

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

**CONSOLIDATED CHANGES IN THE ANNUAL CORPORATE GOVERNANCE REPORT
FOR THE YEAR 2014**

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| 1. Report is Filed for the Year | 2014 |
| 2. Exact Name of Registrant as Specified in its Charter | AYALA CORPORATION |
| 3. 32 nd to 35 th Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City
Address of Principal Office | 1226
Postal Code |
| 4. SEC Identification Number 34218 | 5. (SEC Use Only)
Industry Classification Code |
| 6. BIR Tax Identification Number | 000-153-610-000 |
| 7. (632) 908-3000
Issuer's Telephone number, including area code | |
| 8. Not applicable
Former name or former address, if changed from the last report | |

A. BOARD MATTERS

1) Board of Directors

(a) Composition of the Board

Complete the table with information on the Board of Directors:

The following are the directors of the Corporation, classified in accordance with the Revised Code of Corporate Governance and SEC Memorandum Circular No. 16, series of 2002:

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
Jaime Augusto Zobel de Ayala	ED	Mermac, Inc.	Herminia F. Lopez & Mermac, Inc.	May 1987	April 11, 2014	Annual Meeting	27
Fernando Zobel de Ayala	ED	Mermac, Inc.	Herminia F. Lopez & Mermac, Inc.	May 1994	April 11, 2014	Annual Meeting	20
Delfin L. Lazaro	NED	N.A.	Herminia F. Lopez	January 2007	April 11, 2014	Annual Meeting	7
Yoshio Amano	NED	Mitsubishi Corporation (MC)	Herminia F. Lopez & MC	April 2012	April 11, 2014	Annual Meeting	2
Ramon R. Del Rosario, Jr.	ID	N.A.	Herminia F. Lopez (not related to Mr. Del Rosario)	April 2010	April 11, 2014 (Served as ID for 2 years from April 2012)	Annual Meeting	4
Xavier P. Loinaz	ID	N.A.	Herminia F. Lopez (not related to Mr. Loinaz)	April 2009 (as ID)	April 11, 2014 (Served as ID for 2 years from April 2012)	Annual Meeting	5
Antonio Jose U. Periquet	ID	N.A.	Herminia F. Lopez (not related to Mr. Periquet)	September 2010	April 11, 2014 (Served as ID for 2 years from April 2012)	Annual Meeting	3

¹ Reckoned from the election immediately following January 2, 2012.

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

The Board reviews and approves the vision and mission at least once a year, as part of the review and approval of the Company's strategy as recommended by Management. The Board and Management also revisit the Company's vision and mission as part of the budget review process.

(c) 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.
Jaime Augusto Zobel de Ayala	Bank of the Philippine Islands	Chairman, Non-Executive Director
	Integrated Micro-Electronics, Inc.	Chairman, Non- Executive Director
	Globe Telecom, Inc.	Chairman, Non-Executive Director
	Ayala Land, Inc.	Vice Chairman, Non-Executive Director
	Manila Water Company, Inc.	Vice Chairman, Non-Executive Director
	Mermac, Inc.	Co-Vice Chairman, Non-Executive Director
	Alabang Commercial Corporation	Non-Executive Director
	Ayala International Pte Ltd.	Non-Executive Director
	AC Energy Holdings, Inc.	Non-Executive Director
Fernando Zobel de Ayala	Ayala Land, Inc.	Chairman, Non-Executive Director
	Manila Water Company, Inc.	Chairman, Non-Executive Director
	Ayala DBS Holdings, Inc.	Chairman, Non-Executive Director
	Alabang Commercial Corporation	Chairman, Non-Executive Director
	AC Energy Holdings, Inc.	Chairman, Non-Executive Director
	AC International Finance Limited	Chairman, Non-Executive Director
	Ayala International Pte., Ltd.	Chairman, Non-Executive Director
	Bank of the Philippine Islands	Vice Chairman, Non-Executive Director
	Livelt Investments, Ltd.	Vice Chairman, Non-Executive Director
	Mermac, Inc.	Co-Vice Chairman, Non-Executive Director

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

	Globe Telecom, Inc.	Non-Executive Director
	Integrated Micro-Electronics, Inc.	Non-Executive Director
	Asiacom Philippines, Inc.	Non-Executive Director
	AG Holdings Limited	Non-Executive Director
	Ayala International Holdings Limited	Non-Executive Director
	AI North America, Inc.	Non-Executive Director
	Accendo Commercial Corporation	Chairman, Non-Executive Director
	Ceci Realty, Inc.	Vice Chairman, Non-Executive Director
	Sonoma Services, Inc.	Non-Executive Director
	Vesta Property Holdings, Inc.	Vice Chairman, Non-Executive Director
	Columbus Holdings, Inc	Vice Chairman, Non-Executive Director
	Emerging City Holdings, Inc.	Vice Chairman, Non-Executive Director
	Fort Bonifacio Development Corporation	Vice Chairman, Non-Executive Director
	Bonifacio Land Corporation	Vice Chairman, Non-Executive Director
Delfin L. Lazaro	Philwater Holdings Company, Inc.	Chairman, Non-Executive Director
	AYC Holdings, Ltd.	Chairman, Non-Executive Director
	Purefoods International, Ltd.	Chairman, Non-Executive Director
	A.C.S.T. Business Holdings, Inc.	Chairman, Non-Executive Director
	Globe Telecom, Inc.	Non-Executive Director
	Ayala Land, Inc.	Non-Executive Director
	Integrated Micro-Electronics, Inc.	Non-Executive Director
	Manila Water Co., Inc.	Non-Executive Director
	Ayala DBS Holdings, Inc.	Non-Executive Director
	AC Energy Holdings, Inc.	Non-Executive Director
	Ayala International Holdings, Ltd.	Non-Executive Director
	Bestfull Holdings Limited	Non-Executive Director
	AG Holdings Limited	Non-Executive Director
	AI North America, Inc.	Non-Executive Director
Xavier P. Loinaz	Bank of the Philippine Islands and Subsidiaries	Independent Director
Ramon R. Del Rosario, Jr.	South Luzon Thermal Energy Corp.*	Non-Executive Director
Yoshio Amano	PhilNewEnergy, Inc.	Non-Executive Director
	Phil. Integrated Energy, Inc.	Non-Executive Director
Antonio Jose U. Periquet	Bank of the Philippine Islands and subsidiaries	Independent Director

* The Company has no power to elect a majority of the members of the board of directors of South Luzon Thermal Energy Corporation.

