



JOLLIBEE FOODS CORPORATION

(Company's Full Name)

10/F Jollibee Plaza Building
Emerald Avenue, Pasig City

(Company's Address)

(632) 634-1111

Telephone Number

December 31

(Fiscal Year Ending)

Any day in the month of June

(Annual Meeting)

SEC 17-C

Amended Manual on Corporate Governance

(Form Type)

Amendment Designation (If applicable)

(Secondary License Type and File Number)

Cashier

LCU

DTU

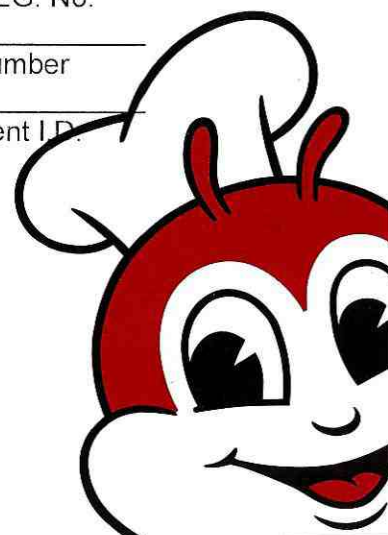
77487

S.E.C REG. No.

Central Receiving Unit

File Number

Document I.D.



SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17 THEREUNDER

1. Date of Report **24 July 2014**
2. Commission identification number **77487**
3. BIR Tax Identification No. **000-388-771**
4. **JOLLIBEE FOODS CORPORATION**
Exact name of registrant as specified in its charter
5. **PHILIPPINES**
Province, country or other jurisdiction of incorporation or organization
6. Industry classification code (SEC Use Only)
7. **10/F JOLLIBEE PLAZA BUILDING, EMERALD AVENUE, PASIG CITY**
Address of registrant's principal office

1600
Postal Code
8. **(632) 634-1111**
Registrant's telephone number, including area code
9. **N/A**
Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of Common stock outstanding
Common	1,056,864,958
Treasury Shares	
Common	16,447,340

Note: Total common outstanding share of 1,056,864,958 is inclusive of 7,167 MSOP shares subject for listing and 2,271,047 shares entrusted with Deutsche Regis Partners. Inc. with the following details:

<i>MSOP Shares:</i>	
<i>Beginning balance (per SEC Form 17-C dated July 23, 2014)</i>	<i>1,562,367</i>
<i>Shares applied for listing</i>	
<i>Ending balance as of July 24, 2014</i>	<i>1,562,367</i>
<i>ELTIP Shares</i>	
<i>Beginning balance (as of July 23, 2014)</i>	<i>708,680</i>
<i>Shares applied for listing</i>	
<i>Ending balance as of July 24, 2014</i>	<i>708,680</i>
<i>TOTAL</i>	<i>2,271,047</i>

11. Other Events

Please see attached submissions on the Company's Amended Manual on Corporate Governance.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

JOLLIBEE FOODS CORPORATION

Registrant



VALERIE FERIA AMANTE

VP – Corporate Legal &
Corporate Information Officer



July 24, 2014

Securities and Exchange Commission

SEC Building, EDSA, Greenhills

Mandaluyong City, Metro Manila


Attention: Director Justina F. Callangan
Corporate Finance Department

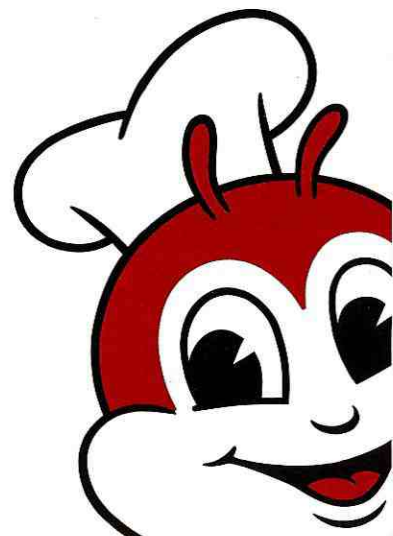
Dear Director Callangan,

Jollibee Foods Corporation respectfully submits a copy of the Jollibee Foods Corporation, as amended, pursuant to SEC Memorandum Circular No. 9, series of 2014.

