

## UPDATES AND CHANGES IN THE ACGR FOR 2014

### A. BOARD MATTERS

1. Board of Directors
  - a. Directorship in Other Companies
    - (i) Directorship in the Company's Group

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.
FRED J. ELIZALDE	Elizalde Land, Inc. (ELI)	Executive (Chairman)
	Star Parks Corporation (Star City)	Executive (Chairman)
	Philippine International Corporation (PIC)	Executive (Chairman)
	Elizalde Holdings Corporation (EHC)	Executive (Chairman)
	Sunshine Inns, Inc. (SII)	Executive (Chairman)
RUPERTO S. NICDAO, JR.	Cebu Broadcasting Company (CBC)	Executive
	Elizalde Land, Inc. (ELI)	Executive
	Sunshine Inns, Inc. (SII)	Executive
	Philippine International Corporation (PIC)	Executive
	Star Parks Corporation (Star City)	Executive
	Elizalde Holdings Corporation (EHC)	Executive
EDUARDO G. CORDOVA	Elizalde Holdings Corporation (EHC)	Executive
	Philippine Broadcasting Company (PBC)	Executive (Chairman)
	Cebu Broadcasting Company (CBC)	Executive
	Pacific Broadcasting System (PBS)	Executive
	Elizalde Land, Inc. (ELI)	Executive
	Sunshine Inns, Inc. (SII)	Executive
	Star Parks Corporation (Star City)	Executive
	Philippine International Corporation (PIC)	Executive
JULIO MANUEL P. MACUJA	Elizalde Holdings Corporation (EHC)	Executive
	Philippine Broadcasting Company (PBC)	Executive
	Elizalde Land, Inc. (ELI)	Executive
	Star Parks Corporation (Star City)	Executive
	Sunshine Inns, Inc. (SII)	Executive
	Philippine International Corporation (PIC)	Executive
JUAN MANUEL ELIZALDE	Cebu Broadcasting Company (CBC)	Executive (Chairman)
	Philippine Broadcasting Company (PBC)	Executive
	Sunshine Inns, Inc. (SII)	Executive
	Elizalde Holdings Corporation (EHC)	Executive
	Star Parks Corporation (Star City)	Executive
	Philippine International Corporation (PIC)	Executive
RUDOLF STEVE E. JULARBAL	Pacific Broadcasting System (PBS)	Executive
	Philippine Broadcasting Company (PBC)	Executive
	Elizalde Land, Inc. (ELI)	Executive
	Sunshine Inns, Inc. (SII)	Executive
	Elizalde Holdings Corporation (EHC)	Executive
	Star Parks Corporation (Star City)	Executive

	Philippine International Corporation (PIC)	Executive
Thalassa G. Elizalde	TGE Holdings Corp.	Executive

2. Orientation and Education Program

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

At the start of the service of a new director, the Chairman, President, Chief Financial Officer and Corporate Secretary give a newly appointed director a briefing on the Company's structure and business, the responsibilities of the Board and its Committees and how each operates and the schedule of Board meetings, among others. The new director is also furnished with copies of all relevant information about the Company and policies applicable to the directors, including the Articles of Incorporation, By-Laws, Annual Report, Corporate Governance Manual, Code of Ethics, and the Charters of the Board Committees.

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

Seminar on Corporate Governance, held on Dec. 19, 2014 at MBC Office, participated by all Directors and Officers of the Company.

- c. Continuing education programs for directors: programs and seminar and roundtables attended during the year.

Name of Directors/Officer	Date of Training	Program	Name of Training Institution
- Ruperto S. Nicdao, Jr. - Julio Manuel P. Macuja - Eduardo G. Cordova - Rudolph Steve E. Jularbal - Gary C. Huang - Robert A. Pua - Irving A. Lisondra - Ellen C. Fullido - Carlea C. Miranda - Jonathan E. Decena - Jose Ma. T. Parroco - Wilfredo Espinosa, Jr.	Dec. 19, 2014	Corporate Governance Seminar	Risk, Opportunities Assessment and Management (ROAM) Inc.

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

1. Alternative Dispute Resolution

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

Alternative Dispute Resolution System	
Corporation & Stockholders	Stockholders who have matters for discussion or concerns directly relating to the business of the Company may initially elevate such matters or concerns to: (a) the Corporate Secretary, (b) the investor Relations Officer, (c) Management; or (d) the Board
Corporation & Third Parties	The Company complies with, abides and is guided by, the policy set forth in Republic Act No. 9285, otherwise known as the "Alternative Dispute Resolution Act of 2004", in handling conflicts of differences between the Company and third parties, including regulators, in that the Company considers and explores with the other party or parties involved mutually acceptable alternative means or procedures for resolving such dispute that are provided by law prior to resorting to court action, to the extent that such is feasible and will not prejudice the rights and interests of the Company.
Corporation & Regulatory Authorities	