(ii) Directorship in Other Listed Companies

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

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Antonio Jose U. Periquet	ABS-CBN Holdings Corporation	Independent Director
	ABS-CBN Corporation	Independent Director
	DMCI Holdings, Inc.	Independent Director
	Philippine Seven Corporation	Independent Director
	Pancake House, Inc.	Independent Director
Ramon R. del Rosario, Jr.	Phinma Corporation	Executive Director
	Holcim Philippines, Inc.	Non-Executive Director
	Trans-Asia Oil & Energy Dev't. Corp.	Executive Director

- (iii) 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:

Yes. The Corporation ensure that adequate time and attention is given to the fulfillment of the directors of their duties. The independent directors hold no more than five board seats in publicly-listed companies and executive directors hold no more than two board seats in listed companies outside the Corporation's group. In the implementation of this policy, the Board may consider several directorships in related companies or companies in the same industry as one. (Charter of the Board of Directors, Section 3.4)

(d) 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
Jaime Augusto Zobel de Ayala	Common-3,009	Common (through ESOWN subscription)-79,461	0.0103%
	Voting Preferred-543,802		0.0680%
Fernando Zobel de Ayala	Common-55,095	Common (through ESOWN subscription)-24,367	0.0099%
	Voting Preferred-554,983		0.0694%
Delfin L. Lazaro	Common-1	Common (through ESOWN subscription)-159,789	0.0200%
	Voting Preferred-258,297	Common (through PCD Nominee)-79	0.0323%
Yoshio Amano	Common-1	None	0.0000%
Xavier P. Loinaz	Common-126,614	None	0.0158%
	Voting Preferred-65,517		0.0082%
Ramon R. Del Rosario, Jr.	Common-1	None	0.0000%
Antonio Jose U. Periquet	Common-1,200	None	0.0002%
TOTAL	1,608,520	263,696	0.2342%

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

The Nomination Committee of the Board conducts a review and evaluation of the qualifications of all persons nominated to positions in the Corporation which require appointment by the Board. In conducting its review, the Committee shall consider the following factors:

- a) Duties and responsibilities of the position/s under consideration;*
- b) For the nominees:*
 - (i) level of knowledge on the Corporation's business;*
 - (ii) potential to assume greater responsibility in the organization;*
 - (iii) ability, integrity and expertise; and*
 - (iv) results of previous performance assessments.*

The Committee's review of the management succession plan shall also take into account relevant human resource policies of the Corporation and its vision, mission and overall corporate strategy. (Charter of the Nomination Committee, Section 4)

The Board approves the succession plans for the CEO/Managing Director/President and the top key management positions based on the recommendations of the Committee and other factors that the Board may deem proper and relevant. (Charter of the Board of Directors, Section 6.1 (t), and Annex B)

- 3) Other Executive, Non-Executive and Independent Directors

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

The Board shall be composed of members who possess the necessary knowledge, skills and experience required to properly perform the duties of the Board.

The Board shall encourage the selection of a mix of competent directors, each of whom can add value and independent judgment in the formulation of sound corporate strategies and policies. Careful attention must be given to ensure that there is independence and diversity, and appropriate representation of women in the Board to the greatest extent possible. (Charter of the Board of Directors, Section 2.2)

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

The Corporation adheres to both Philippine law and the rules of the Securities and Exchange Commission and of the Philippine Stock Exchange (the "Philippine Requirements") and the standards set by the Association of Southeast Asian Nations (ASEAN) for the strengthening of the ASEAN capital market development and integration for the establishment of an ASEAN Economic Community (the "ASEAN Standards") in the determination of independent directors. In line with this, the Corporation has adopted two classes of independent directors: the first class is for compliance with Philippine Requirements, while the second class is for compliance with ASEAN Standards.

Independent directors under the Philippine Requirements shall, apart from their fees and shareholdings, hold no interests or relationships with the Corporation that may hinder their independence from the Corporation, Management or shareholders which could or could reasonably be perceived to, materially interfere with the exercise of independent judgment in carrying out the responsibilities of a director. For this purpose, each independent director submits to the Corporate Secretary a letter of confirmation stating that he holds no interest affiliated with the Corporation, the Management or controlling stockholder at the time of his election or re-election.

On the other hand, independent directors under the ASEAN standards shall also possess the qualifications and none of the disqualifications for independent directors under the Philippine Requirements provided and except that, when relevant in the application of the qualifications and disqualifications, a "substantial stockholder" shall mean a

stockholder who possesses the power to direct or govern, directly or indirectly, the financial and operating policies of the Corporation so as to obtain benefits from its activities. (Charter of the Board of Directors, Section 2.4 and Annex A)

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.

Yes. The independent directors of the Corporation, considered as such in accordance with SEC Memorandum Circular No. 16, series of 2002, can serve for five (5) consecutive years, provided that service for the a period of at least six (6) months shall be equivalent to one (1) year, regardless of the manner by which the independent director position was relinquished or terminated. After completion of the five-year service period, an independent director shall be ineligible for election as such in the Corporation unless the independent director has undergone a "cooling off" period of two (2) years, provided, that during such period, the independent director concerned has not engaged in any activity that under existing rules of the SEC disqualifies a person from being elected as independent director of the Corporation. An independent director re-elected as such in the Corporation after the "cooling off" period can serve for another four (4) consecutive years under the conditions mentioned above. After serving as independent director for nine (9) years, the independent director shall be perpetually barred from being elected as such in the Corporation, without prejudice to being elected as independent director in other companies outside of the business conglomerate, where applicable, under the same conditions provided for in the rules and regulations of the Securities and Exchange Commission. (Charter of the Board of Directors, Sections 4.6 - 4.8)

