



109102015001660



SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel. (632) 726-0931 to 39 Fax. (632) 725-5293 Email: mis@sec.gov.ph

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Ramon L. Legaspi
Receiving Branch : SEC Head Office
Receipt Date and Time : September 10, 2015 04:58:19 PM
Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No. : 0000147669
Company Name : COSCO CAPITAL, INC.
Industry Classification :
Company Type : Stock Corporation

Document Information

Document ID : 109102015001660
Document Type : LETTER/MISC
Document Code : LTR
Period Covered : September 10, 2015
No. of Days Late : 0
Department : CED/CFD/CRMD/MRD/NTD
Remarks : updates of ACGR



September 10, 2015

Securities and Exchange Commission
SEC Building, EDSA, Mandaluyong City

Attention: Director Justina Callangan
Corporate Governance Division

Philippine Stock Exchange
Ayala Avenue, Makati City

Attention: Janet Encarnacion
Head, Disclosure Department

Subject: **Updates on the Annual Corporate Governance Report**

GENTLEMEN:

Please see attached Consolidated Changes on the Annual Corporate Governance Report of Cosco Capital, Inc. incorporating updates as of the recent Annual Stockholders Meeting dated June 26, 2015.

Thank you.

Very truly yours,


Atty. Candy H. Dacanay-Datuon
Assistant Corporate Secretary

COVER SHEET

0 0 0 0 1 4 7 6 6 9

SEC Registration Number

COSCO CAPITAL, INC.

(Company's Full Name)

NO. 900 ROMUALDEZ ST., PACO,
MANILA

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

ATTY. CANDY DACANAY-DATUON

(Contact Person)

(02) 523-3055

(Company Telephone Number)

1 2

Month

3 1

Day

Updates on the Annual Corporate Governance Report

(Form Type)

0 6

Month

2 6

Day

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowing

Domestic

Foreign

SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please sure BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM – ACGR
CONSOLIDATED UPDATES ON
ANNUAL CORPORATE GOVERNANCE REPORT

Report is Filed for the Year	September 2015
Exact Name of Registrant as Specified in its Charter	Cosco Capital, Inc.
Address of Principal Office	No. 900 Romualdez St., Paco, Manila
SEC Identification Number	147669
BIR Tax Identification Number	000-432-378-000
Industry Classification Code (For SEC Use Only)	-
Issuer's Telephone number, including area code	(632) 523-3055
Former name or former address, if changed from the last report	Alcorn Gold Resources Corporation

A. BOARD MATTERS

1) Board of Directors

(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) ¹	Elected when (Annual /Special Meeting)	No. of years served as director
Lucio L. Co	ED	N/A	Leonardo B. Dayao / no relation	October 1997	June 26, 2015	Annual General Meeting (AGM)	18
Susan P. Co	ED	N/A	Leonardo B. Dayao	August 2013	June 26, 2015	AGM	2
Leonardo B. Dayao	ED	N/A	Lucio L. Co / no relation	October 1997	June 26, 2015	AGM	18
Eduardo F. Hernandez	NED	N/A	Leonardo B. Dayao/ no relation	September 1988	June 26, 2015	AGM	27
Levi Labra	NED	N/A	Leonardo B. Dayao/ no relation	August 2013	June 26, 2015	AGM	2
Oscar S. Reyes	ID	N/A	Leonardo B. Dayao/ no relation	July 2009	June 26, 2015	AGM	6
Robert Y. Cokeng	ID	N/A	Leonardo B. Dayao/ no relation	September 1998	June 26, 2015	AGM	27

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

The Board is principally guided by the Articles of Incorporation, By Laws and the Revised Corporate Governance Code in realizing its corporate vision and mission.

All the directors, officers and employees of Cosco Capital, Inc. believe that corporate governance is a necessary component of what constitutes a sound strategic business management and will therefore undertake every effort necessary to create awareness and enactment within the organization.

The Board of Directors is primarily responsible for the governance of the Corporation. Corollary to setting the policies for the accomplishment of the corporate objectives, it shall provide an independent check on Management.

The Management is tasked to implement the corporate objectives and strategies set by the Board. The set of policies and business strategies that emanate from the Board is being implemented by the Management on a daily basis. The Investor Relations Office is assigned to resonate these policies to the stockholders and investing public, and the Office of the Corporate Secretary to the regulatory bodies.

¹ Reckoned from the election immediately following January 2, 2012. (ACGR footnote)

The Company respects the rights of all shareholders especially the minority shareholders which are as follows:

i) Right to Vote

All stockholders have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.

The elections of directors are held during the Annual Stockholders' Meeting on the date and place as herein stated. It shall be done by majority of stock represented in the meeting, and shall be conducted in the manner provided by Section 24 of the Corporation Code of the Philippines, and with such formalities and in such manner as the presiding officer at the meeting shall then and there determine and provide.

Stockholders entitled to vote at the Meeting shall have the right to vote in person or by proxy the number of shares registered in his name in the stock transfer book of the Company for as many persons as there are directors to be elected.

Each stockholder shall have the right to cumulate said shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same cumulative voting principle among as many nominees as he shall see fit.

The minority stockholders have the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Corporation.

ii) Pre-emptive right

All stockholders have pre-emptive right unless specifically denied in the Articles of Incorporation of the Company and within the limits set by the Corporation Code.

iii) Right to inspect corporate books and records

All stockholders have the right to inspect corporate books and records including minutes of the meetings, corporate registries of stock and financial statements, without any cost.

iv) Right to information

All stockholders have the right to information related to the operation, financials and profiles of the directors, or any clarification from any disclosure or reports and may ask for such before the Office of the Corporate Secretary.

v) Right to dividends

All stockholders have the right to receive dividends in accordance with the limits set the Board of Directors and which are applicable to all stockholders.

vi) Appraisal right

All stockholders may exercise their appraisal right under the grounds sanctioned by the Corporation Code by making a written demand on the Company within thirty (30) days after the Stockholders' Meeting date. Failure to make the demand within the prescribed period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the Company shall pay the dissenting stockholder upon surrender of the stock certificates representing his shareholdings in the Company based on the fair value thereof as of the day prior to the date of the Stockholders' Meeting, excluding any appreciation or depreciation in anticipation of such corporate action, provided that no payment shall be made to the dissenting stockholder unless the Company has unrestricted retained earnings to cause such payment.