## C. BOARD MEETINGS & ATTENDANCE

### 1. Attendance of Directors

Board	Name	Date of election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Fred J. Elizalde	10/23/14	12	10	83%
Member	Ruperto S. Nicdao Jr.	10/23/14	12	12	100%
Member	Eduardo G. Cordova	10/23/14	12	12	100%
Member	Julio Manuel P. Macuja	10/23/14	12	12	100%
Member	Juan Manuel Elizalde	10/23/14	12	11	92%
Member	Thalassa G. Elizalde	10/23/14	12	10	83%
Member	Rudolph Steve F. Jularbal	10/23/14	12	12	100%
Independent	George T. Goduco	10/23/14	12	10	83%
Independent	Gary C. Huang	10/23/14	12	10	83%

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

The Company's By-Laws provide that at any meeting of the Board of Directors, a majority of the number of the Directors as specified in the Articles of Incorporation shall constitute a quorum. At any meeting of the Board of Directors at which there is a quorum, all matters approved by at least a majority of the Board of Directors present at such meeting shall be valid as a corporate act, except for such matters which require the vote of majority of all the members of the Board as prescribed by the law of the By-Laws.

The quorum requirement in every meeting or any board decision in the Company is set at two-thirds of board members. The requirement of a quorum is set for the protection against unrepresentative action in the name of the Company by an unduly small number of people.

### 3. Access to Information

#### a. How many days in advance are board papers for board of directors meetings provided to the board?

Board papers are supplied at least 5 business days in advance of the meeting. In order to enable the members of the Board to properly fulfill their duties and responsibilities, Management shall provide the Directors/Board with adequate and timely information about the matters to be taken up in their Board meetings and, upon the request of any Director or the Board, make presentations on specific topics and respond to further inquiries in relation thereto during Board meetings. The Directors shall have independent access to Management.

#### b. Do board members have independent access to Management and the Corporate Secretary?

Yes. To ensure a high standard of governance for the Company and to promote and protect the interest of the Company, its stockholders and other stakeholders, the Board shall, among others, ensure that the Board and Board Committees are enabled to obtain independent professional advice at the Company's expense and have access to Management as they may deem necessary or appropriate to carry out their duties; and in order to enable the members of the Board to properly fulfill their duties and responsibilities, Management shall provide the Directors/Board with adequate and timely information about the matters to be taken up in their Board meetings and, upon the request of any Director or the Board, make presentations on specific topics and respond to further inquiries in relation thereto during Board meetings. The Directors shall have independent access to Management.

## D. REMUNERATION MATTERS

### 1. 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	Follows Company's salary structure and benefit package and Board-approved rate/package.	Compensation/salary package is composed of basic monthly pay plus number of bonus months as approved by the Board.	Compensation is computed based on gross monthly income of employees less government mandated deduction like SSS, Philhealth, Pag-ibig and withholding taxes.
Non-Executive Directors	Per diem on BOD Meetings		

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

No, the stockholders of the Corporation do not have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors. The amount of remuneration are determined by the Board of Directors but in no case shall said remuneration exceed five (5%) of the net income of the Corporation before tax.

Remuneration Scheme	Date of Stockholders' Approval
No change from the policy and scheme mentioned above and the same have been approved during the respective annual stockholders' meeting.	October 24, 2012
	September 26, 2013
	October 23, 2014

## 2. 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	P8,608,381	-	-
b. Variable remuneration	-	-	-
c. Per diem Allowance	155,555	-	44,444
d. Bonuses	-	-	-
e. Stock Options and/or other financial instruments	-	-	-
f. Others (specify)	-	-	-
TOTAL	P8,763,939	-	P44,444

Other Benefits	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
a. Advances	-	-	-
b. Credit Granted	-	-	-
c. Pension Plan/s Contributions	-	-	-
d. Pension Plans, Obligations incurred	-	-	-
e. Life Insurance Premium	-	-	-
f. Hospitalization Plan	-	-	-
g. Car Plan	-	-	-
h. Others (specify)	-	-	-
TOTAL	-	-	-

**E. BOARD COMMITTEES**

1. 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	Fred J. Elizalde	10/23/14	12	10	83%	30 years
Member (ED)	Ruperto S. Nicdao, Jr.	10/23/14	12	12	100%	27 years
Member (ED)	Eduardo G. Cordova	10/23/14	12	12	100%	27 years
Member (ED)	Julio Manuel P. Macuja	10/23/14	12	12	100%	16 years
Member (ED)	Rudolph Steve F. Jularbal	10/23/14	12	12	100%	4 years

b. Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	George T. Goduco	10/23/14	12	10	83%	> 5 years
Member (ED)	Eduardo G. Cordova	10/23/14	12	12	100%	> 5 years
Member (ED)	Julio Manuel P. Macuja	10/23/14	12	12	100%	> 5 years

c. Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	George T. Goduco	10/23/14	12	10	83%	> 5
Member (ED)	Fred J. Elizalde	10/23/14	12	10	83%	> 5
Member (ED)	Ruperto S. Nicdao, Jr.	10/23/14	12	12	100%	> 5

d. Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Gary C. Huang	10/13/14	12	10	83%	3 years
Member (ED)	Fred J. Elizalde	10/13/14	12	10	83%	> 5 years
Member (ED)	Ruperto S. Nicdao, Jr.	10/13/14	12	12	100%	> 5 years

**F. INTERNAL AUDIT AND CONTROL**

a. 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 reasons/s for them.