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

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

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

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors	<i>The stockholders of the Company may submit written nominations to the Board at least 30 business days before the next annual meeting of the stockholders. The Nomination Committee evaluates the nominees and approves a list of nominees eligible to be elected as members of the Board.</i> <i>The Nomination Committee likewise identifies and recommends qualified individuals for nomination and election to the Board through the use of professional search firms and other external sources of candidates.</i>	<i>A director of the Company shall have the following qualifications:</i> <i>1. Ownership of at least one (1) share of the capital stock of the Company;</i> <i>2. College degree or its equivalent or adequate competence and understanding of the fundamentals of doing business or sufficient experience and competence in managing a business;</i> <i>3. Relevant qualifications, such as previous business experience, membership in good standing in relevant industry and membership in business or professional organizations;</i> <i>4. Integrity, probity, diligence and assiduousness in the</i>
(ii) Non-Executive Directors		
(iii) Independent Directors		

		performance of his functions; 5. Directorships in other companies, taking into account the following factors: i) the nature of the business of the Corporation ii) the number of directors in other companies; iii) any possible conflict of interest; and iv) the age of the director; and 6. For independent directors, beneficial equity ownership in the Corporation or in its related companies, which must not exceed two percent (2%).
b. Re-appointment		
(i) Executive Directors	<u>The stockholders of the Company may submit written nominations to the Board at least 30 business days before the next annual meeting of the stockholders. The Nomination Committee evaluates the nominees and comes up with list of nominees eligible to be elected as members of the Board.</u> <u>The Nomination Committee likewise identifies and recommends qualified individuals for nomination and election to the Board through the use of professional search firms and other external sources of candidates.</u>	A director of the Company shall have the following qualifications: 1. Ownership of at least one (1) share of the capital stock of the Company; 2. College degree or its equivalent or adequate competence and understanding of the fundamentals of doing business or sufficient experience and competence in managing a business; 3. Relevant qualifications, such as previous business experience, membership in good standing in relevant industry and membership in business or professional organizations; 4. Integrity, probity, diligence and assiduousness in the performance of his functions; 5. Directorships in other companies, taking into account the following factors: i) the nature of the business of the Corporation ii) the number of directors
(ii) Non-Executive Directors		
(iii) Independent Directors		

		in other companies; iii) any possible conflict of interest; and iv) the age of the director; 6. For independent directors, beneficial equity ownership in the Corporation or in its related companies, which must not exceed two percent (2%); and 7. The term limit set for independent directors under applicable laws, rules and regulations.
c. Permanent Disqualification		
(i) Executive Directors	The Company abides with the rules set forth in its Manual of Corporate Governance, the SEC Code of Corporate Governance and existing laws.	The following persons are disqualified from being a director of the Corporation: 1. Any person who has been finally convicted by a competent judicial or administrative body of any crime involving the purchase or sale securities, arising out of the person's conduct as an underwriter, broker, dealer, and arising out of his relationship with a bank, quasi-bank and investment house. 2. Any person finally convicted judicially of an offense involving moral turpitude or fraudulent acts or transgressions; 3. Any person finally found by the SEC or a court or other administrative body to have willfully violated or willfully aided any provision of the Securities Regulation Code; 4. Any person judicially declared to be insolvent; 5. Any person finally found guilty by a foreign court or equivalent financial regulatory authority of acts, violation or misconduct listed above; 6. Any person convicted by final and executory judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within
(ii) Non-Executive Directors		
(iii) Independent Directors		

		five (5) years prior to the date of his election of appointment; 7. Any person engaged in any business which competes with or is antagonistic to that of the Corporation; and 8. After serving as independent director for nine years, the independent director shall be perpetually barred from being elected as such in the Corporation, without prejudice to being elected as independent director in other companies outside of the business conglomerate, where applicable, under the same conditions provided for in the rules and regulations of the SEC.
d. Temporary Disqualification		
(i) Executive Directors	The Company abides with the rules set forth in its Manual of Corporate Governance, the SEC Code of Corporate Governance and existing laws. The temporary disqualification of the director requires a resolution of a majority of the Board	1. The following are the grounds for temporary disqualification of incumbent directors: Refusal to fully disclose the extent of his business interest as required under the Securities Regulation Code and Implementing Rules and Regulations. 2. Absence or non-participation for whatever reason/s other than illness, death of immediate family or serious accident in <u>at least 75%</u> of all board meetings during his incumbency, or any twelve month period during his incumbency. 3. Dismissal or termination from directorship in another listed corporation; 4. Being under preventive suspension by the Corporation for any reason; and 5. Conviction that has not yet become final referred to in the grounds for disqualification of directors
(ii) Non-Executive Directors		
(iii) Independent Directors		

e. Removal		
(i) Executive Directors	<i>The removal of directors requires an affirmative vote of 2/3 of the outstanding capital stock of the Company.</i>	<i>A director may be removed with or without cause with the affirmative vote of shareholders owning 2/3 of outstanding capital stock. However, a director may not be removed without cause if it will deny minority shareholders representation in the Board.</i>
(ii) Non-Executive Directors		
(iii) Independent Directors		
f. Re-instatement		
(i) Executive Directors	<i>A temporary disqualified director shall, within 60 business days from such disqualification, take the appropriate action to remedy or correct the disqualification.</i>	<i>If the beneficial security ownership of an independent director in the Corporation or in its related companies exceeds 2%, the Corporation shall cease to consider him as an independent director until his beneficial security ownership is reduced to 2% or lower.</i>
(ii) Non-Executive Directors		
(iii) Independent Directors		
g. Suspension		
(i) Executive Directors	<i>After due notice and hearing, a director who violates the Manual of Corporate Governance will be subjected to the penalties as set forth in the said Manual.</i>	
(ii) Non-Executive Directors		
(iii) Independent Directors		

Voting Result of the last Annual General Meeting

Name of Director	Votes Received (in favor)*
<i>Jaime Augusto Zobel de Ayala</i>	<i>592,533,215 (72.30%)</i>
<i>Fernando Zobel de Ayala</i>	<i>592,401,213 (72.28%)</i>
<i>Delfin L. Lazaro</i>	<i>594,036,285 (72.48%)</i>
<i>Yoshio Amano</i>	<i>594,147,744 (72.50%)</i>
<i>Xavier P. Loinaz</i>	<i>597,454,654 (72.90%)</i>
<i>Ramon R. Del Rosario, Jr.</i>	<i>592,466,889 (72.29%)</i>
<i>Antonio Jose U. Periquet</i>	<i>594,150,453 (72.50%)</i>

*Percentage out of the outstanding voting shares

5) Orientation and Education Program

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

- *Ayala-LEAP (Ayala Leadership Acceleration Program)*
- *EAGLE (Emerging Ayala Group Leaders Program)*
- *The Leadership Circle (integrated within Ayala-LEAP and EAGLE)*
- *LEAP Alumni Learning Series (presentations by visiting professors and practitioners in the fields of customer centricity, strategy, leadership, etc.)*
- *Executive Coaching*

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

- Ayala Group Corporate Governance Summit
- Corporate Governance and Risk Management for Banks
- Corporate Governance Orientation Program by the Institute of Corporate Directors (ICD)
- Corporate Governance Seminar by SyCip Gorres Velayo & Co. (SGV)
- Ayala Group Sustainability Summit
- Ayala Group Corporate Governance and Risk Management Summit

(b) 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
Jaime Augusto Zobel de Ayala	February 4, 2014	Ayala Group Corporate Governance and Risk Management Summit	Institute of Corporate Directors, Inc.
Fernando Zobel de Ayala			
Yoshio Amano (NED)			
Delfin L. Lazaro (NED)			
Xavier P. Loinaz (ID)			
Ramon R. del Rosario (ID)			
Antonio Jose U. Periquet	July 21, 2014	Corporate Governance Seminar	SyCip, Gorres, Velayo & Co.