Further, under the Revised Code of Corporate Governance, the Board has the following duties:

1. To be transparent and fair in the conduct of the annual and special stockholders' meetings of the Corporation. The stockholders are encouraged to personally attend such meetings. If they cannot attend, they are apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the by-laws, the exercise of that right are not unduly restricted and any doubt about the validity of a proxy are resolved in the stockholder's favor.

2. To promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights.

3. To take the appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether in person or by proxy. Accurate and timely information should be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.

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

The Board reviews and approves the vision and mission once every two years.

(d) Directorship in Other Companies

(i) Directorship in the Company's Group²

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.
Lucio L. Co	Puregold Price Club, Inc.	ED, Chairman
	118 Holdings, Inc.	ED
	Canaria Holdings Corporation	ED, Chairman and President
	Ellimac Prime Holdings, Inc.	ED, Chairman and President
	Alcorn Petroleum and Minerals Corporation	ED, Chairman
	Meritus Prime Distributions, Inc.	ED
	Montosco, Inc.	ED
	Nation Realty, Inc.	ED
	NE Pacific Shopping Centers Corporation	ED, Chairman
	Patagonia Holdings Corp.	ED
	Pure Petroleum Corp.	ED, Chairman and President
	Premier Wines and Spirits, Inc.	ED
	Susan P. Co	Puregold Price Club, Inc.
118 Holdings, Inc.		ED
Canaria Holdings Corporation		ED
Ellimac Prime Holdings, Inc.		ED
Alcorn Petroleum and Minerals Corporation		ED
Meritus Prime Distributions, Inc.		NED
Montosco, Inc.		NED
Nation Realty, Inc.		ED
NE Pacific Shopping Centers Corporation		ED
Patagonia Holdings Corp.		ED
Pure Petroleum Corp.		ED
Premier Wines and Spirits, Inc.		ED
Leonardo B. Dayao		Puregold Price Club, Inc.
	118 Holdings, Inc.	ED
	Fertuna Holdings Corporation	ED, Chairman
	Canaria Holdings Corporation	ED
	Ellimac Prime Holdings, Inc.	ED
	Alcorn Petroleum and Minerals Corporation	ED
	Nation Realty, Inc.	ED
	NE Pacific Shopping Centers Corporation	ED

(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:

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

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Lucio L. Co	Puregold Price Club, Inc.	ED, Chairman
	Philippine Bank of Communications	ED
	Da Vinci Capital Holdings, Inc.	ED, Chairman
Susan P. Co	Puregold Price Club, Inc.	ED
	Philippine Bank of Communications	ED
Leonardo B. Dayao	Puregold Price Club, Inc.	ED
	Philippine Bank of Communications	ED
Oscar S. Reyes	Bank of the Philippine Islands	NED
	Manila Water Company	ID
	Ayala Land, Inc.	ID
	Philippine Long Distance Telephone Company	ID
	Manila Electric Company	ED, Chairman
	Pepsi Cola Products Phil., Inc.	ED, Chairman
	Basic Energy Corp.	ID
Robert Y. Cokeng	F&J Prince Holdings Corporation	ED

(iii) Relationship within the Company and its Group

- (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 Company ensures that directors, although holding positions in other companies, fulfill their duties and responsibilities as directors of the Company.	
Non-Executive Director		
CEO		

(e) Shareholding in the Company

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

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Lucio L. Co	2,282,116,129	39,452,763	31%
Susan P. Co	1,780,182,230	-	24%
Leonardo B. Dayao	350,982	300,000	0%
Eduardo F. Hernandez	120,000	-	0%
Levi Labra	-	100	0%
Robert Y. Cokeng	-	8,155,000	0.11%
Oscar S. Reyes	54,264	-	0%
TOTAL	4,062,823,605	47,907,863	55%

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.

Identify the Chair and CEO:

Chairman of the Board	Lucio L. Co
CEO/President	Leonardo B. Dayao

- (b) Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	The Chairman provides leadership and effective governance of the Board so as to ensure that all directors are effective	Leads the management in the day to day operation of the Company
Accountabilities		Makes sure that the management is operating the business in accordance with the direction and strategy set by the Board
Deliverables	Ensures that the business strategies and objectives are implemented by the CEO and the management Arranges board meetings and makes sure that directors are sufficiently informed before making decision on a certain corporate act to be passed upon Promotes the highest standards of integrity, probity and corporate governance throughout the Group and particularly at Board level	Leads an open communication between the management and the board and informs the Board of the result of the operation and status of its affairs Apprise the Board of accurate details and information necessary and relevant to a particular issue Promotes the highest standards of integrity, probity and corporate governance within the Group

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

The Company has a succession plan that includes identification and training of key officers in the Corporation. Senior and trained officers within the organization are preferred in case of vacancies. The Company has a Human Resource Department that screens candidates and trains employees for a higher positions. The Company also hires executive search agencies to source potential candidates for key positions.

4) Other Executive, Non-Executive and Independent Directors

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

Yes. The Revised Manual of Corporate Governance of the Company requires that a Director must possess the following qualifications:

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 organization
4. Previous business experience

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 Company requires that atleast one non-executive director has an experience in the sector or industry the Company belongs to, particularly, retail, real estate and oil and mining.

Mr. Levi Labra had been the Country Manager of Procter and Gamble for the past 35 years before he joined the Company in 2013. Atty. Eduardo Hernandez is presently the Chairman of Philippine Petroleum Association of the Upstream Industry (Oil and Gas), Inc.