We trust that everything is in order. Thank you for your attention.

Very truly yours,


Valerie Veria Amante
*VP – Corporate Legal
& Corporate Information Officer*



JOLLIBEE FOODS CORPORATION MANUAL ON CORPORATE GOVERNANCE

The Board of Directors, Management and employees of Jollibee Foods Corporation hereby commit themselves to the principles and best practices contained in this Manual on Corporate Governance, and acknowledge that the same may guide the attainment of the Company's values, mission and vision.

Article 1: Objective

This Manual shall institutionalize the principles of good corporate governance in the entire organization.

The Board of Directors, officers, employees and stockholders of the Company believe that corporate governance is a necessary component of sound strategic business management and will therefore undertake every effort necessary to create awareness within the organization as soon as possible.

Article 2: Definition of Terms

The following terms, when used in the Manual, shall have the meanings ascribed below:

"Company" shall mean Jollibee Foods Corporation.

"Corporate Governance" shall mean the framework of rules, systems and processes in the corporation that governs the performance by the Board of Directors and Management of their respective duties and responsibilities to stockholders and other stakeholders which include, among others, customers, employees, suppliers, financiers, government and community in which it operates.

"Board of Directors" or the **"Board"** shall mean the governing body elected by the stockholders that exercises the corporate powers of a corporation, conducts all its business and controls its properties.

"BSP" shall mean the Bangko Sentral ng Pilipinas.

"Commission" shall mean the Securities and Exchange Commission.

"Conflicted Nominee" shall mean a person nominated for election to the Board of Directors who is engaged in any business which competes with, or is antagonistic to the business of, the Company, or a nominee of such person.

"Exchange" shall mean an organized market place or facility that brings together buyers and sellers, and executes trades of securities and/or commodities, specifically, the Philippine Stock Exchange.

"Executive Director" shall mean a director who is also the head of a department or unit of the Company or performs any work related to its operation.

“Independent Director” shall mean a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director.

“Internal Audit” shall mean an independent and objective assurance activity designed to add value to and improve the Company’s operations, and help it accomplish its objectives by providing a systematic and disciplined approach in the evaluation and improvement of the effectiveness of risk management, control and governance processes.

“Internal Audit Department” shall mean a department or unit of the Company and its consultants, if any, that provide independent and objective assurance services in order to add value to and improve the Company’s operations.

“Internal Auditor” shall mean the highest position in the Company responsible for internal audit activities.

“Internal Control” shall mean the system established by the Board of Directors and Management for the accomplishment of the Company’s objectives, the efficient operation of its business, the reliability of its financial reporting, and faithful compliance with applicable laws, regulations and internal rules.

“Internal Control System” shall mean 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 activities, to which the Company is exposed.

“Management” shall mean the body given the authority by the Board of Directors to implement the policies it has laid down in the conduct of the business of the Company.

“Manual” shall mean the Manual of Corporate Governance of the Company.

“Non-Audit Work” shall mean the other services offered by an external auditor to a corporation that are not directly related and relevant to its statutory audit functions, such as, accounting, payroll, bookkeeping, reconciliation, computer project management, data processing, or information technology outsourcing services, internal audit, and other services that may compromise the independence and objectivity of an external auditor.

“Non-Executive Director” shall mean a director who is not the head of a department or unit of the Company nor performs any work related to its operation.

Article 3: Rules of Interpretation

- A. All references to the masculine gender in the salient provisions of this Manual shall likewise cover the feminine gender.
- B. All doubts or questions that may arise in the interpretation or application of this Manual shall be resolved in favor of promoting transparency, accountability and fairness to the stockholders and investors of the Company.

Article 4: Board Governance**A. Board of Directors****1. Composition of the Board**

The Board shall be composed of at least five (5) but not more than fifteen (15) directors who shall be elected by the stockholders of the Company at each annual meeting of the stockholders and shall hold office for one year and until their successors are elected and shall have qualified.