The directors of the Corporation, in their own capacity or as sponsored by the Corporation, attend education programs, seminars, and roundtable discussions on corporate governance with service providers that are duly accredited by the SEC.

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	<i>All the Corporation's directors, officers and employees are expected to avoid situations of conflicts of interest or impropriety. Directors, officers and employees who have personal or pecuniary interest on any enterprise with which the Corporation has an existing or intended transaction shall fully disclose the relevant facts of the situation.</i>		
(b) Conduct of Business and Fair Dealings	<i>All directors, officers, and employees shall:</i> 1. <i>Deal fairly with the Corporation's customers, suppliers and business partners, and with the government, competitors and colleagues;</i> 2. <i>Not take undue advantage through misrepresentation of material facts, concealment, manipulation, or any other form of unfair dealing practice; and</i> 3. <i>Treat everyone with respect and act in good faith and with integrity and sense of professionalism at all times.</i>		
(c) Receipt of gifts from third parties	<i>Directors, officers and employees shall not accept gifts or invitations of any form from any supplier, customer or business partner of the Corporation, or from any third person or entity with existing or intended business dealings with the Corporation, except when the gift or invitation is:</i> ▪ <i>directly attributable to purely familial or personal relationships;</i> ▪ <i>only of nominal value;</i> ▪ <i>a simple promotional item or is part of the supplier's public relations program; or</i> ▪ <i>part of business meetings or discussions.</i>		

	However, when the gift does not fall under any of the above-mentioned conditions, the Company encourages the employee to turn over the gift to Strategic Human Resources and Organization Development for inclusion in the Company Christmas party raffle. Directors, officers and employees must immediately report any offer or gift of any value given to them or their immediate family with a view to get favors or to influence business recommendations, proposals or decisions affecting the Corporation or any of its related companies. The report shall be made to the Chairman of the Board in the case of the directors, President and CEO, to the President in case of the Managing Directors, and to the Group Head and Unit Heads in the case of employees. All disclosures shall be submitted to the Managing Director for Strategic Human Resources.
(d) Compliance with Laws & Regulations	Ayala expects its directors, officers and employees to conduct business in accordance with Philippine laws and regulations. Employees are encouraged to consult with Corporate Governance Group and the Office of General Counsel whenever there is any doubt concerning the legality of any matter. Any suspected criminal violations will be reported to the appropriate authorities. Non-criminal violations will be investigated and addressed as appropriate.
(e) Respect for Trade Secrets/Use of Non-public Information	The directors, officers and employees shall strictly observe company rules that provide for restrictions to access to classified information and controls on the release of such information to other companies, agencies, parties or to the general public. The directors, officers and employees shall not release classified information unless authorized by Management. They should shall maintain the integrity of all company documents and records and protect them against unauthorized or improper alteration, forgery, concealment or destruction.
(f) Use of Company Funds, Assets and Information	All directors, officers and employees shall be responsible for the proper use of all company assets and resources, which include, but are not limited to, information, facilities, equipment, software, vehicles and supplies owned or leased by the Corporation or are otherwise in its possession, They shall use company assets and resources efficiently, responsibly and for legitimate business purposes only.
(g) Employment & Labor Laws & Policies	The Company is consistently compliant with the Philippine labor laws, its implementing rules & regulations, DOLE department orders and circulars. The Ayala Group (AG) networks on Labor and Employee Relations, with oversight provided by the AG Human Resource Council, meet regularly to, among other functions, monitor and share current trends in, including strict observance of, legislation and jurisprudence on laws, proclamations and orders involving employee and labor relations .
(h) Disciplinary action	The Company, in the spirit of its shared and corporate values, holds all its employees in esteem and believes in protecting their rights, implementing discipline with firm but fair actions. At the same time, it expects each of its employees to respect the rights of fellow employees at all times and strive to live out these shared values in conducting personal and business affairs with: integrity; long-term vision; empowering leadership; commitment to national development. All offenses or violations of Company policies and rules shall be dealt with accordingly.
(i) Whistle Blower	As expressly provided in its Code of Conduct and Ethics and the Whistleblower Policy, the Company encourages directors, officers, and employees, and all suppliers, business partners, contractors and sub-contractors to come forward and raise serious concerns about a perceived wrongdoing, malpractice or risk involving the Corporation. The whistleblower may send or communicate a report, formally or anonymously, through a face-to-face meeting with the members of the Disclosure Committee, or email to whistleblower@ayala.com.ph. The Disclosure Committee will forthwith conduct investigations and, applying the

	<i>rules of due process, make the appropriate recommendations on personnel actions.</i> <i>Should it be determined by the Committee that a whistleblower knowingly (a) submitted a report containing false allegations or (b) presented fabricated evidence, the whistleblower shall be subject to disciplinary or legal action pursuant to the policies and procedures of the Corporation, and any applicable laws.</i>
(j) Conflict Resolution	<i>The Company adheres to the ideals of justice and fairness in its business and in all its dealings with its Employees. The Company provides for an Investigation Committee to look into serious violations of Company policies, rules and regulations.</i>

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

Yes. All employees have copies of the Code of Conduct and Ethics. Part of the on-boarding program of all newly hired employees is the orientation on the Code of Conduct and Ethics to keep them informed in the same manner that the existing employees, as well as the directors, chairman, and senior management, are aware and informed. They are provided with the Code of Conduct and Ethics handbook.

