) Stock Options and/or other financial instruments	Yes	None	None
(f) Others (Specify)	None	None	None
<b>Total</b>	-	-	-

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

4) Stock Rights, Options and Warrants

(a) Board of Directors

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

The executive directors are entitled to stock options.

(b) Amendments of Incentive Programs

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

On November 11, 2015, The Board of Directors approved the Company's Management Stock Option Plan which will entitle qualified employees to avail stock options. The Stock Option Plan was approved by the stockholders in a meeting held on January 5, 2016.

5) Remuneration of Management

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

Name of Officer/Position	Total Remuneration
Chief Operating Officer	Total Compensation 2013- ₱4,946,318.00 (Actual) 2014- ₱12,540,000.00 (Actual) 2015- ₱21,115,000 (As of September 2015)
Chief Investment Officer	
Accounting Head	
Legal Head	
Marketing Head	
Design Head	
Treasury & Corporate Planning Head	
Information Technology Head	
Internal Audit Head	
Investor Relations Head	
Security Head	
Leasing Head	
Procurement Head	
Corporate Services Head	
Technical Head	

**E. BOARD COMMITTEES**

1) Number of Members, Functions and Responsibilities

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

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director	Independent Director (ID)				

		(NED)			
Executive	3	3	2	Yes	Unless otherwise provided by law, the corporate powers of the corporation shall be exercised, all business conducted and all property of the corporation controlled by the Board.
Audit	1	1	1	Yes	The Audit Committee shall be composed of at least three (3) board members, preferably with accounting and finance background, one of whom shall be an independent director. The Chairman of this committee should be an independent director. One of the main functions of this committee shall be the oversight of the corporation's financial reporting and its internal and external auditors. Likewise, it shall be responsible for the adequacy and effectiveness of the corporation's internal control system.
Nomination	1	1	1	Yes	The Nomination committee shall be responsible for the promulgation of guidelines for the nomination and selection of the members of the BOD as well as the key officers of the corporation.
Personnel and Compensation	1	1	1	Yes	The committee establishes a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with corporation's culture, strategy and control environment.
Others (specify)					

2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman &	Edgar J. Sia II	12	9	9	100	

Co-Chairman	Tony Tan Caktiong	November 2013	9	7	77	
Member (ED)	Ferdinand J. Sia	12 November 2013	9	9	100	
Member (ED)	Rizza Marie Joy J. Sia	12 November 2013	9	9	100	
Member (NED)	William Tan Untiong	12 November 2013	9	9	100	
Member (NED)	Joseph Tanbuntiong	12 November 2013	9	7	77	
Member (ID)	Gary P. Cheng	27 January 2014	9	9	100	
Member (ID)	Vicente S. Perez, Jr.	17 February 2014	9	9	100	

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Gary P. Cheng	26 August 2015	1	1	100	
Member (ED)	Edgar J. Sia II Rizza Marie Joy J. Sia	26 August 2015	1	1	100	
Member (NED)						
Member (ID)						
Member						

Disclose the profile or qualifications of the Audit Committee members.

- Gary P. Cheng has a PhD in Philosophy from the University of Leeds, England and has attended training seminar as a Financial Analyst conducted by JP Morgan New York. Mr. Cheng has several corporate directorship positions in different companies in the country.
- Edgar J. Sia II is the Chairman and CEO of DDPC, Injap Investments Inc., Mang Inasal Philippines Inc. and People's Hotel Corp. He has been conferred Doctor of Humanities Major in Management by the University of San Agustin, the same university where he took his BS- Architecture. Mr. Sia sits on the Board of different corporations in the country. Similarly, he also serves as Board Adviser Maxicare Health Care and Philippine Bank of Communications.

3. Tony Tan Caktiong serves as the Director and Co-Chairman of DDPC. He is the Chairman and CEO of Jollibee Foods Corporation and member of the Board of Trustees of St. Luke's Medical Hospital. Accordingly, he sits as Board Member in Asian Institute of Management, First Gen Corporation and Philippine Long Distance Telephone Company. Mr. Tan Caktiong has a degree in Chemical Engineering from the University of Santo Tomas.