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

	Executive	Non-Executive	Independent Director
Role	A director's office is one of trust and confidence. A director should act in the best interest of the corporation in a manner characterized by transparency, accountability and fairness. He should also exercise leadership, prudence and integrity in directing the corporation towards sustained progress. A director should observe the following norms of conduct:		
Accountabilities			
Deliverables	Conduct fair business transactions with the corporation, and ensure that his personal		

interest does not conflict with the interests of the corporation.

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. He should avoid situations that may compromise his impartiality. If 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.

(i) Devote the time and attention necessary to properly and effectively perform his duties and responsibilities.

A director should devote sufficient time to familiarize himself with the corporation's business. He should be constantly aware of and knowledgeable with the corporation's operations to enable him to meaningfully contribute to the Board's work. He should attend and actively participate in Board and committee meetings, review meeting materials and, if called for, ask questions or seek explanation.

(iii) Act Judiciously

Before deciding on any matter brought before the Board, a director should carefully evaluate the issues and, if necessary, make inquiries and request clarification.

(iv) Exercise independent judgment

A director should view each problem or situation objectively. If a disagreement with other directors arises, he should carefully evaluate and explain his position. He should not be afraid to take an unpopular position. Corollarily, he should support plans and ideas that he thinks are beneficial to the corporation.

(v) Have a working knowledge of the statutory and regulatory requirements that affect the corporation, including its articles of incorporation and by-laws, the rules and regulations of the Commission and, where applicable, the requirements of relevant regulatory agencies

A director should also keep abreast with industry developments and business trends in order to promote the corporation's competitiveness.

(vi) Observe confidentiality

A director should keep secure and confidential all non-public information he may acquire or learn by reason of his position as director. He should not reveal confidential information to unauthorized persons without the authority of the Board.

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

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 complies with Securities and Regulation Code that limits to five years continuous service of independent directors and two cooling-off period before bringing back an independent director.

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

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

Voting Result of the last Annual General Meeting (as of June 26, 2015)

Name of Director	Votes Received
Lucio L. Co	6,452,260,598 or 87%
Susan P. Co	6,459,900,798 or 87%

Leonardo B. Dayao	6,286,933,398 or 85%
Eduardo F. Hernandez	6,459,900,798 or 87%
Levi B. Labra	6,158,704,798 or 83%
Oscar S. Reyes	6,244,375,098 or 84%
Robert Y. Cokeng	6,453,392,898 or 87%

6) Orientation and Education Program

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

New directors are given orientation program in order for him to learn about the business of the Company, the organizational structure and operational and financial performance of the Company with the objective of equipping the new Director the necessary information and data to perform his role.

(b) State any in-house training and external courses attended by Directors and Senior Management³ for the past three (3) years:

The Company is engaging the services of an SEC accredited seminar provider to train the Directors and key officers of the Company in Best Global Practices in Corporate Governance.

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

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Lucio L. Co (Chairman)	June 22, 2015	Corporate Governance: Best Practices and Asean Scorecard	Center for Training and Development Inc.
Susan P. Co (Director & Treasurer)	June 22, 2015	Corporate Governance: Best Practices and Asean Scorecard	Center for Training and Development Inc.
Leonardo B. Dayao (President)	June 22, 2015	Corporate Governance: Best Practices and Asean Scorecard	Center for Training and Development Inc.
Levi Labra (Director)	June 22, 2015	Corporate Governance: Best Practices and Asean Scorecard	Center for Training and Development Inc.
Robert Cokeng (Independent Director)	June 22, 2015	Corporate Governance: Best Practices and Asean Scorecard	Center for Training and Development Inc.
Anthony Sy (Kareila President)	June 22, 2015	Corporate Governance: Best Practices and Asean Scorecard	Center for Training and Development Inc.
Atty. Andres S. Santos (Legal Counsel)	June 22, 2015	Corporate Governance: Best Practices and Asean Scorecard	Center for Training and Development Inc.
Atty. Jose Santos, Jr. (Corporate Secretary)	June 22, 2015	Corporate Governance: Best Practices and Asean Scorecard	Center for Training and Development Inc.
Atty. Candy H. Dacanay-Datuon (Assistant Corporate Secretary)	June 22, 2015	Corporate Governance: Best Practices and Asean Scorecard	Center for Training and Development Inc.
Belinda Gerona (Accounting Manager)	June 22, 2015	Corporate Governance: Best Practices and Asean Scorecard	Center for Training and Development Inc.
Camille Clarisse P. Co (Meritus Prime Trade & Marketing Manager)	June 22, 2015	Corporate Governance: Best Practices and Asean Scorecard	Center for Training and Development Inc.
Engr. Epifanio Gacusan (Consultant - Mining)	June 22, 2015	Corporate Governance: Best Practices and Asean Scorecard	Center for Training and Development Inc.
Gerardo Teofilo, Jr. (Asst. Group Comptroller)	June 22, 2015	Corporate Governance: Best Practices and Asean Scorecard	Center for Training and Development Inc.
Girlie Sy (Real Estate)	June 22, 2015	Corporate Governance: Best Practices and Asean Scorecard	Center for Training and Development Inc.
Herbert Lanip (Accounting Manager)	June 22, 2015	Corporate Governance: Best Practices and Asean Scorecard	Center for Training and Development Inc.
Imelda Lacap (Accounting Manager)	June 22, 2015	Corporate Governance: Best Practices and Asean Scorecard	Center for Training and Development Inc.
Infigo O. Golingay (President of Liguigaz)	June 22, 2015	Corporate Governance: Best Practices and Asean Scorecard	Center for Training and Development Inc.
Iraida De Guzman (Office Warehouse President)	June 22, 2015	Corporate Governance: Best Practices and Asean Scorecard	Center for Training and Development Inc.
Janelle O. Uy (Montosco)	June 22, 2015	Corporate Governance: Best	Center for Training and