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

The Strategic Human Resources has the specific task of implementing and monitoring compliance with the provisions of the Code. It is responsible for:

- *ensuring that the contents of the Code are communicated to all existing and new directors, officers and employees, and requiring each to sign an acknowledgment receipt that he/she has read and understood the same and agrees to abide with the standards and norms set forth therein;*
- *making the Code available on the company intranet for ease of access;*
- *requiring all directors, officers and employees to declare annually that they have complied with the Code, specifically on the provisions of conflict of interest and insider trading;*
- *investigating reported violations of the Code and impose sanctions for violations determined after investigation;*
- *reviewing and continuously updating the Code; and*
- *drafting and promulgating the Implementing Rules for the effective implementation of the Code, subject to the approval of the President and CEO.*

Management is also responsible for enforcing and monitoring compliance with the Code within their respective area of jurisdiction and taking or implementing disciplinary action after proper investigation.

All directors, officers and employees have the duty to report non-compliance with the Code and its Implementing Rules that may come to their knowledge and attention, in accordance with the relevant company rules and procedures.

Any violation shall be dealt with in accordance with the procedures provided in the Implementing Rules, the Corporation's Human Resources Manual of Policies and Procedures, the Employee Handbook and other existing company policies and proper observance of the requirements of due process. This shall be without prejudice to the filing of any legal action against the party concerned under existing laws.

C. BOARD MEETINGS & ATTENDANCE

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

Yes. . At the beginning of the year, the Office of the Corporate Secretary sends to the directors, though email, the schedule of board meetings for the year as follows:

*January 16, 2014
March 10, 2014
April 11, 2014
June 26, 2014
September 4, 2014 and
December 4, 2014*

2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year*	No. of Meetings Attended*	%
Chairman	Jaime Augusto Zobel de Ayala	April 11, 2014	6	6	100%
Member	Fernando Zobel de Ayala	April 11, 2014	6	5	100%
Member	Delfin L. Lazaro	April 11, 2014	6	6	100%
Member	Yoshio Amano	April 11, 2014	6	6	100%
Independent	Xavier P. Loinaz	April 11, 2014	6	5	83%
Independent	Ramon R. Del Rosario, Jr.	April 11, 2014	6	6	100%
Independent	Antonio Jose U. Periquet	April 11, 2014	6	6	100%

*Meetings in 2013 and during the incumbency of the director.

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

Yes. Two-thirds (2/3) of the number of directors as fixed in the articles of incorporation constitute a quorum for the transaction of corporate business.

4) Access to Information

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

The board materials for the board of directors' meetings are being distributed to the directors at least five business days before the meeting.

(b) 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	1. The Office of the Corporate Secretary sends the board materials at least five business days before the scheduled meeting. 2. The board materials provide supporting information for matters for approval of the directors during the meeting. 3. The Company meets with the independent directors, non-executive directors and executive directors, individually or in groups, as may be necessary for management to keep the directors informed and to seek guidance.
Audit	
<u>Risk Management</u>	
Nomination	
Remuneration	
Finance	
Inspectors of Proxies and Ballots	

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.

D. 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	2	1	0	Yes	The Committee, in accordance with the authority granted by the Board, or during the absence of the Board, shall act by majority vote of all its members on such specific matters within the competence of the Board of Directors as may from time to time be delegated to the Executive Committee in accordance with Corporation's By-Laws, except with respect to: 1. Approval of any action for which shareholders' approval is also required; 2. Filling of vacancies on the Board or in the Executive Committee; 3. Amendment or repeal of By-Laws or the adoption of new By-Laws; 4. Amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable; 5. Distribution of cash dividends; and 6. Exercise of powers delegated by the Board exclusively to other committees, if any.		
Risk Management	0	0	3	Yes	1. Promote an open discussion regarding risks faced by the Corporation, as well as risks faced by its subsidiaries that may have potential impact on the Corporation's operations, and ensure that risk awareness culture is pervasive throughout the organization. 2. Review and discuss with Management the Corporation's risk governance structure and adequacy of policies and processes for risk identification, assessment and mitigation. 3. Review and recommend to the Management the Corporation's levels of risk appetite and risk tolerance, and risk exposure allocation for approval by the Board of Directors. 4. Review the Corporation's risk profile on an ongoing basis and re-evaluate the likelihood of occurrence, severity of impact of risk exposures, and any		

					mitigating measures affecting those risks. 5. Monitor the implementation of the Corporation's risk mitigation plans and other risk management activities with the assistance of the risk management function. 6. Review and discuss risk management-related reports and issues raised by the Management, internal auditors, external auditors, legal counsel and regulators that impact the Corporation's risk management framework. 7. Review disclosures regarding risk contained in the Corporation's Annual Report and other publicly-issued statements. 8. Review the objectivity, effectiveness and efficiency of the Corporation's risk management function in the context of the Corporation's size, scale, complexity and scope of operations. 9. Secure independent expert advice on risk management matters where considered necessary or desirable. 10. In coordination with the Audit Committee, ensure that the Corporation's internal audit work plan is aligned with risk management activities and that the internal control system considers all risks identified in the risk assessment process. 11. Perform other activities related to this Charter as requested by the Board.
Nomination	2	0	2	Yes	1. Review and monitor the structure, size and composition of the Board and make recommendations to ensure compliance with applicable laws, rules and regulations as well as the Corporation's By-laws and Manual of Corporate Governance 2. Encourage the selection of a mix of competent directors, each of whom can add value and contribute independent judgment to the formulation of sound corporate strategies and policies; 3. Ensure that all nominations to the Board are fair and transparent, and that all nominees are qualified in accordance with the By-laws, Manual of Corporate Governance and relevant laws, rules and regulations; 4. Review and evaluate the qualifications of persons nominated to positions which require appointment by the Board, and provide guidance and advice as necessary for appointments by the

					Chairman or President to positions below Managing Director; 5. Review succession plans for members of the Board and senior executives (from group heads to the Chief Executive Officer); 6. Assess the effectiveness of the Board's processes and procedures in the election or replacement of Board members and in appointing officers or advisors, and develop, update and recommend to the Board policies for considering nominees for directors, officers or advisors; and 7. Perform such other duties and responsibilities that may be delegated to the Committee by the Board from time to time.
Inspectors of Proxies and Ballots	3*	0	0	Yes	Has the power to pass on the validity of proxies submitted by the stockholders for the annual or special meetings.

* Officers of the company who are not members of the company's Board of Directors.