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

The Audit Committee shall provide oversight over the corporation's financial reporting and control over the internal and external auditors. Likewise, the Committee shall be responsible for the setting-up of an internal audit department and consider the appointment of an internal auditor as well as an independent external auditor. In addition, it shall monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	William Tan Untiong	26 August 2015	1	1	100	
Member (ED)	Rizza Marie Joy J. Sia	26 August 2015	1	1	100	
Member (NED)						
Member (ID)						
Member	Chief Justice Artemio Panganiban	26 August 2015	1	1	100	

(d) Personnel and Compensation Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Vicente S. Perez, Jr.	26 August 2015	1	1	100	
Member (ED)	Rizza Marie Joy J. Sia	26 August 2015	1	1	100	
Member (NED)						
Member (ID)	Joseph C. Tanbuntiong	26 August 2015	1	1	100	
Member						

(e) Others (Specify)

There are no Board Committees, as of the present time, aside from the committees mentioned above.

3) Changes in Committee Members

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

AUDIT COMMITTEE	REASON
For the year 2015, Rizza Marie Joy J. Sia replaced Tony Tan Caktiong	Election of new set of members
NOMINATION COMMITTEE	
For the year 2015, William Tan Untiong replaced Ferdinand J. Sia	Election of new set of members
PERSONNEL AND COMPENSATION COMMITTEE	
For the year 2015, Vicente S. Perez, Jr. replaced Ernesto Tanmantiong	Election of new set of members
Joseph C. Tanbuntiong replaced Vicente S. Perez	Election of new set of members

4) Work Done and Issues Addressed

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

The Personnel and Compensation Committee met to discuss the policy for the implementation of the Company's Management Stock Option Plan.

The Nomination Committee met to accept and indorse to the shareholders the nominees for the election of Board of Directors for the year 2016.

Audit Committees met to discuss with the external auditors the findings and results for the year end 2015 and recommended to the Board the approval and filing of the 2015 Audited Financial Statement.

5) Committee Program

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

The Compensation Committee will look into the following:

1. Adjustments for the number of vacation and sick leave credit for each entitled employee.
2. The policy on granting Target Incentive Plan

The programs by each committee as regards the improvement or enforcement of effective governance for the coming year are being deliberated and crafted as the need arises.

**F. RISK MANAGEMENT SYSTEM**

The Company has significant exposure to the following risks, namely, Credit, Liquidity and Interest Rate. Credit risk represents the risk of loss the Company would incur if credit customers and counterparties fail to perform their contractual obligations. Exposure to credit risk is monitored primarily through credit reviews and analysis of receivables on a continuous basis. Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risks by forecasting projected cash flows and maintaining balance between continuity of funding and flexibility in operations. Treasury controls and procedures are in place to ensure sufficient cash is maintained. Interest Rate risk management policy is to minimize interest rate cash flow risk exposures to changes in interest. The Company has short term and long term bank

borrowings with fixed interest rates. Thus, the company is not subject to the effect of changes in interest rates.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The BOD is responsible for developing and monitoring the Company's risk management policies. The risk management policies are established to identify and analyze the risks faced by the Company, to set the appropriate risk limits and controls and to monitor risks and adherence to limits. Risks management systems and policies are reviewed regularly to reflect changes in market conditions. Mitigating strategies and procedures are also devised to address the risks that inevitably occur so as not to affect the Company's operations and forecasted results.<sup>6</sup>

#### G. INTERNAL AUDIT AND CONTROL

##### 1) Internal Control System

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

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

Internal control system is the framework under which internal controls are developed and implemented (alone or in concert with other policies or procedures) to manage and control a particular risk or business activity or combination of risks or business activity, or combination of risks or business activities to which the corporation is exposed.

Answers to items b to e.

The Board of Directors monitors and evaluates the adequacy and effectiveness of the corporation's internal control system, including financial reporting control and information technology security through the internal audit function. The internal audit reports to the Audit Committee which is a board level committee.