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

General Manager)		Practices and Asean Scorecard	Development Inc.
Juliet Albano (Liquigaz Accounting)	June 22, 2015	Corporate Governance: Best Practices and Asean Scorecard	Center for Training and Development Inc.
Maria Crisanta Aguila (Accounting Officer)	June 22, 2015	Corporate Governance: Best Practices and Asean Scorecard	Center for Training and Development Inc.
Marie Ching (Accounting Manager)	June 22, 2015	Corporate Governance: Best Practices and Asean Scorecard	Center for Training and Development Inc.
Mary Demetillo (Premier Wine Chief Finance Officer)	June 22, 2015	Corporate Governance: Best Practices and Asean Scorecard	Center for Training and Development Inc.
Nestor Encinas (Consultant - Mining)	June 22, 2015	Corporate Governance: Best Practices and Asean Scorecard	Center for Training and Development Inc.
Omar Dayao (Strategic Planning Manager)	June 22, 2015	Corporate Governance: Best Practices and Asean Scorecard	Center for Training and Development Inc.
Sec. Jose T. Pardo (Husband of Mrs. Marilyn Pardo)	June 22, 2015	Corporate Governance: Best Practices and Asean Scorecard	Center for Training and Development Inc.
Steve Bagbagaen (Accounting Manager)	June 22, 2015	Corporate Governance: Best Practices and Asean Scorecard	Center for Training and Development Inc.
Wyomia Guevarra (Human Resources Manager)	June 22, 2015	Corporate Governance: Best Practices and Asean Scorecard	Center for Training and Development Inc.

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	It is the policy of the Company that all transactions and dealings are above board and free of any undue advantage in favor of any director, officer or employee. For the protection of all stakeholders of the Company, all directors, officers and employees promote the best interest of the Company and are strictly required to disclose any conflict of interest or possible conflict of interest.		
(b) Conduct of Business and Fair Dealings	All dealings and conduct of business with directors, officers or employees are always at arms-length basis.		
(c) Receipt of gifts from third parties	Receipt of gifts from third parties, suppliers or customers are prohibited. Any act or attempt must be reported to the management.		
(d) Compliance with Laws & Regulations	The Company is in full compliance with all existing laws and regulations.		
(e) Respect for Trade Secrets/Use of Non-public information	The Company respects trade secrets and use of non-public information.		
(f) Use of Company Funds, Assets and Information	The use of Company Funds, Assets and Information are in accordance with the existing regulations of the Company.		
(g) Employment & Labor Laws & Policies	The Company protects the rights of the employees and complies with all labor laws and policies .		
(h) Disciplinary action	Upon meritorious grounds and after due process, erring employees are either suspended or dismissed.		
(i) Whistle Blower	Employees, suppliers, or customers are encouraged to reveal any wrongdoing within the Company by all means possible. The Company protects the identity and secures the safety of the whistle blower.		
(j) Conflict Resolution	In case of conflict, the Company will immediately resolve the issue and aim to reach the most amicable agreement among the parties.		

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

Yes, the code of ethics or 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.

All employees are directed to implement the code of ethics or conduct and monitor compliance thereof by their co-employees.

The Company has designated the office of the Human Resource Department as center of implementation and compliance of the code of ethics or conduct among all employees.

In particular, any person, employee or not, may file any complaint of misconduct against any employee or any violation with the code of ethics or conduct to the Office of the Chairman or the Human Resource Department (HR). The HR will serve notice to the employee concerned and give him chance to explain himself why he should not be given a disciplinary action. Thereafter, the HR in coordination with the Legal Department and Office the Chairman, will resolve whether or not to cite the employee for disciplinary action which may include filing of criminal and civil cases.

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>Considering that the Company is a holding company primarily of retail and real estate business, related party transactions are necessary in the ordinary course of business. However, the Company ensures that all related party transaction are at arms-length basis and at a current market prices at the time of transaction.</p> <p>Related-party transactions are duly approved by the Audit Committee, and passed during the meeting of the Board of Directors that is duly attended by independent directors.</p> <p>All necessary information pertinent to any related party transactions are given to Directors and members of the Audit Committee five days before the scheduled meeting. This allows the directors to study the proposal and resolve to approve or not to approve the transaction to the best interest of the Company.</p> <p>In case of major projects, the Company even hires an accredited third party appraisers to assess the price based on market value for consideration of the members of the Audit Committee and Board of Directors.</p>
(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	

(b) Conflict of Interest

(i) Mechanism

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

	Directors/Officers/Significant Shareholders
Company	It is the responsibility of the Director to always act based on the best interest of the Company. Each Director is required to disclose any possible conflict of interest.
Group	In the Revised Corporate Governance Code, it clearly states that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If 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. A director who has continuing material conflict of interest should seriously consider resigning from his position. A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the corporation, or stands to acquire or gain financial advantage at the expense of the corporation.

- 5) **Family, Commercial and Contractual Relations**
 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	In case of conflict or any issue, the Company encourages open communication with parties involved to resolve the issue amicably.
Corporation & Third Parties	
Corporation & Regulatory Authorities	

C. BOARD MEETINGS & ATTENDANCE

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

Every start of the year, all board meetings for the year are already set and scheduled with the members of the Board of Directors. For the year 2015, the following are the schedule of the regular board meetings:

March 13, 2015, 5 PM
 May 12, 2015, 5 PM
 June 26, 2015, 10:00 AM (Organizational Meeting)
 July 30, 2015, 3:00 PM
 November 2, 2015, 3:00 PM
 December 18, 2015, 3:00 PM

- 2) **Attendance of Directors**

Board	Name of Director	Date of Election	No. of meetings held as of June 30, 2015	No. of Meetings Attended	%
Chairman	Lucio L. Co	June 27, 2014	7 board meetings	7 meetings	100%
Member	Susan P. Co	June 27, 2014	7 board meetings	5 meeting	71%
Member	Leonardo B. Dayao	June 27, 2014	7 board meetings	7 meetings	100%
Member	Eduardo F. Hernandez	June 27, 2014	7 board meetings	5 meeting	71%
Member	Levi B. Labra	June 27, 2014	7 board meetings	7 meetings	100%
Independent Director	Oscar S. Reyes	June 27, 2014	7 board meetings	6 meetings	86%
Independent Director	Robert Y. Cokeng	June 27, 2014	7 board meetings	7 meetings	100%

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

No meeting by non-executive directors was held last year without the presence of an executive director.