The Company shall have at least two (2) Independent Directors.

2. The Chairman of the Board

The duties and responsibilities of the Chairman of the Board shall include:

- a. Ensuring that the meetings of the Board are held in accordance with the Company's by-laws;
- b. Coordinating with the Corporate Secretary in the preparation of the agenda of Board meetings, taking into consideration the suggestions of other directors, Management and officers; and
- c. Maintaining qualitative and timely lines of communication and information between the Board and Management.

3. The Chief Executive Officer

The President, who shall be a director, shall be the Chief Executive Officer. He shall have general charge, supervision and control of the business and affairs of the Company, subject however to the control of the Board of Directors.

Except as otherwise reserved to the Board, the Chief Executive Officer may appoint and discharge all agents and employees of the Company.

Additionally, the Chief Executive Officer shall:

- a. See to it that all resolutions of the Board of Directors are duly carried out;
- b. Vote and represent the shares of stock owned or held by the Company, another company, firm or entity;
- c. Execute on behalf of the Company all contracts, agreements and other instruments affecting the interests of the Company, except as otherwise directed by the Board of Directors;
- d. Preside in all meetings of the stockholders and Board of Directors if the Chairman of the Board is absent and upon the designation of the Chairman of the Board; and
- e. Perform such other functions as may be incidental to his office.

The Chief Executive Officer may assign the exercise or performance of any of the foregoing powers, duties and functions to any other officer(s), subject always to his supervision and control. (Section 3, Article V, JFC By-laws)

B. Qualifications of Directors

1. The Nomination Committee shall ensure that all nominees to the Board shall:
 - a. Have at least one (1) share of stock in the Company;
 - b. Be at least a college graduate or have sufficient experience in managing the business;
 - c. Be at least twenty-one (21) years of age; and
 - d. Possess integrity and probity.
2. In addition to the grounds for qualification and disqualification for nomination and election to the Board, the Nomination Committee shall consider the following guidelines in the determination of the fitness of any nominee for directorships in the Board:
 - a. The nature of the business of the corporations which he is a director;
 - b. Age of the director;
 - c. Number of directorships/active memberships and officerships in other corporations or organizations; and
 - d. Possible conflict of interest.

The Board may consider the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock corporations. The optimum number shall be related to the capacity of a director to perform his duties diligently in general.

The Chief Executive Officer and other executive directors shall submit themselves to a low indicative limit on membership in other corporate Boards. The same low limit shall apply to independent, non-executive directors who serve as full-time executives in other corporations. In any case, the capacity of directors to serve with diligence shall not be compromised.

3. The Nomination Committee shall disqualify from the list of nominees any person who, in its reasonable opinion, it considers to be a Conflicted Nominee.
4. In addition to the grounds for disqualification specified therein, the following are disqualified from nomination or election to the Board of Directors of the Company:

Grounds for Permanent Disqualification:

1. Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (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 or any of them;
2. Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body or competent jurisdiction from: (a) acting as an 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.

The disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or the BSP or any rule or regulation issued by the Commission or the BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;

3. Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent act or transgressions;
4. Any person finally found by the Commission or a court or other administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Securities Regulation Code, the Corporation Code, or any other law administered by the Commission or BSP, or any rule, regulation or order of the Commission or the BSP;
5. Any person earlier elected as independent director who becomes an officer, employee or consultant of the Company;
6. Any person judicially declared as insolvent;
7. Any person found guilty by final 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 in paragraphs (1) to (5) above;
8. Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment.

Grounds for Temporary Disqualification

The Nomination Committee may also place an existing director under temporary disqualification based on the following:

1. Refusal to fully comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists;
2. Absence or non-participation without justifiable reason/s for more than fifty percent (50%) of all meetings, both regular and special, of the Board of Directors during his incumbency, or any twelve (12) month period during said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. This disqualification applies for purposes of the succeeding election;
3. Dismissal/termination from directorship in another listed corporation for cause. This disqualification shall be in effect until he has cleared himself of any involvement in the alleged irregularity;

4. If the beneficial equity ownership of an independent director in the Company or its subsidiaries and affiliates exceeds 2% of its subscribed capital stock, provided that this disqualification shall be lifted if the limit is later on complied with;
5. Being under preventive suspension by the Company with respect to Executive Directors;
6. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.