##### 2) Internal Audit

- (a) Role, Scope and Internal Audit Function

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

Role	Scope	Indicate whether in-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
The role of Internal Audit is to evaluate the internal control system and provide assurance on the quality of performance of	The Internal Audit: > Is authorized full, free and unrestricted access to any and	In House		



<p>assigned responsibilities with respect to all operations of the Company, and will:</p> <ul style="list-style-type: none"> <li>&gt; Review the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information;</li> <li>&gt; Review the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations that could have a significant impact on operations and reports;</li> <li>&gt; Review the means of safeguarding assets, the measures taken to ensure safe conduct of operations and verify the existence of assets;</li> <li>&gt; Review operations to ascertain whether results are consistent with established objectives and goals and whether the activities are being implemented as planned;</li> <li>&gt; Review compliance with the guidelines for ethical business conduct and see that the highest standards of personal and performance are met.</li> <li>&gt; Review business</li> </ul>	<p>all of the Company's records, physical properties, personnel and other information sources pertinent to carrying out its defined responsibilities.</p> <ul style="list-style-type: none"> <li>&gt; Has no direct authority to make operating decisions to require anyone in operations to take action or to implement its recommendations. Management has the responsibility to carry-out operating decisions.</li> <li>&gt; Can obtain assistance of specialists or professionals as it is deemed necessary, from within or outside the Company.</li> <li>&gt; Can obtain assistance of personnel in various units/divisions of the Company, where audit is being performed.</li> </ul>		<p>Internal Audit Manager: Lea R. Suberon</p>	<p>The Internal Auditor will functionally report to the Audit Committee.</p>
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processes; identify risks and exposures that may affect the organization. > Review specific operations at the request of the Committee, Board or management, as appropriate.			
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- (b) Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?

Yes. One of the functions of the Audit Committee is the organization of an internal audit department and consideration of the appointment of an independent internal auditor and the terms and conditions of its engagement and removal.

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

Yes. The internal auditor has direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel of the corporation.

The internal auditor has independence in the conduct of his/her duties and responsibilities. The Audit committee shall ensure that in the performance of the work of the internal auditor, he/she shall be free from interference by outside parties.

- (d) Resignation, Re-assignment and Reasons

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

There has been no resignation or transfer in the internal audit department of the corporation.

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

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

The internal audit's current activity is recommending improvements as to the over-all process of the Company. Policies and procedures need updating to consider changes or improvements on the processes and realignment of functions within the Company.

- (f) Audit Control Policies and Procedures

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

The Company follows certain policies and procedures relative to its over-all operations. The

Company has implemented these policies and procedures to ascertain that operations are on-going and objectives are continuously obtained. The Company is currently updating its policies and procedures to consider changes, improvements and realignment of functions within the Company.

(g) Mechanisms and Safeguards

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

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
<p>The main mechanism established by the Company to safeguard the independence of external and internal auditors are integrated in the key function of Audit Committee.</p> <p>The Audit Committee shall oversee the hiring, performance, and independence of the external and internal auditors and shall monitor and oversee the internal audit process of the Company.</p> <p>The members and Chairperson of the Audit Committee shall be appointed by the Board of Directors.</p>			<p>The Company has established a Conflict of Interest Policy to protect the integrity of the Company's business transactions with all its entities that it deals with. The policy provides that transactions which are or may have the potential of being deemed as Conflict of Interest transactions are discouraged and must be avoided. If such a conflict of interest transaction cannot be avoided, the conflicted person is required to submit a written disclosure of such conflict to a designated approving authority in order to ensure the transparency in such transaction.</p> <p>The Company complies with accreditation requirements and other applicable restrictions as to the scope and conduct of their services and content of reports to ensure independence, as required by law and rules and regulations.</p> <p>The Company is also guided by its Business Code of Ethics.</p>

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

The corporation's Compliance Officer shall continue to attest to the company's full compliance with the SEC Code of Corporate Governance.