2) Committee Members

Committee of Inspectors of Proxies and Ballots

Office	Name	Date of Appointment	No. of Meetings Held*	No. of Meetings Attended*	%	Length of Service in the Committee
Chairman	Solomon M. Hermosura	April 16, 2010	1	1	100%	3
Member	Catherine H. Ang	April 11, 2014		0	100%	0
Member	Josephine G. De Asis	April 19, 2013		1	100%	1

* In 2013

Risk Management Committee

Office	Name	Date of Appointment	No. of Meetings Held*	No. of Meetings Attended*	%	Length of Service in the Committee
Chairman	Antonio Jose U. Periquet	September 1, 2014	1	1	-	0
Member	Ramon R. del Rosario, Jr.	September 1, 2014		1	-	0
Member	Yoshio Amano	September 1, 2014		1	-	0

*In 2014

E. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent*	Beneficial Owner
<i>Mermac, Inc.</i>	<i>Common-303,689,196 Voting Preferred- 159,577,460</i>	<i>57.9490%</i>	<i>Mermac, Inc.</i>
<i>PCD Nominee Corporation (Non-Filipino)</i>	<i>Common-142,868,630</i>	<i>11.8711%</i>	<i>PCD Participants acting for themselves or for their customers</i>
<i>Mitsubishi Corporation</i>	<i>Common-63,077,540 Voting Preferred- 32,640,492</i>	<i>11.9732%</i>	<i>Mitsubishi Corporation</i>
<i>PCD Nominee Corporation (Filipino)</i>	<i>Common-53,890,584</i>	<i>6.7411%</i>	<i>PCD Participants acting for themselves or for their customers</i>

*of outstanding voting shares

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
<i>Jaime Augusto Zobel de Ayala</i>	<i>Common-3,009 Voting Preferred-543,802</i>	<i>Common (through ESOWN subscription)-79,461</i>	<i>0.0764%</i>
<i>Fernando Zobel de Ayala</i>	<i>Common-55,095 Voting Preferred-554,983</i>	<i>Common (through ESOWN subscription)-24,367</i>	<i>0.0774%</i>
<i>Gerardo C. Ablaza, Jr.</i>	<i>Common-185,255</i>	<i>Common (through ESOWN subscription)-219,529 Common (through PCD Nominee)-60,023</i>	<i>0.0567%</i>
<i>Antonino T. Aquino</i>	<i>Common-243,501 Preferred B- 30,000</i>	<i>Common (through ESOWN subscription)-125,840</i>	<i>0.0487%</i>
<i>Arthur R. Tan</i>	<i>Common-67,420</i>	<i>Common (through ESOWN subscription)-111,192 Common (through PCD Nominee)-68,842</i>	<i>0.0302%</i>
<i>Ramon G. Opulencia*</i>	<i>Common-52,651</i>	<i>Common (through ESOWN subscription)-180,531</i>	<i>0.0285%</i>
<i>Solomon M. Hermosura</i>	<i>Voting Preferred Shares – 53,583</i>	<i>Common (through ESOWN subscription)-52,169 Common (through PCD Nominee)-25,708</i>	<i>0.0160%</i>
<i>John Philip S. Orbeta</i>	<i>Common-53,036</i>	<i>Common (through ESOWN subscription)-311,229 Common (though PCD Nominee) – 12,649</i>	<i>0.0460%</i>
<i>Alfredo I. Ayala</i>	<i>Common-25,760</i>	<i>Common (through ESOWN subscription)-85,740</i>	<i>0.0136%</i>
<i>John Eric T. Francia</i>	<i>None</i>	<i>Common (through ESOWN subscription)-46,587</i>	<i>0.0057%</i>
<i>Delfin C. Gonzalez</i>	<i>Common-33,944</i>	<i>Common (through ESOWN subscription)-26,425</i>	<i>0.0074%</i>
<i>Ginaflor C. Oris</i>	<i>Common-18,663 Preferred B- 1,400</i>	<i>Common (through ESOWN subscription)-59,326</i>	<i>0.0120%</i>

	Voting Preferred-19,226		
Sheila Marie U. Tan**	Common-1,234 Voting Preferred-2,488	Common (through ESOWN subscription)-19,849	0.0029%
Ma. Lourdes Heras-de Leon	None	Common (through ESOWN subscription)-7,609	0.0009%
TOTAL	1,942,041	1,437,615	0.4225%

*Until December 31, 2013.

**On leave effective November 1, 2013.

(b) Stockholders' Rights

Dividends

Cash Dividend on Common Shares

Declaration Date	Record Date	Payment Date
June 28, 2013	July 17, 2013	August 12, 2013
December 5, 2013	December 19, 2013	January 3, 2014
June 26, 2014	July 10, 2014	July 25, 2014
December 4, 2014	December 18, 2014	January 3, 2015

Cash Dividend on Preferred B Shares

Declaration Date	Record Date	Payment Date
December 5, 2013	January 22, 2014	February 15, 2014
December 5, 2013	April 16, 2014	May 15, 2014
December 5, 2013	July 22, 2014	August 15, 2014
December 5, 2013	October 22, 2014	November 15, 2014

Cash Dividend on Voting Preferred Shares

Declaration Date	Record Date	Payment Date
December 5, 2013	April 23, 2014	May 20, 2014

(a) Stockholders' Participation

1. 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 calls for a regular or special stockholders' meeting to propose to the stockholders the actions listed above. The details of the proposed actions are presented in the Definitive Information Statement which is made available to the stockholders. During the meeting, the Company's board and/or management present the proposed actions and encourage stockholders to ask questions. The affirmative vote of stockholders representing at least 2/3 of the issued and outstanding capital stock of the Company is required for the approval of the above items.

In cases of amendment of the Articles of Incorporation where written assent is allowed, a stockholder may

deliver, in person or by mail, his vote directly to the Corporation.