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 be permanent.

C. Responsibilities, Duties and Functions of the Board

1. General Responsibility

Compliance with the principles of good corporate governance shall start with the Board of Directors.

It shall be the Board's responsibility to foster the long-term success of the Company, and to sustain its competitiveness and profitability in a manner consistent with the Company's corporate objectives and the best interests of its stockholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities. Corollary to setting the policies for accomplishment of the corporate objectives, the Board shall provide an independent check on Management, including the Company's officers. The Board shall ensure that it gets the benefit of independent views and perspectives.

2. Duties and Functions

To ensure a high standard of best practice for the Company, its stockholders and other stakeholders, the Board, whether acting as a body or through its designated or authorized working committee or department, should conduct itself with honesty and integrity in the performance of, among others, the following duties and functions:

- a. 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;
- b. Appoint competent, professional, honest and highly-motivated management officers and adopt an effective succession planning program for Management;

- c. Provide sound strategic policies and guidelines to the Company on major capital expenditures;
- d. Establish programs that can sustain the Company's long-term viability and strength, and periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance;
- e. Ensure the Company's faithful compliance with all applicable laws, regulations and best business practices;
- f. Establish and maintain an investor relations program that will keep the stockholders informed of important developments in the Company;
- g. Identify the stakeholders in the community in which the Company operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them;
- h. Adopt a system of check and balance within the Board through a regular review of the effectiveness of such system to ensure the integrity of the decision-making and reporting processes at all times;
- i. Adopt a continuing review of the Company's internal control system to maintain its adequacy and effectiveness;
- j. Identify key risk areas and performance indicators and monitor these factors with due diligence to enable the Company to anticipate and prepare for possible threats to its operational and financial viability;
- k. Formulate and implement policies and procedures that would ensure the integrity and transparency of related-party transactions between and among the Company, its subsidiaries and affiliates, stockholders, officers and directors, including their spouses, children and parents, and of interlocking director relationships by members of the Board;
- l. Establish an alternative dispute resolution system in the Company that can amicably settle conflicts or differences between the Company and its stockholders, and the Company and third parties, including regulatory authorities;
- m. Properly discharge Board functions by meeting regularly. Independent views during Board meetings shall be given due consideration and all such meetings shall be duly recorded;
- n. Keep Board authority within the powers of the institution as prescribed in the Articles of Incorporation, By-Laws and in existing laws, rules and regulations; and

- o. Appoint a Compliance Officer who shall have the rank of at least vice president.

D. Duties and Responsibilities of a Director

A director's office is one of trust and confidence. He shall act in a manner characterized by transparency, accountability and fairness. He should also exercise leadership, prudence and integrity in directing the Company towards sustained progress.

Thus, a director shall observe the following norms of conduct:

1. Conduct fair business transactions with the Company and to ensure that personal interest does not conflict with the interests of the Company;
2. Devote time and attention necessary to properly discharge his duties and responsibilities;
3. Act judiciously;
4. Exercise independent judgment;
5. Have a working knowledge of the statutory and regulatory requirements affecting the Company, including the contents of its Articles of Incorporation and By-Laws, the rules and regulations of the Commission, and where applicable, the requirements of relevant regulatory agencies; and
6. Observe confidentiality.

E. Internal Control Responsibilities of the Board

The roles on internal control and responsibility are as follows:

1. The Board shall ensure that the Company is effectively managed and supervised.
2. Management shall actively manage and operate the Company in a sound and prudent manner.
3. The Board and Management shall ensure that organizational and procedural controls are supported by effective management information and risk management reporting systems.
4. The Company shall have in place an independent internal audit function and mechanism to monitor the adequacy and effectiveness of the Company's governance, operations and information systems.