**H. ROLE OF STAKEHOLDERS**

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

		<b>Policy</b>	<b>Activities</b>
Customers' welfare		The Corporation adheres to the policy that it shall be truthful and objective in dealing with its customers. The goal is that the customers are always delighted to the services of the company.	The Company's website provides for customer care section.
Supplier/contractor selection practice		The company upholds the truthfulness and fair dealing with its supplier/contractor selection practice. All procurements by the company are always based on quality, utility and price.	
Environmentally friendly value-chain		The company is environment-sensitive organization, thus, its projects are "greenergized".	The Company and its subsidiaries meet all governmental, environmental, health and safety requirements.
Community interaction		The Corporate Social Responsibility unit of the Company is the implementor of its corporate philanthropy projects.	CSR's advocacies are: <ol style="list-style-type: none"> <li>1. Make quality education accessible for the less fortunate;</li> <li>2. Empower the youth by bridging them to employment; and</li> <li>3. Nurture the mindset of entrepreneurship among people.</li> </ol>
Anti-corruption programs and procedures?		The corporation has a policy that no employee shall accept gifts from suppliers. Likewise, it is amplified by the policy on whistle blowing.	
Safeguarding creditors' rights		The corporation has investors' relations office that ensures that its creditor's and investors are ably informed. Likewise, these persons can access the company's website for important announcement in addition to the reports submitted to the regulatory bodies.	

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

Yes. These sections are found in the company's website.

3) Performance-enhancing mechanisms for employee participation.

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

DoubleDragon Properties Corp. (Company for brevity) considers its Associates its most valuable asset. Sustainable success can be reached only through people and that is why the Company is committed in ensuring the physical and psychological health, safety, and welfare of its Associates, and in preventing ill-health and work-related injuries. Consequently, it is the policy of the Company to continuously improve its occupational health and safety management and performance by:

- 1) Providing and maintaining a safe and healthy working environment for its Associates.
- 2) Identifying hazards and assessing and controlling risks arising from the work-related activities.
- 3) Setting safety objectives, and monitoring and reviewing the compliance of Associates with the said objectives.
- 4) Providing its Associates with healthcare benefits.
- 5) Maintaining arrangements for fire and medical emergency response.
- 6) Conducting regular consultations with its Associates on matters affecting their health, safety, and welfare.
- 7) Cooperating with the Company's healthcare provider in conducting healthcare seminars and trainings.
- 8) Establishing emergency and contingency plans to deal with residual risks.
- 9) Investigating all incidences of work-related injury.
- 10) Collating and analyzing data on work-related injuries and other health-related incidents.
- 11) Empowering Associates to challenge any unsafe act or practice that they perceive.
- 12) Implementing programs that encourage Associates to engage in dialogues with peers about safe and at risk behaviors.
- 13) Reviewing this Policy and all Company rules and regulations at regular intervals to ensure its relevance and compatibility with the nature and scale of its business.
- 14) Complying with all legal requirements regarding the health and safety of Company Associates.

The Company recognizes that the awareness of safety issues and the active participation of all Associates play a vital role in the successful implementation of this Policy. To this end, the

Company devotes all the necessary energy and attention to protect its Associates and all those involved with the Company.

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

The Corporation ensures that its employees are competent, effective and efficient in the performance of their duties and responsibilities, hence, it provides proper orientation and trainings to further develop their skills and potentials. The trainings are as follows:

April 16-17 2015  
Department of Trade and Industry  
PHILIPPINE TRADE TRAINING CENTER

**Maximizing Leadership Potential**

March 09, 2015  
KPMG  
R.G. Manabat & Co.

**Requirements for Large Taxpayers**

December 04, 2014  
KPMG  
R.G. Manabat & Co.

- 1 Taxation on Real Estate Transactions
- 2 Business Combination (IFRS 3)
- 3 Subsidiaries & Joint Arrangements (IFRS 10 & 11)
- 4 Corporate Governance & Financial Reporting

November 14, 2014  
Business Works Incorporated

**Knock-out Presentation Skills**

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

Kindly refer to the immediately preceding paragraph.

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

The employees receive salaries and other incentives based on their performance.

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

In line with the Code of Conduct, all Associates are required to disclose acts related to fraud, corruption, or any other misconduct that come to their attention. Similarly, the Company requires its partners and stakeholders to disclose acts of fraud, corruption, or any other misconduct that involve personnel as well as actions that undermine Company Operations.

Thus, the typical disclosure required from an Associate or a concerned third party include, without limitation, the following:

- a) Failure to comply with statutory obligations;
- b) Unlawful acts or orders involving violation of law, gross waste, mismanagement, abuse of authority, and substantial danger to public health or safety;
- c) Corruption;
- d) Fraud;
- e) Misconduct;
- f) Coercive Practices;
- g) Collusive practices;
- h) Any other activity which undermines the Company's operations.