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

The By Laws of the Company requires approval of the majority of the members of the Board in order to pass any corporate act except in specific cases where the Corporation Code requires approval of atleast 2/3 of the members.

- 5) **Access to Information**

- (a) **How many days in advance are board papers⁴ for board of meetings provided to the board?**

Board materials are distributed to the Board of Directors atleast five days before the board meeting.

⁴ 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.

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

Board members have independent access to Management and the Corporate Secretary. Directors can direct their questions or clarifications to the Corporate Secretary and may also access records and data necessary for the discharge of their functions.

(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?

It is in the policy of the Company that a Corporate Secretary must be a Filipino citizen and a resident of the Philippines.

One of his duties as Corporate Secretary is to assist the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes

He is an officer of the corporation with the following duties:

- (i) 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.
- (ii) Be loyal to the mission, vision and objectives of the corporation.
- (iii) Work fairly and objectively with the Board, Management, stockholders and other stakeholders.
- (iv) Have appropriate administrative and interpersonal skills.
- (v) Be aware of the laws, rules and regulations necessary in the performance of his duties and responsibilities specifically the reporting and disclosure requirements to the Securities and Exchange Commission and Philippine Stock Exchange.
- (vi) Have a working knowledge of the operations of the corporation.
- (vii) 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.
- (viii) Attend all Board meetings.
- (ix) Ensure that all Board procedures, rules and regulations are strictly followed by the members.
- (x) Coordinate with regulatory agencies and complies with their requirements.

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

The Corporate Secretary is trained in legal and company secretarial practices.

(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	The Office of the Corporate Secretary is primarily responsible in disseminating all information and data to the Directors five days before the scheduled meeting. It is the policy of the Management to provide the Office of the Corporate Secretary of the relevant information that will be used in presenting any particular act that requires Directors' approval.
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:

Procedures	Details
Directors may receive, or ask for, an external advice in order to equip themselves with appropriate information or advise on a specific matters that ask for their approval.	

7) **Change/s in existing policies**

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	Determined by the Board of Directors	Determined by the Chairman as recommended by the President
(2) Variable remuneration	Determined by the Board of Directors	Determined by the Chairman as recommended by the President
(3) Per diem allowance	P50,000 per board meeting	None
(4) Bonus	Determined by the Board of Directors	Determined by the Chairman as recommended by the President
(5) Stock Options and other financial instruments	None	None
(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	Market Competitive	Fixed compensation package	Based on scope of responsibilities and value to the Company
Non-Executive Directors	Market Competitive	Per diem allowances	Based on attendance and value to the Company

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

Remuneration Scheme	Date of Latest Stockholders' Approval
Salaries and benefits of Directors and Key officers are annually disclosed to stockholders	June 26, 2015

3) **Aggregate Remuneration**

Complete the following table on the aggregate remuneration accrued during the year 2014:

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
Fixed Remuneration	P4,800,000.00	None	None
Variable Remuneration	None	None	None
Per diem Allowance	Php50,000 per meeting	Php50,000 per meeting	Php50,000 per meeting
Bonuses	None	None	None

Stock Options and/or other financial instruments	None	None	None
Others (Specify)	None	None	None

1) **Stock Rights, Options and Warrants**

(a) **Board of Directors**

(b) **Amendments of Incentive Programs**

2) **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
Teodoro Polinga	As of December 2014: PHP3,804,000.00
Dante Chua	
Wyomia Guevarra	
Andres S. Santos	
Gerardo Teofilo	

E. BOARD COMMITTEES

1) **Number of Members, Functions and Responsibilities**

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

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director(ID)				
Executive	1	1	1	Please see details below.			
Audit	1	1	1				
Nomination	1	1	1				
Remuneration	1	1	1				
Corporate Governance Committee	1	1	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	Lucio L. Co	June 26, 2015	1	1	100	<1 year
Member (ED)	Susan P. Co	June 26, 2015	1	1	100	<1 year
Member (NED)	Levi Labra	June 26, 2015	1	1	100	<1 year
Member (NED)	Eduardo Hernandez	June 26, 2015	1	1	100	<1 year

(b) **Audit Committee**

Office	Name	Date of Appointment	No. of Meetings	No. of Meetings	%	Length of Service in the
--------	------	---------------------	-----------------	-----------------	---	--------------------------

			Held	Attended		Committee
Chairman (ID)	Robert Cokeng	June 26, 2015	2	2	100	<1 year
Member (ED)	Leonardo B. Dayao	June 26, 2015	2	2	100	<1 year
Member (NED)	Levi Labra	June 26, 2015	2	2	100	<1 year

Functions and Key Responsibilities of Audit Committee

The Audit Committee has the following functions in accordance with the Company's Audit Committee Charter

>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.

>Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Corporation.

>Perform oversight functions over the Corporation's internal and external auditors;

>Review the annual internal audit plan to ensure its conformity with the objectives of the Corporation; Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;

>Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, including financial reporting control and information technology security;

>Review and reports submitted by the internal and external auditors;

>Review and quarterly, half-year and annual financial statements before their submission to the Board;

>Coordinate, monitor and facilitate compliance with laws, rules and regulations;

>Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Corporation's overall consultancy expenses. >Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee.

>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.

Disclose the profile or qualifications of the Audit Committee members.