F. Board Meetings and Quorum Requirement

The conduct of Board meetings and quorum requirement shall follow the Company's by-laws, provided the Board may conduct regular or special meetings through teleconferencing following the rules and regulations of the Commission.

The members of the Board shall attend regular and special meetings in person or through teleconferencing conducted in accordance with the rules and regulations of the Commission.

Independent directors shall endeavor to always attend Board meetings, provided, however, that their absence shall not affect the quorum requirement. The Board may, to promote transparency, require the presence of at least one (1) independent director.

G. Board Committees

To aid in complying with the principles of good corporate governance, the Board shall constitute Committees.

1. Nomination Committee

The Board shall create a Nomination Committee which shall have at least three (3) voting members who are members of the Board of Directors (one (1) of which shall be an Independent Director), and one (1) non-voting member in the person of the Vice President for Corporate Human Resources of the Company.

The functions of the Nomination Committee shall be as follows:

- (a) Pre-screen and shortlist all candidates nominated to become a member of the Board of Directors in accordance with the qualifications and/or disqualifications as described in this Manual, the Company's By-Laws, and applicable laws;
- (b) Review and evaluate the qualifications of all persons nominated to the Board and other appointments that require the Board's approval;
- (c) Provide assessment on the Board's effectiveness in directing the process of electing and replacing directors;
- (d) Recommend to the Board any changes or addition to the role, duties and responsibilities of the Chief Executive Officer, by integrating the dynamic requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance at all times; and
- (e) Carry out such other duties as may be delegated to it by the Board of Directors from time to time.

2. **Compensation Committee**

The Board shall create a Compensation Committee which shall have at least three (3) voting members who are members of the Board of Directors (one (1) of which shall be an Independent Director), and one (1) non-voting member, in the person of the Vice President for Corporate Human Resources of the Company.

The functions of the Compensation Committee shall be as follows:

- (a) Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Company's culture, strategy and control environment;
- (b) Designate amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the Company successfully; and
- (c) Carry out such other duties as may be delegated to it by the Board of Directors from time to time.

3. **Audit Committee**

The Board shall create an Audit Committee which shall have at least four (4) voting members who are members of the Board of Directors (two (2) of which shall be Independent Directors). The chairman of the Audit Committee shall be an Independent Director.

Each member shall have adequate understanding at least, or competence at most, of the Company's financial management systems and environment.

The Audit Committee shall have the following functions:

- (a) Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;
- (b) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks, including receipt of information on risk exposures and risk management activities;

- (c) Perform oversight functions over the Internal and External Auditors to ensure that Internal and External Auditors act independently of each other, and that both are given access to all records, properties and personnel to enable them to perform their respective functions;
- (d) Review the internal audit plan, including audit scope, resources and budget necessary to implement it, to ensure its conformity with the Company's objectives;
- (e) Prior to the commencement of the audit, discuss with the External Auditor the nature, scope and expenses of the audit;
- (f) Monitor and evaluate the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology security;
- (g) Review the reports submitted by Internal and External Auditors;
- (h) Review the quarterly and annual financial statements before their submission to the Board with particular focus on the following matters:
 - (i) Any change/s in accounting policies and practices;
 - (ii) Major judgmental areas;
 - (iii) Significant adjustments resulting from the audit;
 - (iv) Going concern assumptions;
 - (v) Compliance with accounting standards; and
 - (vi) Compliance with tax, legal and regulatory requirements;
- (i) Coordinate, monitor and facilitate compliance with laws, rules and regulations;
- (j) Evaluate and determine the Non-Audit Work, if any, of External Auditor, and review periodically the non-audit fees paid to External Auditor. The Audit Committee shall disallow any Non-Audit Work that will conflict with the primary duties of the External Auditor or may pose a threat to the External Auditor's independence; and
- (k) Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties.

4. Executive Committee

The Board shall constitute Executive Committee composed of not less than three (3) members of the Board, to be appointed by the Board. Such committee may act, by a majority vote of all its members, on such specific matters within the competence of the Board as may be delegated to it by the Board from time to time, subject to the limitations under applicable laws.