Name of Audit Staff	Reason
Ms. Christine G. Vallejo (SGV & Co. CPAs), Partner-in-charge starting year 2014	Rotation of partner-in-charge in compliance with the requirements of SRC Rule 68, Paragraph 3 (b) (iv)
Ms. Catherine E. Lopez (SGV & Co. CPAs), Partner-in-charge until year 2013	
Ms. Aileen Saringan (SGV & Co. CPAs), Partner-in-charge until year 2009	
Ms. Cynthia Manlapig (SGV & Co. CPAs), Partner-in-charge until year 2004	

## G. DISCLOSURE AND TRANSPARENCY

### 1. Ownership Structure

Name of Senior Management	Number of Direct Shares	Number of Indirect Shares/ Through (name of record owner)	% of Capital Stock
Fred J. Elizalde	94	NA	0.0000%
Ruperto S. Nicdao Jr.	129,200	NA	0.0321%
Eduardo G. Cordova	12,779	NA	0.0032%
Julio Manuel P. Macuja	36	NA	0.0000%
Rudolf Steve F. Jularbal	10,807	NA	0.0027%
Juan Manuel Elizalde	1,000	NA	0.0002%
Thalassa G. Elizalde	185	NA	0.0000%
George T. Goduco	1,000	NA	0.0000%
Gary C. Huang	36	NA	0.0000%
TOTAL	155,137		0.0387%

### 2. External Auditor's Fee

Name of Auditor	Audit Fee	Non-audit Fee
Sycip, Gorres, Velayo & Co., CPAs (SGV & Co.)	680,000	-

### 3. Date of release of audited financial report.

The Company's Audited Financial Statements were authorized for issuance by the Board of Directors on April 8, 2015, filed with the Bureau of Internal Revenue (BIR) on April 15, 2015 and to be submitted to the Securities and Exchange Commission (SEC) and Philippine Stock Exchange (PSE) on April 29, 2015.

## H. RIGHTS OF STOCKHOLDERS

### Dividends

Declaration Date	Record Date	Payment Date
December 05, 2014	December 19, 2014	December 29, 2014

### a. Stockholders' Participation

- 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?

As per Company's By-Laws, the regular meeting of stockholders may be held without prior notice. Notices for special meetings of stockholders may be sent at least ten (10) days prior to the date of the meeting.

a. Date of sending out notices: October 02, 2014

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

October 23, 2014 – 2014 Annual Stockholders' Meeting

The regular meeting of stockholders shall be held on the Second Thursday of June of each year. If the day fixed for the regular meeting falls on legal holiday, such meeting shall be held at the same time on the first working day following said date. The Board may, for good cause, postpone the regular meeting to a reasonable date.

Special meetings may be called by the Chairman, the Chief Executive Officer, or in his absence, by the President. They may also be called by a majority of the Board of Directors any time they may deem necessary to hold a stockholders' meeting.

### 2. Result of Annual/Special Stockholders' Meeting Resolutions

Resolution	Approving	Dissenting	Abstaining
Approval of the 2013 Audited Financial Statements	100% of present	-	-

Ratification of all acts of the Board of Directors and Officers of the Corporation from the date of last stockholders' meeting up to October 23, 2014	100% of present	-	-
Election of Directors of the year 2014-2015	100% of present	-	-
Appointment of External Auditors	100% of present	-	-

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

The results of the annual stockholder's meeting were immediately disclosed to PSE's Edge Electronic Disclosure Generation Technology, minutes after the meeting was held.

b. Stockholders' Attendance

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

Type of Meeting	Names of Board members/ officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	Directors: Fred J. Elizalde Ruperto S. Nicdao, Jr. Eduardo G. Cordova Julio Manuel P. Macuja Rudolf Steve F. Jularbal Juan Manuel Elizalde Thalassa G. Elizalde George T. Goduco Gary C. Huang Officers: Jose M. Taruc, Jr. Robert A. Pua Irving A. Lisondra Ellen C. Fullido Carlea C. Miranda Jonathan E. Decena Elpidio Macalma Jose Ma. T. Parroco Wilfredo Espinosa	10/23/14	By poll			

c. Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	605
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	October 02, 2014
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	October 02, 2014
State whether CD format or hard copies were distributed	Only hard copies of the Definitive Information Statement were distributed
If yes, indicate whether requesting stockholders were provided hard copies	Yes, copies of the Definitive Information Statement were distributed to all requesting parties.