*Robert Y. Cokeng, 63, Filipino, Independent Director
Chairman of the Audit Committee*

Mr. Cokeng serves as a director and/or officer in the following companies: Chairman, President and CEO – F&J Prince Holdings Corporation (PSE-Listed Company); President and CEO–Magellan Capital Holdings, Corp.; President and CEO–Magellan Utilities Dev't. Corp.; Chairman, President and CEO–Consolidated Tobacco Ind. of the Phils.; Chairman and President–Center Industrial and Investment, Inc.; Chairman–Pointwest Technologies Corp. and Pointwest Innovations Corp.; Chairman-Exec. Committee – Business Process Outsourcing International; Chairman–IPADS Developers, Inc. He was also the Senior Investment Officer and Philippine Country Officer of International Finance Corporation (World Bank Group) from 1976 to 1986. He worked on investments in East Asia from Washington D.C. Headquarters and from Regional Mission for East Asia located in Manila. He graduated Magna Cum Laude in Ateneo de Manila University with degree of Bachelor of Arts Economics Honors Program. He also earned his Master in Business Administration in Harvard University with High Distinction and elected a Baker Scholar.

*Leonardo B. Dayao, 71, Filipino, Director
Member of the Audit Committee*

Mr. Dayao is currently Chairman of PSMT Philippines, Inc. and Chairman and President of Fertuna Holdings Corp. and Vice-Chairman of Liquigaz Philippines Corporation. He is a

President and CEO of Catuiran Hydropower Corporation and San Jose City I Power Corp. He is a President of Alcorn Petroleum and Minerals Corporation, Cosco Capital, Inc. (publicly-listed company), CHMI Hotels & Residences, Inc., Puregold Duty Free (Subic), Inc., Puregold Finance, Inc. and Union Energy Corporation. He is a Vice-President of 118 Holdings, Inc., Alerce Holdings Corp., Bellagio Holdings, Inc., Ellimac Prime Holdings, Inc., KMC Realty Corporation, Puregold Duty Free, Inc., Puregold Properties, Inc., Union Equities, Inc. and VFC Land Resources, Inc. He is a Director of Philippine Bank of Communications (publicly-listed company), Entenso Equities Incorporated, Nation Realty, Inc. and Puregold Realty Leasing & Management, Inc.

He received a Bachelor of Science Degree in Commerce from the Far Eastern University. He is a Certified Public Accountant and has completed Basic Management Program at Asian Institute of Management and earned units in MBA from University of the Philippines-Cebu.

*Levi Labra, 57, Filipino, Director
Member of the Audit Committee*

Mr. Levi Labra was the former Director for Customer Business Development for Asia Pacific Region of Procter and Gamble Distributions, Inc. He was with P&G for 35 years and involved himself in sales management, distributor operations, logistics, forecasting, among others. He is a graduate of University of San Carlos with a Bachelor of Science in Business Administration.

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

The Audit Committee assists the Board in the performance of its responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations and perform oversight functions over the Corporation's internal and external auditors.

Under the Audit Committee Charter, the Committee:

1. Recommends the appointment of the Independent Auditors and their remuneration to the Board.
2. Reviews and approves Independent Auditor's plan to understand the basis for their risk assessment and financial statement materiality, including the scope and frequency of the audit.
3. Monitors of the coordination of efforts between the external and internal auditors.
4. Reviews the reports of the Independent Auditors and the regulatory agencies, where applicable, and ensure that management is taking appropriate corrective actions in a timely manner, including addressing control and compliance issues.
5. On an annual basis, reviews the audit and non-audit fees and services provided by the independent accountant.
6. Conducts private review sessions with the Independent Auditors at least annually and as otherwise deemed appropriate by the Committee.
7. Assesses the effectiveness of the conduct and performance of independent audit and reviews the annual audit report which subsequently produced.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Susan P. Co	June 26, 2015	1	1	100	<1 year
Member (NED)	Eduardo Hernandez	June 26, 2015	1	1	100	<1 year
Member (ID)	Robert Cokeng	June 26, 2015	1	1	100	<1 year

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Lucio L. Co	June 26, 2015	1	1	100	<1 year

Member (ED)	Leonardo B. Dayao	June 26, 2015	1	1	100	<1 year
Member (NED)	Robert Cokeng	June 26, 2015	1	1	100	<1 year

(e) Corporate Governance Committee

Provide the same information on all other committees constituted by the Board of Directors:

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Eduardo Hernandez	June 26, 2015	1	1	100	<1 year
Member (NED)	Levi Labra	June 26, 2015	1	1	100	<1 year
Member (NED)	Oscar Reyes	June 26, 2015	1	1	100	<1 year

2) Changes in Committee Members

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

Name of Committee	Name	Reason
Executive	None	None
Audit	Robert Cokeng – New Committee Chairman	Replacing Oscar Reyes
Nomination	Eduardo Hernandez and Robert Cokeng – New Members	Replacing Leonardo Dayao and Levi Labra
Remuneration	Robert Cokeng – New member	Replacing Eduardo Hernandez
Others	Constitution of Corporate Governance Committee	To ensure Company's compliance with best global practices in Corporate Governance

3) Work Done and Issues Addressed

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

Name of Committee	Work Done	Issues Addressed
Executive	Acquisition of new businesses and real estate properties; Availment of bank notes; Incorporation of new companies	
Audit	Assisted the Board of Directors in ensuring the accuracy of the financial reports of the Company; assists in reviewing the Company's internal controls and systems and managing risk; coordinates with the internal and external auditors to sustain Company's compliance with standard financial reporting; approves the annual audited financial statements prepared by the management and external auditor as well as the quarterly financial statements of the Company	
Nomination	Assisted the Board in reviewing the qualifications of the candidates for the Board of Directors	
Remuneration	Assisted the Board in ensuring that remuneration of Directors, officers and employees are consistent with the Company's culture, strategy, and business environment in which it operates	

4) Committee Program

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

- (a) Overall risk management philosophy of the company;
- (b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof;
- (c) Period covered by the review;
- (d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness; and
- (e) Where no review was conducted during the year, an explanation why not.

2) Risk Policy

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;
- (b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;
- (c) Period covered by the review;
- (d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and
- (e) Where no review was conducted during the year, an explanation why not.