The Executive Committee shall report directly to the Board.

H. The Corporate Secretary

The Corporate Secretary is an officer of the Company and perfection in performance and no surprises are expected of him. Likewise, his loyalty to the mission, vision and specific business objectives of the corporate entity come his duties.

The Corporate Secretary shall be a Filipino citizen and a resident of the Philippines.

The Board of Directors may elect an Assistant Corporate Secretary who may act in behalf of the Corporate Secretary in the latter's absence.

The Corporate Secretary and/or the Assistant Corporate Secretary shall have the following duties and responsibilities:

1. Be responsible for the safekeeping and preservation of the integrity of the minutes of meetings of the Board and its committees, as well as other official records of the Company;
2. Be loyal to the mission, vision and objectives of the Company;
3. Work fairly and objectively with the Board, Management and stockholders and other stakeholders;
4. Have appropriate administrative and interpersonal skills;
5. If he is not at the same time the Company's legal counsel, be aware of the laws, rules and regulations in the performance of his duties and responsibilities;
6. Have a working knowledge of the Company's operations;
7. Inform the members of the Board, in accordance with the by-laws, of the agenda of the meetings and ensure that the members of the Board 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 Board members; and
10. If he is also the Compliance Officer, perform all the duties and responsibilities of said officer as provided for in this Manual.

To monitor the director's compliance with the attendance requirements in Board meetings, the Company, through the Corporate Secretary, shall submit to the Commission on or before January 30 of each year a sworn certification about the directors' record of attendance in Board meetings in the previous calendar year.

I. The Compliance Officer

To ensure adherence to corporate principles and best practices, the Chairman of the Board shall designate a Compliance Officer who shall hold the rank of Vice President or its equivalent. He shall have direct reporting responsibilities to the Chairman of the Board.

The Compliance Officer may designate an Assistant Compliance Officer who shall represent the Compliance Officer in his absence and/or assist him in performing his duties.

The Compliance Officer shall have the following duties:

- (1) Monitor compliance with the provisions and requirements of this Manual and the rules and regulations of regulatory agencies and, if violations are found, report the matter to the Board and recommend the adoption of measures to prevent a repetition of the violation;
- (2) Appear before the Commission upon summon on matters related to compliance with the provisions and requirements of this Manual that need to be clarified by the same;
- (3) Determine violation/s of the Manual and recommend appropriate penalty/ies for violation thereof for further review and approval of the Board;
- (4) Issue a certification every January 30th of the year on the extent of the Company's compliance with this Manual for the completed year, explaining the reason/s of the latter's deviation from the same; and
- (5) Identify, monitor and control compliance risks.

The appointment of the Compliance Officer, and any Assistant Compliance Officer, shall be immediately disclosed to the Securities and Exchange Commission on SEC Form 17-C. All correspondence relative to his functions as such shall be addressed to said Officers.

J. External Auditor

The External Auditor shall enable an environment of good corporate governance as reflected in the financial records and reports of the Company. An External Auditor shall be selected and appointed by the stockholders upon the recommendation of the Audit Committee.

The External Auditor shall be duly accredited by the Commission. He shall undertake an independent audit of the Company and shall provide an objective assurance on the manner by which the financial statements shall be prepared and presented to the stockholders.

The reason/s for the resignation, dismissal or cessation from service and the date thereof of an External Auditor shall be reported in the Company's annual and current reports. Said report shall include a discussion of any disagreement with said former External Auditor on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

The External Auditor of the Company shall not, at the same time, provide the services of an internal auditor to the Company. The Company shall ensure that other non-audit work shall not be in conflict with the functions of the External Auditors, or pose a threat to his independence.

The Company's External Auditor shall be rotated or the handling partner shall be changed every five (5) years or earlier.

If an External Auditor believes that the statements made in the Company's annual report, information statement or proxy statement filed during his engagement is incorrect or incomplete, he shall present his views in said reports.