No employee will be retaliated against as a result of having made the report.

**I. DISCLOSURE AND TRANSPARENCY**

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
Injap Investments Inc.	824,996,999	37	-
Honestar Holdings Corp.	824,996,999	37	-
PCD Corp. Nominee	571,651,792	25.6	Various

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Edgar J. Sia II	1000	None	0
Tony Tan Caktiong	1000	None	0
Ferdinand J. Sia	1000	None	0
Rizza Marie Joy J. Sia	1000	None	0
William Tan Untiong	3,501,000	None	0.16
Joseph Tanbuntiong	4,001,000	None	0.18
Gary P. Cheng	250,001	None	0.01
Vicente S. Perez, Jr.	250,001	None	0.01
<b>TOTAL</b>	<b>8,006,002</b>		

2) Does the Annual Report disclose the following:

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes

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

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

3) External Auditor's fee

The Company's external auditor is KPMG and the audit fee for year end 2015 is One Million Pesos (1,000,000.00).

4) Medium of Communication

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

1. Regulatory Reports submitted to SEC and PSE.
2. Company website.
3. Investor relations office.
4. Social media.

5) Date of release of audited financial report:

The audited financial report for year end 2015 was released on 14 April 2016.

6) Company Website

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

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

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



The information on Notice of AGM and the company's constitution is in the process of being included in the disclosure in the company's website.

7) **Disclosure of RPT**

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

Contracts may be entered into by the Company with any of its directors, executive officers or stockholders or with companies associated with the majority stockholders of the Company (the "Related Parties"), provided the terms thereof are at least favorable to the Company as would be obtainable in arm's-length dealings with unrelated persons.

J. **RIGHTS OF STOCKHOLDERS**

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

(a) Quorum

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

<b>Quorum Required</b>	Unless otherwise provided by law, in all regular or special meeting of stockholders, a majority of the outstanding capital stock must be present or represented in order to constitute quorum. If no quorum is constituted the meeting shall be adjourned until the requisite amount of stock shall be present.
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(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

<b>System Used</b>	Unless otherwise provided by law, the corporate powers of the corporation shall be exercised, all business conducted and all property of the corporation controlled and held by the Board of Directors.
<b>Description</b>	

(c) Stockholders' Rights

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

	Stockholders' Rights under The Corporation Code	Stockholders' Rights not in The Corporation Code
<b>Voting Right</b>		
	Shareholders shall have the right to	

<p>elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.</p>	
<p><i>Right to propose holding of meetings</i></p> <p>The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.</p>	
<p><i>Right to information</i></p> <p>The Shareholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Company's shares dealings, with the company, relationships among directors and key officers, and the aggregate compensation of directors and officers.</p>	<p>NONE</p>
<p><i>Right to inspect corporate books</i></p> <p>All shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries and shall be furnished with annual reports, including financial statements, without cost or restrictions.</p>	
<p><i>Right to Dividends</i></p> <p>Shareholders have the right to dividends, which shall be declared and paid out of the Company's unrestricted retained earnings as often and at such times as the Board may determine after making provision for necessary reserves in accordance with law.</p>	
<p><i>Appraisal Right</i></p> <p>The shareholder's shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under</p>	

**Section 82 of the Corporation Code.**

**Dividends**

The Company has approved a dividend policy that would entitle the stockholders to receive the dividends equivalent up to 30% of the prior year's net income after tax subject to (i) the viability of unrestricted retained earnings; (ii) implementation of business plans; (iii) contractual obligations; and (iv) working capital requirements.

**(d) Stockholders' Participation**

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

Measures Adopted	Communication Procedure
Notice of Meeting	Notices for regular or special meetings of stockholders may be sent by personal or by mail. The notice shall state the place, date and hour of the meeting and the purpose or purposes for which the meeting is called.
Voting by Proxy	Stockholders are given the right to vote by proxy.

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
  - a. Amendments to the company's constitution

The Company complies with Sec 16 of the Corporation Code in amending its Articles of Incorporation. Proposed amendments are included in the notice of meeting to the stockholders.