2) Internal Audit

H. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' welfare	Total satisfaction for our customers from the kind of service to the prices of our merchandise	It can be shown in the daily operation in all of the Company's stores
Supplier/contractor selection practice	Supplier must be accredited, we make sure that their goods are safe, genuine and registered with government bodies regulating them	Consistently practiced by the vendors in the merchandising department
Environmentally friendly value-chain	All our stores have sufficient environment compliance certificate and continuously observing environmental laws	From the construction of the stores up to its opening, the Company ensures to have all the environmental permits required
Community interaction	Supportive of educational foundations and small enterprise	The Company is in coordination with LCKK Foundations granting scholarships to well deserving students and the Aling Puring Program is reaching out to sari sari store owners to enhance their businesses.
Anti-corruption programmes and procedures?	Strictly no bribery to any agency and no bribery within the Company.	Gift or any form of consideration from any party with dealings in the Company are prohibited and this policy is widely known especially among suppliers.
Safeguarding creditors' rights	The policy of not accepting gifts or any form of consideration from any party with dealings in the Company are widely known to all the employees.	Any complaint for such is strictly monitored by the Company.

- 2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?
- 3) Performance-enhancing mechanisms for employee participation.
 - (a) What are the company's policy for its employees' safety, health, and welfare?
 - (b) Show data relating to health, safety and welfare of its employees.
 - (c) State the company's training and development programmes for its employees. Show the data.
 - (d) State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures
- 4) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behaviour? Explain how employees are protected from retaliation.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
Lucio L. Co	2,321,568,892	31%	None
Susan P. Co	1,780,182,230	24%	None

Name of Senior Management	Number of Direct shares	Number of Indirect shares	% of Capital Stock
Lucio L. Co	2,282,116,129	39,452,763	31%
Susan P. Co	1,780,182,230	-	24%
Leonardo B. Dayao	350,982	300,000	0%
TOTAL			

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 programme 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 for the year 2014**

Name of auditor	Audit Fee	Non-audit Fee
R.G. Manabat & Co (KPMG)	PHP3,220,500.00	None

4) **Medium of Communication**

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

The following are the modes of communication that the company is using for disseminating information.

1. Company website and PSE website for all disclosures and reports
2. Television, print, and radio for its projects, promos, and events
3. Roadshows and investors' briefings for financial and operational updates

5) **Date of release of audited financial report:**

The Audited Financial Statements for the period ended December 31, 2014 was filed on April 15, 2015.

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)	Yes

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

7) Disclosure of RPT as of December 31, 2014

RPT	Relationship	Nature	Value
Liquigaz Philippine Corporaiton	Subsidiary	Management fee	51,955,847
Ellimac Prime Holdings, Inc.	Subsidiary	Advances	1,389,512,742
Fertuna Holdings Corp.	Subsidiary	Advances	104,440,647
Nation Realty, Inc.	Subsidiary	Advances	300,965,922
118 Holdings, Inc.	Subsidiary	Advances	35,121,853
		Dividend payable	19,535,299
Patagonia Holdings Corp.	Subsidiary	Advances	917,808,125
Premiere Wine and Spirits	Subsidiary	Advances	105,000,000
		Interest	687,789
Meritus Prime Distributions, Inc.	Subsidiary	Advances	460,400,000
		Interest	3,015,793
Montosco, Inc.	Subsidiary	Advances	720,297,220
		Interest	4,718,217
Alcorn Petroleum and Minerals Corporation	Subsidiary	Advances	4,751,838
Canaria Holdings Corporation	Subsidiary	Advances	3,526,467,660
NE Pacific Shopping Centers Corporation	Subsidiary	Advances	1,044,830
Office Warehouse Inc.	Subsidiary	Advances	1,518,569
Puregold Price Club, Inc.	Subsidiary	Dividend receivable	623,182,304
VFC Land Resources Inc.	Under Common Control	Rent	1,009,463
Officers	Key Management Personnel	Short-term benefits	1,507

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?

The Chairman and President ensure that all RPT are at arms-length basis. The transactions are regularly disclosed to the Board and to the public through the quarterly financial reports. The Board, upon recommendation by the Audit Committee, approves the transactions.

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.

Quorum Required	Majority except those specified under the Corporate
------------------------	-----------------------------------------------------

	Code that requires 2/3 approval
--	---------------------------------

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	By poll
Description	Stockholders entitled to vote at the meeting shall have the right to vote in person or by proxy the number of shares registered in his name in the stock transfer book of the Company

(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
All stockholders rights are those laid down in the Corporation Code	

Dividends

Declaration Date	Record Date	Payment Date
June 27, 2014 PHP0.6 per share	July 11, 2014	July 28, 2014
December 18, 2014 PHP0.8 per share	January 12, 2015	February 5, 2015

(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
<p>Before every annual meeting of the Company's stockholders, the Company issues an information statement to the stockholders where the all the matters for approval to the stockholders are fully discussed. In case they cannot attend in person, stockholders are given proxy forms where they can manifest their approval or disapproval to any matter on the agenda.</p> <p>During the stockholders meeting, any stockholder can directly raise question to the Chairman or any member of the Board. The Chairman is open as well to discussions so requested by any investor or stockholder. Stockholders are given the chance to ask or clarify on any corporate act and/or financial and operational reports approved or presented during the meeting.</p>	

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:

- a. Amendments to the company's constitution
- b. Authorization of additional shares
- c. Transfer of all or substantially all assets, which in effect results in the sale of the company

The Company is in full compliance with the provisions of the Corporation Code specially on the rights of the stockholders to appraisal rights, and any amendment of the Company's articles of incorporation where stockholders representing at least 2/3 of the capital stock must vote in the affirmative.

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?

The Company sends out notices for the AGM at least fifteen business days before the meeting.

- a. Date of sending out notices: June 4, 2015
- b. Date of the Annual/Special Stockholders' Meeting: June 26, 2015

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

There was no material question asked by any stockholder during the last AGM.