K. Internal Auditor

The Company shall have in place an independent internal audit function which shall be performed by an Internal Auditor or a group of Internal Auditors, through which its Board, senior management, and stockholders shall be provided with reasonable assurance that its key organizational and procedural controls are effective, appropriate, and complied with.

The Internal Auditor shall report to the Audit Committee.

The minimum internal control mechanisms for management's operational responsibility shall center on the CEO, being ultimately accountable for the Company's organizational and procedural controls.

The scope and particulars of a system of effective organizational and procedural controls shall be based on the following factors: the nature and complexity of business and the business culture; the volume, size and complexity of transactions; the degree of risk; the degree of centralization and delegation of authority; the extent and effectiveness of information technology; and the extent of regulatory compliance.

The Audit Committee shall ensure that the internal auditors shall have free and full access to all of the Company's records, properties and personnel relevant to the internal audit activity and that the internal audit activity shall be free from interference in determining the scope of internal auditing examinations, performing

work and communicating results, and shall provide a venue for the Audit Committee to review and approve the annual internal audit plan.

Article 5: Adequate and Timely Information

To enable the members of the Board to properly fulfill their duties and responsibilities, Management shall provide the members of the Board with complete, adequate and timely information about the matters to be taken in the meetings. The information may include the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

The members of the Board shall be given independent access to Management and Corporate Secretary, as necessary. The members of the Board shall also have access to independent professional advice at the Company's expense.

Article 6: Accountability and Audit

The Board is primarily accountable to the stockholders. Thus, the Board and the Company shall provide the stockholders with a balanced and comprehensible assessment of the Company's performance, position and prospects on a quarterly basis, including interim and other reports that could adversely affect the Company's business, as well as reports to regulators that are required by law. It is also essential that Management provide all members of the Board with accurate and timely information that would enable the Board to comply with its responsibilities to the stockholders and other stakeholders.

Additionally, Management shall formulate the rules and procedures on financial reporting and internal control under the supervision of the Audit Committee and following the guidelines of the Commission:

- (a) The extent of Management's responsibility in the preparation of the financial statements of the Company, with the corresponding delineation of the responsibilities that pertain to the External Auditor, should clearly be explained;
- (b) An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the Company should be maintained for the benefit of all stockholders and other stakeholders;
- (c) On the basis of the approved audit plans, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the Company's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules and regulations;

- (d) The Company should consistently comply with the financial reporting requirements of the Commission; and
- (e) The External Auditor shall be rotated every five (5) years, or the signing partner of the external auditing firm assigned to the Company shall be changed with the same frequency. The Internal Auditor shall submit to the Audit Committee and Management an annual report on the Internal Audit's activities, responsibilities and performance relative to the audit plans and strategies, as approved by the Audit Committee. The annual report should include significant risk exposures, control issues and such other matters as may be needed or requested by the Board and Management. The Internal Auditor shall certify that he conducts his activities in accordance with the International Standards on the Professional Practice of Internal Auditing. If he does not, he shall disclose to the Board and Management the reasons why he has not fully complied with the said standards.

The Board, after consultations with the Audit Committee, shall recommend to the stockholders an external auditor accredited by the Commission who shall undertake an independent audit of the Company, and shall provide an objective assurance on the manner by which the financial statements shall be prepared and presented to the stockholders. The External Auditor shall not, at the same time, provide internal audit services to the Company. Non-audit work may be given to the external auditor, provided it does not conflict with his duties as an independent auditor, or does not pose a threat to his independence.

If the External Auditor resigns, is dismissed, or ceases to perform his services, the reason/s for and the date of effectivity of such action shall be reported in the Company's annual and current reports. The report shall include a discussion of any disagreement between him and the Company on accounting principles or practices, financial disclosures or audit procedures which the former audit and the Company failed to resolve satisfactorily. A preliminary copy of the said report shall be given by the Company to the External Auditor before its submission.

If the External Auditor believes that any statement made in an annual report, information statement or any report filed with the Commission or any regulatory body during the period of his engagement is incorrect or incomplete, he shall give his comments or views on the matter in the said reports.