- b. Authorization of additional shares

The Company complies with Sec. 38 of the Corporation Code in amending its Articles of Incorporation pertaining to increase in authorized capital stock.

- c. Transfer of all or substantially all assets, which in effect results in the sale of the company

The Company complies with Sec. 40 of the Corporation Code.

3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up?

- a. Date of sending out notices:

Yes.

- b. Date of the Annual/Special Stockholders' Meeting:

August 26, 2015 and January 5, 2016

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

The questions asked by the shareholders in the August 26, 2015 shareholders' meeting are:

- a. The amount of audit fees for 2015 - Php 800,000.00
- b. The compensation of the Chairman - The Chairman does not receive any salary from the Company.

There were no questions asked during the January 5, 2016 meeting.

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

**August 26, 2015**

- Approval of the minutes of the previous shareholders meeting
- Approval of the Chairman's report
- Approval of 2014 Audited Financial Statements and the 2014 Annual Report
- Ratification of the actions of the Board of Directors and Officers
- Election of the following Directors:
  - Edgar J. Sia II
  - Ferdinand J. Sia
  - Rizza Marie Joy J. Sia
  - Tony Tan Caktiong
  - William Tan Untiong
  - Vicente S. Perez Jr.
- Appointment of KPMG as External Auditors for the year-end 2015
- Approval of the amendment of the By-Laws to change the date of the Annual/Regular meetings of the stockholders from November 11 of each year to the day preceding the last Friday of the month of June.

**January 5, 2016**

- The approval of the amendment of Article Seven (7) of the Articles of Incorporation of the Company to increase the Authorized Capital Stock of the Company from Five Hundred Million Pesos ( Php 500,000,000.00) to Twenty Billion Five Hundred Million Pesos ( Php 20,500,000,000.00 ) and the creation of Two Hundred Million (200,000,000) Non-Voting Preferred Shares with the par value of One Hundred Pesos ( Php 100,000) per share.
- Approval of the issuance of 45,504,693 options underlying the Company's common shares to be issued pursuant to the Company's Management Stock Option Plan.

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

The results were disclosed on January 5, 2016.

(e) Modifications

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

None.

(f) Stockholders' Attendance

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

AUGUST 26, 2015		
Total number of shares present in person and/or represented by proxies	1,759,443,859	78.73%
Total number of Outstanding shares	2, 229, 730,000	100%

JANUARY 5, 2016		
Total number of shares present in person and/or represented by proxies	1,660,190,699	74.46%
Total number of Outstanding shares	2, 229, 730,000	100%

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

Yes. The Stock and Transfer Department of Rizal Commercial Banking Corp. (RCBC) was appointed as our Stock and Transfer agent and as such counted and validated the votes at the ASM/SSMs. The counting of votes was conducted in the presence of the representatives from KPMG.

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

Yes, the common shares carry one vote for one share.

(g) Proxy Voting Policies

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

At all meetings of stockholders, a stockholder may vote in person or by proxy. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Secretary. All proxies must be in the hands of the Secretary at least ten (10) days before the time set for the meeting. Proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary, prior to scheduled meeting or by their personal presence at the meeting.

A forum for the violation of proxies chaired by the Secretary or Assistant Corporate Secretary and attended by the Stock Transfer Agent shall be convened seven (7) days before the meeting. Any questions and issues relating to the validity and sufficiency, both as to form and substance, of proxies shall only be raised during said forum and resolved by the Corporate Secretary. The Corporate Secretary's decision shall be final and binding upon the stockholders. Any such question or issue decided upon by the Corporate Secretary

shall be deemed settled and those not brought before said forum shall be deemed waived and may no longer be raised during the stockholders' meeting.

(h) Sending of Notices

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

Notices for regular or special meetings of stockholders may be sent by personal or by mail at least two weeks prior to the date of the meeting. The notice shall state the place, date and hour of the meeting and the purpose or purposes for which the meeting is called.

(i) Definitive Information Statements and Management Report

The Company filed with the SEC the required Definitive Information Statement prior to each shareholders meeting. Each shareholder is provided with Definitive Information Statement prior to each shareholders meeting.