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

Resolutions	Approving	Dissenting	Abstaining
Approval of the Minutes of the June 27, 2014 Annual Stockholders Meeting and ratification of all acts and resolutions of the Board of Directors and Management from the date of the previous Stockholders' Meeting	6,191,583,095		242,241,600
Message of the Chairman and the President and Presentation of the Audited Financial Statements as of December 31, 2014	6,191,583,095		242,241,600
Appointment of External Auditor	6,198,322,095	1,709,300	243,793,300

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

June 26, 2015

(e) Modifications

(f) Stockholders' Attendance

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

Stockholders representing a total of 6,444,030,155 shares or 87% of the outstanding shares were present in the most recent AGM held on June 26, 2015.

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

The Company engaged the services of RCBC – Stock Transfer Group to count and validate votes at the AGM.

(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 Company's 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.

Company's Policies	
Execution and acceptance of proxies	The Company follows the Securities and Regulation Code on proxy solicitation and voting. Proxy forms are not required to be notarized and should be submitted to the Office of the Corporate Secretary on or before the designated date in the Information Statement. Proxies are validate and counted by the Stock Transfer Agent at least two days before the meeting.
Notary	
Submission of Proxy	
Several Proxies	
Validity of Proxy	
Proxies executed abroad	

Invalidated Proxy	
Validation of Proxy	
Violation of Proxy	

(h) Sending of Notices

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

Policies	Procedure
Notices of Annual/Special Stockholders Meeting are sent to all stockholders at least fifteen days before the meeting. Attached to the Notice are the Agenda with discussion on specific item and the latest financial statement of the Company.	Notices of Annual/Special Stockholders Meeting are sent to all stockholders at least fifteen days before the meeting and even published to two newspapers of general circulation. Adequate disclosures on the meeting are made to regulatory agencies at least fifteen days before the meeting.

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	Up to 2,000
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	June 4, 2015
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	June 4, 2015
State whether CD format or hard copies were distributed	Yes
If yes, indicate whether requesting stockholders were provided hard copies	Yes

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

Each resolution to be taken up deals with only one item.	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	Yes
The auditors to be appointed or re-appointed.	Yes
An explanation of the dividend policy, if any dividend is to be declared.	Yes
The amount payable for final dividends.	Yes
Documents required for proxy vote.	Yes

2) Treatment of Minority Stockholders

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

Policies	Implementation
The Company respects the rights of the stockholders as provided for in the Corporation Code; namely, right to vote on all matters that require their consent or approval; right to inspect corporate books and records; right to information; right to dividends; and appraisal right.	
The Company is transparent and fair in the conduct of the annual and special stockholders' meetings. The stockholders are encouraged to personally attend such meetings. If they cannot attend, they are apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the by-laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy are resolved in the stockholder's favor.	
It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights.	
The Company is taking appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether in person or by proxy. Accurate and timely information are made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.	
Although all stockholders are treated equally or without discrimination, the Company gives the minority stockholders the right to	

propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Corporation.

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

Yes, the minority stockholders have the right to nominate candidates for board of directors.

K. INVESTORS RELATIONS PROGRAM

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.

The Company adheres to the principle of transparency. It makes sure that the external and internal communication processes reflect such guiding principle. Company announcements are handled by the offices of the Corporate Secretary and Investor Relations Officer.

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.

Mr. John Hao is acting as Investor Relations Officer of the Company. His contact details are (632) 522-8801 local 255 and 0917-8028878, with email address john.hao@puregold.com.ph

The Company always participate in investors education program and conduct regular briefings to adequately inform the investors and stockholders of the status and developments in the Company.

It is also the strategy of the office to constantly update the website of the Company and reflect thereon all projects and disclosures made to the Philippine Stock Exchange.

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?

Opportunistic approach, as long as beneficial and consistent with the Company's expansion plan, and made after compliance with all regulatory approvals required by the Securities and Exchange Commission and Philippine Stock Exchange.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiative	Beneficiary
Educational scholarships	Deserving students in state universities and DeLa Salle universities
Effective Solid Waste Management by re-using throw-away fax paper core tube into an office tray or pencil holders	Preserving the environment for us and for the next generation to come.
Use of biodegradable plastic shopping bags, paper bags, and re-usable eco-bags	Preserving the environment for us and for the next generation to come.
Use of light emitting diode (LED) instead of neon or fluorescent lightings.	Preserving the environment for us and for the next generation to come.

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	The Company will soon implement a criteria for assessing the annual performance of the board and its committees, individual director, and the CEO/President.	
Board Committees		
Individual Directors		
CEO/President		

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

Violations	Sanctions
No such violation has yet been found but the policy is to immediately act and resolve on such violation. The end goal being to fully comply with corporate governance manual.	



SECRETARY'S CERTIFICATE

I, **ATTY. JOSE S. SANTOS, JR.**, Filipino, of legal age, am the Corporate Secretary of **COSCO CAPITAL, INC.** (the "Corporation"), a corporation duly organized and existing under the laws of the Republic of the Philippines with office address at No. 900 Romualdez St., Paco, Manila. I hereby certify that during the special meeting of the Board of Directors of the Corporation held on September 3, 2015, where there was a quorum, the following resolution was duly approved:


"RESOLVED, that the Consolidated Updates on the Annual Corporate Governance Report for the year 2015 of Cosco Capital, Inc. are hereby approved."

In witness whereof, I have hereunto affixed my signature this SEP 07 2015 day of September 2015 at the City of Manila.


ATTY. JOSE S. SANTOS, JR.
Corporate Secretary

SUBSCRIBED AND SWORN to before me this SEP 07 2015 day of September 2015 at the City of Manila. Affiant exhibited to me competent proof of his identity.

Doc. No. 304
Page No. 62
Book No. 7
Series of 2015.


CHERRILYNNE MAY P. REYES
Notary Public
Until December 31, 2015
Commission No. 2014-142
Roll No. 58325
IBP Lifetime Member No. 09093
PTR No. 3825582/01-05-15/Mla.
No. 900 Romualdez St., Paco, Manila