Article 7: Stockholders' Rights and Protection of Minority Stockholders' Interests

A. The Board shall respect the rights of the stockholders, namely:

1. Right to vote on all matters that require their consent or approval;

Stockholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Company Code.

Cumulative voting shall be used in the election of directors.

A director shall not be removed without cause if it will deny minority stockholders representation in the Board of Directors.

2. Power of Inspection

A stockholder may inspect corporate books and records in accordance with the Corporation Code and only for a legitimate purpose and during reasonable office hours and at no cost to the Company. The annual reports, including financial statements, to be provided by the Company to its stockholders shall, however, be for the account of the Company;

3. Right to Information

Upon request, stockholders shall be provided 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.

4. Right to Dividends

Stockholders shall have the right to receive dividends subject to the discretion of the Board.

The Company shall be compelled to declare dividends when its retained earnings shall be in excess of 100% of its paid in capital stock, except: (a) when justified by definite corporate expansion projects or programs approved by the board; or (b) when the Company is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or c) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Company, such as when there is a need for special reserve for probable contingencies.

5. Appraisal Right

The stockholders shall have the appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code of the Philippines, under any of the following circumstances:

- (a) In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect

superior to those of outstanding shares of any class or of extending or shortening the term of corporate existence.

- (b) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and
 - (c) In case of merger and consolidation.
- B. Stockholders shall be encouraged to personally attend the annual stockholders' meeting and any special meeting that may be called. If they cannot attend, they shall be apprised ahead of time of their right to appoint a proxy, subject to the requirements of the Company's by-laws.
- C. It shall be duty of the directors to promote stockholders rights, remove impediments to the exercise of stockholders' rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of stockholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to stockholders participating in meetings and/or voting in person or by proxy. Accurate and timely information shall be made available to stockholders to enable them to make a sound judgment on all matters brought to their consideration or approval.

Article 8: Governance Self-Rating System

The Compliance Officer shall establish an evaluation system to determine and measure compliance with this Manual.

The establishment of such evaluation system, including the features thereof, may be disclosed in the Company's annual report (SEC Form 17-A) or in such form of report that is applicable to the Company.

Article 9: Disclosure and Transparency

All material information about the Company that could adversely affect its viability or the interest of its stockholders and other stakeholders shall be publicly and timely disclosed. Such information shall include, among others, earning results, acquisition or disposition of assets, balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board and Management, as required by law, rules and regulations. All such information shall be disclosed through the appropriate Exchange mechanisms and submissions to the Commission.

The Board shall therefore commit at all times to full disclosure of material information dealings. It shall cause the filing of all required information through the appropriate Exchange mechanisms for listed companies and submissions to the Commission for the interest of its stockholders and other stakeholders.

Article 10. Communication Process

This Manual shall be available for inspection by any stockholder of the Company at reasonable hours on business days.

All directors, executives, division and department heads are tasked to ensure the thorough dissemination of this Manual to all employees and related third parties, and to likewise enjoin compliance with the provisions herein.

Article 11. Training Process

A director shall, before assuming as such, be required to attend a seminar on corporate governance which shall be conducted by a duly recognized private or government institute.

Article 12: Penalties for Non-Compliance with the Manual

To strictly observe and implement the provisions of this Manual, the following penalties shall be imposed, after notice and hearing, on the Company's directors, officers and staff in case of violation of any of the provisions of this Manual:

In case of first violation, the subject person shall be reprimanded.

Suspension from office shall be imposed in case of second violation. The duration of the suspension shall depend on the gravity of the violation.

For the third violation, the maximum penalty of removal from office shall be imposed.

The commission of a third violation of this Manual by any member of the Board of Directors of the Company or its subsidiaries and affiliates shall be a sufficient cause for removal from directorship.

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

APPROVAL

The foregoing Manual on Corporate Governance is hereby approved for implementation by the Board of Directors of the Company as attested and confirmed by the Chairman and the Corporate Secretary on JUN 27 2014 in Pasig City.



TONY TAN CAKTIONG
Chairman of the Board



WILLIAM TAN UNTIONG
Corporate Secretary