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

Each resolution to be taken up deals with only one item.	Yes	
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	No.	The profile is included in the Definitive Information Statement provided to the shareholders together with the notice of the shareholders meeting.
The auditors to be appointed or re-appointed.	Yes	
An explanation of the dividend policy, if any dividend is to be declared.	Yes	
The amount payable for final dividends.	N/A	
Documents required for proxy vote.	Yes	

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

2) Treatment of Minority Stockholders

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

The Company complies with the Corporation Code with respect to the rights of the stockholders, namely, the right to dividend, right to vote, pre-emptive right, appraisal right, right to inspect the books, and the right to elect a member of the board of directors.

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

Yes. The by-laws of the Company does not distinguish between minority and majority stockholders when it comes to the right to nominate candidates for board of directors.

**K. INVESTORS RELATIONS PROGRAM**

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

This program was introduced purposely to address and attend to investors' inquiries about the Company and its plans for its stockholders. Mr. Jose Roelph Desales was appointed head of the program who is in charge of submitting periodic reports and statements required to be filed on a regular basis with the SEC and the PSE as well as current reports on material events that have occurred and are required to be disclosed to the SEC and/or the PSE within a given period from the time of their occurrence.

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

This program was introduced purposely to address and attend to investors' inquiries about the Company and its plans for its stockholders. Mr. Jose Roelph Desales was appointed head of the program who is in charge of submitting periodic reports and statements required to be filed on a regular basis with the SEC and the PSE as well as current reports on material events that have occurred and are required to be disclosed to the SEC and/or the PSE within a given period from the time of their occurrence.

The Company can be reached through **Mr. Jose Roelph Desales** at telephone number (+632) 856-7111, telefax number (+632) 856-9111 and through email address [investors@doubledragon.com.ph](mailto:investors@doubledragon.com.ph).

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

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

The Company complies with the regulatory requirements of the SEC and the applicable general laws in acquisition of corporate control in the capital markets and transactions such as mergers and sales of substantial portions of corporate assets.

**L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

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

Initiative	Beneficiary
Farmer Entrepreneurship Program	Iloilo City Community College
Annual Donation to Jollibee Foundation	Jollibee Foundation
Typhoon Yolanda Relief	Typhoon victims.

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

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

	Process	Criteria
Board of Directors	Self-Rating System	Based on the roles, functions and responsibilities.
Board Committees	Self-Rating System	Based on the roles, functions and responsibilities.
Individual Directors	Self-Rating System	Based on the roles, functions and responsibilities.
CEO/President	By the Board	Based on the roles, functions and responsibilities.

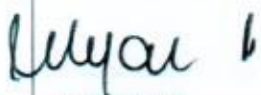
**N. INTERNAL BREACHES AND SANCTIONS**

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

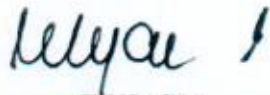
The sanctions for any violation or breach of the corporate governance manual shall be from reprimand to removal from office.



Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of MAKATI CITY on APR 14 2016, 20  .



SIGNATURES



EDGAR J. SIA II  
Chairman of the Board

EDGAR J. SIA II  
Chief Executive Officer


GARY P. CHENG  
Independent Director

  
VICENTE S. PEREZ  
Independent Director  
JOSELITO L. BARRERA, JR.  
Compliance Officer

SUBSCRIBED AND SWORN to before me this        day of APR 14 2016, 20  , affiant(s) exhibiting to me their       , as follows:

NAME/NO.	DATE OF ISSUE	PLACE OF ISSUE
Edgar J. Sia II	Passport no EB8173899	DFA Manila
Gary P. Cheng	Passport No EB9703935	DFA Manila
Vicente S. Perez	Passport No EB6517708	DFA Manila
Joselito L. Barrera, Jr.	SSS ID No 33-5391539-9	

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Series of 2016

  
**JON ANDRE G. BANDO**  
Commission No. M-540  
Notary Public for Makati City  
Until Dec. 31, 2016  
19B Tower One, Philippine Stock Exchange Plaza  
Ayala Avenue, Makati City 1226  
Roll No. 64599 / 4-28-2015  
PTR No. 5323140; 1/4/16; Makati City  
IBP No. 1014399; 1/5/16; Makati City