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

Resolution	Approving*	Dissenting*	Abstaining*
Resolution No. S-01-14: "RESOLVED, to approve the minutes of the annual stockholders' meeting held on 19 April 2013."	597,493,062 shares or 72.91%	12 shares or 0%	29,039 shares or 0%
Resolution No. S-02-14: "RESOLVED, to note the Corporation's Annual Report, which consists of the Chairman's Message, President's Report, and the audio-visual presentation to the stockholders, and to approve the consolidated financial statements of the Corporation and its subsidiaries as of 31 December 2013, as audited by the Corporation's external auditor SyCip Gorres Velayo & Co.	597,490,796 shares or 72.91%	0	29,933 shares or 0%
Resolution No. S-03-14: "RESOLVED, to approve, confirm, and ratify all resolutions of the Board of Directors and the Executive Committee, and other Board Committees, as well as all acts of Management taken or adopted since the annual stockholders' meeting on 19 April 2013 until today, as reported by the Corporate Secretary.	597,472,423 shares or 72.90%	1,007 or 0%	29,933 shares or 0%
"RESOLVED, as recommended by the Board of Directors in Resolution No. B-08-14, to approve the amendment to the Third Article of the Articles of Incorporation in compliance with Securities and Exchange Commission Memorandum Circular No. 6, series of 2014, so that, as amended, the Third Article shall henceforth read as follows: THIRD. That the place where the principal office of the Corporation is located is <u>at 32F to 35F, Tower One & Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City</u> , but it may establish branch offices in any part of the Philippines or in such other places outside the	597,495,890 shares or 72.91%**	0	0

<i>Philippines as may be approved by the Board of Directors. (As amended on 11 April 2014)</i>			
<i>Election of directors (including the independent directors)</i>			
<i>Jaime Augusto Zobel de Ayala</i>	<i>592,533,215 shares or 72.30%</i>	<i>2,792,595 shares or 0.34%</i>	<i>2,160,190 shares or 0.26%</i>
<i>Fernando Zobel de Ayala</i>	<i>592,401,213 shares or 72.28%</i>	<i>5,076,981 shares or 0.62%</i>	<i>0</i>
<i>Yoshio Amano</i>	<i>594,147,744 shares or 72.50%</i>	<i>3,305,535 shares or 0.40%</i>	<i>0</i>
<i>Delfin L. Lazaro</i>	<i>594,036,285 shares or 72.48%</i>	<i>5,418,274 shares or 0.66%</i>	<i>0</i>
<i>Antonio Jose U. Periquet (ID)</i>	<i>594,150,453 shares or 72.50%</i>	<i>3,303,890 shares or 0.40%</i>	<i>0</i>
<i>Ramon R. del Rosario, Jr. (ID)</i>	<i>592,466,889 shares or 72.29%</i>	<i>4,997,419 shares or 0.61%</i>	<i>0</i>
<i>Xavier P. Loinaz (ID)</i>	<i>597,454,654 shares or 72.90%</i>	<i>0</i>	<i>0</i>
<i>Resolution No. S-05-14: "RESOLVED, as endorsed by the Board of Directors, to approve the re-election of SyCip Gorres Velayo & Company as the external auditor of the Corporation for the year 2014 for an audit fee of PhP3.675 Million, exclusive of value-added tax and out-of-pocket expenses."</i>	<i>597,522,648 shares or 72.91%</i>	<i>0</i>	<i>42 shares or 0%</i>

**Of the total outstanding voting shares.*

*** Of the total outstanding shares*

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

April 14, 2014 or the following business day after the annual stockholders' meeting.

(a) Stockholders' Attendance

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

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
<i>Annual</i>	<i>Jaime Augusto Zobel de Ayala, Fernando Zobel de Ayala, Delfin L. Lazaro, Yoshio Amano, Xavier P.</i>	<i>April 11, 2014</i>	<i>By poll</i>	<i>72.91%</i>	<i>0.01%</i>	<i>72.92%</i>

	<i>Loinaz, Antonio Jose U. Periquet and Ramon R. Del Rosario, Jr.</i>					
<i>Special</i>	<i>Not Applicable</i>					

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

Yes. The company has engaged SyCip Gorres Velayo & Co. to validate the voting results of the company's annual stockholders' meeting since 2013.

(b) 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	<i>Proxies shall be in writing, signed by the stockholder or his duly authorized representative and filed before the scheduled meeting with the Corporate Secretary.</i> <i>A stockholder may designate any person of his choice to act as his proxy. Absent such designation or in cases where the designated proxy should fail to appear at the meeting, the Chairman of the meeting shall be deemed authorized and hereby directed to cast the vote as indicated by the voting stockholder or his proxy.</i> <i>If a duly accomplished and executed proxy is undated, the postmark or date of dispatch indicated in the electronic mail or, if not mailed, its actual date of presentation, shall be considered as the date of the proxy.</i>
Notary	<i>Not required</i>
Submission of Proxy	<i>The stockholder may deliver in person or by mail his or her proxy forms directly to the Corporation through the Office of the Corporate Secretary not later than seven (7) business days prior to the meeting.</i>
Several Proxies	<i>Where a proxy is given to two or more persons in the alternative in one instrument, the proxy designated as an alternate can only act as proxy in the event of non-attendance of the other designated person. If the stockholder designates several proxies, the number of shares of stock to be represented by each proxy will be specifically indicated in the proxy form. Where the same stockholder gives two or more proxy forms, the latest one given is to be deemed to revoke all former proxies.</i>
Validity of Proxy	<i>The duly accomplished proxy form should be submitted to the Office of the Corporate Secretary not later than seven (7) business days prior to the date of the annual stockholders' meeting. Unless provided in the proxy, it will be valid only for the meeting for which it is intended. No proxy will be valid and effective for a period longer than five (5) years at any one time. Stockholders may vote by proxy at other corporate meetings even when the purpose thereof is not solely to elect the directors of the Corporation.</i> <i>Any reasonable doubt about the validity of the proxy shall be</i>

	<i>resolved in favor of the stockholder.</i>
Proxies executed abroad	<i>Proxies executed abroad should be authenticated by the Philippine Embassy or Consular Office.</i>
Invalidated Proxy	<i>Proxy forms received after the prescribed date of submission shall be invalid. A proxy may be revoked at any time before the right granted is exercised, unless it is coupled with interest. The revocation may be done in writing, orally or by conduct (e.g. appearance of the stockholder of record at the meeting).</i>
Validation of Proxy	<i>The validation of proxy shall be conducted by the Committee of Inspectors of Proxies and Ballots at least five (5) business days prior to the date of the stockholders' meeting.</i>
Violation of Proxy	<i>No person making a solicitation shall solicit any undated or post-dated proxy or any proxy which provides that it shall be deemed to be dated as of any date subsequent to the date on which it is signed by the security holder. No security broker shall give any proxy, consent or authorization, in respect of any security carried for the account of a customer, to a person other than the customer, without the express written authorization of such customer.</i>

(c) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	8,034
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	March 20, 2014
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	March 20, 2014
State whether CD format or hard copies were distributed	CD format, hard copies and electronic mail
If yes, indicate whether requesting stockholders were provided hard copies	Yes, stockholders who wished to receive paper copies of the Definitive Information Statement were provided with paper copies.

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

Yes, the company's Board Charter and the Charter of the Nomination Committee allows any stockholder, including minority stockholders, to nominate candidates for board of directors.

F. INVESTORS RELATIONS PROGRAM

	Details
(4) Investors Relations Officer	Ms. Ma. Margarita G. Villanueva Head, Investor Relations Tel: +632 908-3434 Email: villanueva.mg@ayala.com.ph Fax: +632 848 5846 Ms. Celeste M. Jovenir Investor Relations Manager

	<i>Tel: +632 908 3394</i> <i>Email: jovenir.cm@ayala.com.ph</i> <i>Fax: +632 848 5846</i>
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G. 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	<i>The directors are requested annually to answer a performance assessment survey form where they will evaluate their performance as a director and the performance of the Board. The directors may answer the survey anonymously. The Corporate Secretary summarizes the result of the survey. An outside consultant may be employed to conduct simultaneous evaluation of the Board's performance.</i>	• <i>Knowledge – Whether the Board possesses adequate information on industry trends and overall business environment;</i> • <i>Strategy and Implementation – Whether the Board has adopted appropriate corporate strategy and whether the same has been effectively implemented;</i> • <i>Risk Management – Whether the Board has a keen understanding of the types of risks to which the Corporation may be exposed and would be vulnerable, and whether it has adopted appropriate systems and processes to manage these risks;</i> • <i>Corporate Ethics – Whether the Board has taken the lead role to ensure faithful compliance with all the applicable laws and rules, and the Corporation's By-laws, Manual of Corporate Governance, Code of Conduct and Ethics, and other relevant company policies; and</i> • <i>Internal Control/Oversight Function – Whether the Board has taken reasonable steps to ensure that the Corporation is properly managed, including monitoring of the operational and financial results.</i>
Board Committees	<i>Audit and Risk Committee fills out a self-assessment questionnaire that shall benchmark its practices against the expectations set forth in the Audit and Risk Committee Charter.</i>	• <i>Committee Organization – Whether the Committee is composed of appropriate number of Directors with the right balance of skills, experiences and backgrounds to ensure the proper</i>

		<i>performance of the roles and responsibilities of the Committee;</i> • <i>Committee Meetings – Whether the Committee had adequate number of meetings to sufficiently focus on significant matters of concern; and</i> • <i>Committee Processes and Procedures – Whether the Committee adopted processes and procedures to ensure timely resolution of matters before it.</i>
Individual Directors	<i>The directors are requested annually to answer a performance assessment survey form where they will evaluate their performance as a director and the performance of the Board. The directors may answer the survey anonymously. The Corporate Secretary summarizes the result of the survey.</i>	• <i>Knowledge – Whether the Director has an in-depth knowledge of the Corporation's business and strategic direction;</i> • <i>Participation – Whether the Director attended all, some or only a few of the meetings of the Board and of the committees in which he/she is a member, and whether he/she made valuable contributions in the discussion of matters before the Board and/or the committees; and</i> • <i>Fair Dealing – Whether the Director conducted fair business transactions with the Corporation and ensured that his/her personal interest did not conflict with the interest of the Corporation.</i>
CEO/President	<i>The performance of the Senior Management Group, including the Chairman and the President, are regularly evaluated. The Company uses an Evaluation System which includes self-assessment and discussions.</i>	<i>The company's Performance Evaluation System includes metrics, deliverables, accomplishments and development plan.</i>



REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI) SS.

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www.ayala.com.ph

SECRETARY'S CERTIFICATE

I, **SOLOMON M. HERMOSURA**, of legal age, being the duly elected, qualified, and incumbent Corporate Secretary of **AYALA CORPORATION** (the "Corporation"), a corporation duly organized and existing under the laws of the Republic of the Philippines, after having been duly sworn in accordance with law, do hereby certify that the following updates and changes in the Corporation's Annual Corporate Governance Report for the calendar year 2014 were presented to and noted by the Board of Directors at its meeting held on 4 December 2014:

Reason for Update	Update
To reflect the revisions made on the Board Charter and board committee charters.	Company policies and procedures on board diversity, limit on the number of board seats in other companies, selection/appointment, re-election, and disqualification of director, and assessment of the annual performance of the board and its committees and of the individual directors.
	Board of directors' duty to review annually the Company's mission and vision.
	Definition of independence and term limit for independent directors.
	Minimum quorum requirement for board meetings and decisions.
	Time frame for the distribution of board materials to the directors prior to meetings.
	Key responsibilities and powers of the board committees.
	The creation of a Risk Management Committee, the adoption of its charter, and the appointment of its members.
	Minority stockholders' right to nominate directors for election during annual meetings.
	Stockholders' right to vote by proxy and to vote by mail in cases of amendment of the Articles of Incorporation.
To comply with SEC MC No. 20, Series of 2013.	Attendance of the directors and senior management in a corporate governance seminar conducted by a SEC-accredited training provider.
To provide the salient points of the Code of Conduct and Ethics.	Policies on business conduct affecting directors, senior management and employees, and the implementation and monitoring of compliance of covered persons with the Code of Conduct and Ethics.

Annual update of information.	Directors' years of service, date of last election, shareholdings in the Company and directorships in other companies.
	Cash dividend declarations.
	Results of the annual stockholders' meeting and attendance of stockholders in the annual meeting.
	Election of new committee members for the Committee of Inspectors of Proxies and Ballots.

IN WITNESS WHEREOF, I have signed this Certificate this JAN 07 2015 at Makati City.


SOLOMON M. HERMOSURA
Corporate Secretary 

JAN 07 2015

SUBSCRIBED AND SWORN to before me this _____ at Makati City, the affiant exhibited to me, as competent evidence of identity, his Passport No. EB2913409 issued on 5 July 2011 by the Department of Foreign Affairs at Manila, Philippines.

Doc No. 347 ;
Page No. 77 ;
Book No. 11 ;
Series of 2015.

Notarial DST pursuant to
Sec. 188 of the Tax Code
affixed on Notary Public's copy.




VERA M. DE GUZMAN-OCFEMIA
Notary Public - Makati City
Appt. No. M285 until December 31, 2016
Attorney's Roll No. 55764
PTR No. 4748072MC; 01-05-2015; Makati City
IBP Lifetime Roll No. 0012406
MCLE Compliance No. V-0004769; 12/03/2014
3rd Floor, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines