

EXHIBIT “C”

SRC Rule 68, as Amended (2011)
{Schedules}

FIRST GEN CORPORATION AND SUBSIDIARIES

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

FORM 17-A, Item 7

December 31, 2015

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** These schedules, which are required by SRC Rule 68.1, have been omitted because they are either not required, not applicable or the information required to be presented is included in the Company's consolidated financial statements or in the related notes thereto.*

Receivables from certain officers and employees were made in the ordinary course of business.

The Company is not a financial guarantor of obligations of any unconsolidated entity.

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
First Gen Corporation
6th Floor, Rockwell Business Center Tower 3
Ortigas Avenue, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of First Gen Corporation and Subsidiaries as at December 31, 2015 and 2014 and for each of the three years in the period ended December 31, 2015, included in this Form 17-A and have issued our report thereon dated March 16, 2016. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The schedules listed in the Index to Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with Securities Regulation Code Rule 68, As Amended (2011), and are not part of the consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Johanna Feliza C. Go
Partner
CPA Certificate No. 0114122
SEC Accreditation No. 1414-A (Group A),
April 8, 2014, valid until April 7, 2017
Tax Identification No. 219-674-288
BIR Accreditation No. 08-001988-103-2014,
March 10, 2014, valid until March 9, 2017
PTR No. 5321642, January 4, 2016, Makati City

March 16, 2016



FIRST GEN CORPORATION AND SUBSIDIARIES

Schedule A. Financial Assets

December 31, 2015

(Amounts in U.S. Dollars and in Thousands)

Financial Assets	Name of Issuing Entity and Description of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Balance Sheet	Value Based on Market Quotations at Balance Sheet Date	Income Received and Accrued
Loans and receivables					
Cash and cash equivalents	N/A	N/A	\$ 730,463	N/A	\$ 9,851
Trade receivables - net of allowance for impairment losses	N/A	N/A	308,568	N/A	-
Due from related parties	N/A	N/A	2,021	N/A	-
Other receivables	N/A	N/A	6,893	N/A	-
Long-term receivables - net of allowance for impairment losses	N/A	N/A	727	N/A	-
Special deposits and funds	N/A	N/A	2,489	N/A	-
Other current assets	N/A	N/A	801	N/A	-
Available-for-Sale (AFS) financial assets					
Quoted equity securities	Various	Various	598	598	-
Quoted government debt securities	Various	Various	4,813	4,813	-
Corporate bonds	Various	Various	684	684	-
Investments in proprietary club membership shares	N/A	N/A	1,014	N/A	-
Financial Assets at FVPL	Security Bank	N/A	21,553	21,553	-
Financial Assets at FVPL	BDO Unibank Inc.	N/A	8,555	8,555	-
			\$ 1,089,179		\$ 9,851

FIRST GEN CORPORATION AND SUBSIDIARIES

Schedule C. Amounts Receivable from Related Parties which are Eliminated during Consolidation of Financial Statements

December 31, 2015

(Amounts in U.S. Dollars and in Thousands)

Receivable to Name of Subsidiary/ Counterparty	Beginning Balance	Additions	Collections	Reclassifications/ Revaluations	Amounts Written Off	Ending Balance		Amount Eliminated
						Current	Non-Current	
Subsidiaries:								
FGEN LNG Corporation	\$632	\$5	\$0	(\$3)	\$-	\$634	\$-	\$634
First Gen Energy Solutions Holdings, Inc.	3,157	5	(2,968)	(105)	-	89	-	89
First Gas Holdings Corporation	9,554	-	-	-	-	9,554	-	9,554
Prime Meridian Power Gen Corp.	-	83	-	(4)	-	79	-	79
Northern Terracotta Power Corp	7,164	4,553	-	(782)	-	10,935	-	10,935
First Gen Mindanao Hydro Power Corporation	2,559	116	-	(134)	-	2,541	-	2,541
First Gen Luzon Power Corp.	858	314	-	(59)	-	1,113	-	1,113
First Gen Prime Energy Corporation	1,119	743	-	(95)	-	1,767	-	1,767
AlliedGen Power Corporation	322	80	-	(21)	-	381	-	381
Blue Vulcan Holdings Corp.	-	359	-	(11)	-	348	-	348
First Gen Visayas Hydro Power Corporation	192	17	-	(11)	-	198	-	198
Gold silk Holdings Corporation	217	979	-	(51)	-	1,145	-	1,145
First Gen Premier Energy Corp.	206	-	-	(11)	-	195	-	195
First NatGas Power Corp.	98	116	(6)	(9)	-	199	-	199
FG Land Corporation	-	1,939	-	(52)	-	1,887	-	1,887
First Gas Power Corporation	96	-	-	(6)	-	90	-	90
FGen Cabadbaran Hydro Corporation	81	11	-	(4)	-	88	-	88
FGen Puyo Hydro Corporation	69	692	-	(32)	-	729	-	729
FG Bukidnon Power Corp.	53	1	(1)	(2)	-	51	-	51
FGen Bubunawan Hydro Corporation	108	688	-	(43)	-	753	-	753
FGEN LNG Holdings Corporation	68	3	-	(4)	-	67	-	67
FGen Northern Mindanao Holdings, Inc.	22	1	-	(2)	-	21	-	21
First Gen Energy Solutions Inc.	-	451	(24)	1	-	428	-	428
First Gen Visayas Energy Inc.	12	1	-	-	-	13	-	13
FGEN Power Ventures Inc.	282	110	-	(9)	-	383	-	383
First Gen Ecopower Solutions, Inc.	200	1	-	(11)	-	190	-	190
FG Mindanao Renewables Corp.	5	1	-	(2)	-	4	-	4
FGen Tumalaong Hydro Corporation	6	1	-	(1)	-	6	-	6
FGen Tagoloan Hydro Corporation	6	366	-	(10)	-	362	-	362
First Gen Meridian Holdings Inc.	1	106	(83)	(1)	-	23	-	23
Bluespark Management Limited - Representative Office	1	-	-	-	-	1	-	1
FGen Casecan Hydro Power Corp	1	1	-	-	-	2	-	2
FGen Reliable Energy Holdings, Inc.	-	1	-	-	-	1	-	1
FGen Vibrant Blue Sky Holdings, Inc	-	1	-	-	-	1	-	1
FGen Aqua Power Holdings, Inc.	-	1	-	-	-	1	-	1
FGEN Power Holdings, Inc	-	1	-	-	-	1	-	1
FGEN Prime Holdings, Inc	-	1	-	-	-	1	-	1
FGEN Liquefied Natural Gas Hol	-	1	-	-	-	1	-	1
FGen Power Solutions Inc,	-	1	-	-	-	1	-	1
FGen Fuel Line System, Inc.	-	1	-	-	-	1	-	1
Red Vulcan Holdings Corporation	10,367	273	-	(323)	-	10,317	-	10,317
Prime Terracota Holdings Corporation	1,118	85	(412)	(40)	-	751	-	751
	\$38,574	\$12,109	(\$3,494)	(\$1,837)	\$-	\$45,352	\$-	\$45,352

FIRST GEN CORPORATION AND SUBSIDIARIES

Schedule D. Intangible Assets - Other Assets

December 31, 2015

(Amounts in U.S. Dollars and in Thousands)

Description	Beginning Balance	Additions At Cost	Deductions		Other Changes- Additions (Deductions)*	Ending Balance
			Charged to Costs and Expenses	Charged to Other Accounts		
A) Goodwill and Intangible assets						
Goodwill	\$1,079,493	\$-	\$-	\$-	(\$53,229)	\$1,026,264
Concession rights for contracts acquired - net of amortization	79,860	-	(12,946)	-	(3,487)	63,427
Water rights - net of amortization	36,297	-	(2,123)	-	(1,726)	32,448
Pipeline rights - net of amortization	5,875	-	(602)	-	-	5,273
Rights to Use Transmission Line	-	1,152	-	-	-	1,152
Other intangible asset - net of amortization	5,989	311	(1,063)	(2,713)	(168)	2,356
	\$1,207,514	\$1,463	(\$16,734)	(\$2,713)	(\$58,610)	\$1,130,920
B) Other Assets						
Input value added tax - net of allowance for impairment	\$94,862	\$-	(\$1,365)	(\$6,900)	\$1,439	\$88,036
Exploration and evaluation assets	62,645	6,256	(250)	-	(3,339)	65,312
Tax credit certificates	54,257	2,166	-	-	-	56,423
Prepaid major spare parts	43,117	26,424	-	-	-	69,541
Deferred debt issuance costs	17,171	545	-	(10,509)	-	7,207
AFS financial assets	7,416	-	-	(3,061)	-	4,355
Derivative assets	4,513	-	-	2,366	-	6,879
Special deposits and funds	2,446	43	-	-	-	2,489
Prepaid expenses	8,368	2,992	-	-	-	11,360
Long-term receivables - net of allowance for impairment losses	763	155	(306)	-	115	727
Retirement assets	4,310	-	1,199	(540)	(1,745)	3,224
Others	8,803	28,445	-	(32)	-	37,216
	\$308,671	\$67,026	(\$722)	(\$18,676)	(\$3,530)	\$352,769

* Pertains to foreign exchange translations of Intangible and Other assets of First Gen subsidiaries using the Philippine Peso as its functional currency to U.S. dollar.

FIRST GEN CORPORATION AND SUBSIDIARIES

Schedule E. Long-term Debt

December 31, 2015

(Amounts in U.S. Dollars and in Thousands)

Name of Issuer and Type of Obligation	Total Loans - net	Amount Shown as Current - net	Amount Shown as Long-term - net	Remarks
Parent Company				
\$300M Senior Unsecured Notes	\$297,053	\$-	\$297,053	
\$200M Term Loan	198,487	5,697	192,790	
FGP Corp. Term Loan Facility	355,124	33,407	321,717	
First Gas Power Corporation				
Covered Facility with nine foreign banks	220,029	17,641	202,388	
Uncovered Facility with nine foreign banks	52,720	25,941	26,779	
FNPC KfW Facility	176,099	-	176,099	
Energy Development Corporation				
EDC \$300M Notes	297,991	-	297,991	
Peso Public Bonds	74,189	74,189	-	
International Finance Corporation Loan	106,392	12,340	94,052	
Peso Fixed Rate Note Facility	138,948	4,938	134,010	
Refinanced Syndicated Term Loan	104,479	17,129	87,350	
Peso Fixed Rate Bonds	146,692	-	146,692	
\$80M Term Loan	75,826	3,609	72,217	
P291.2 M Term Loan	6,140	-	6,140	
Bac-Man Geothermal Inc.				
P5.0B Term Loan	105,210	12,522	92,688	
EDC Burgos Wind Power Corporation				
\$37.5M Commercial Debt Facility	35,593	1,592	34,001	
\$150.0M ECA Debt Facility	141,071	6,075	134,996	
P5.6B Commercial Debt Facility	114,714	5,186	109,528	
Green Core Geothermal Inc				
P8.5B Term Loan	168,354	21,332	147,022	
Red Vulcan Staple Financing	79,955	35,935	44,020	
FG Hydro PNB Loan	67,733	8,128	59,605	
	\$2,962,799	\$285,661	\$2,677,138	

Note: Balances shown are already net of the unamortized portion of debt issuance costs as of December 31, 2015 in compliance with PAS 32, "Financial Instruments: Presentation." Please refer to Note 14 of the consolidated financial statements for additional information.

FIRST GEN CORPORATION AND SUBSIDIARIES

Schedule H. Capital Stock

December 31, 2015

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of Shares Held By		
				Affiliates	Directors, Officers and Employees	Others
Redeemable preferred stock Series "B"	1,000,000,000	1,000,000,000	-	1,000,000,000	-	-
Redeemable preferred stock Series "E"	1,500,000,000	468,553,892	-	468,553,892	-	-
Redeemable preferred stock Series "F" *	100,000,000	63,635,000	-	16,745,930		46,889,070
Redeemable preferred stock Series "G"	135,000,000	133,750,000	-	50,296,450	105,000	83,348,550
Common stock **	5,000,000,000	3,602,068,857	-	2,366,115,459	39,907,774	1,196,045,624

Note: Please refer to Note 16 of the consolidated financial statements for additional information regarding the movements in Capital stock.

** Total number of redeemable preferred stock Series "F" issued and outstanding is net of preferred stocks held in treasury totalling to 36,365,000 as of December 31, 2015.*

*** Total number of common stocks issued and outstanding is net of common stocks held in treasury totalling to 58,874,700 as of December 31, 2015.*

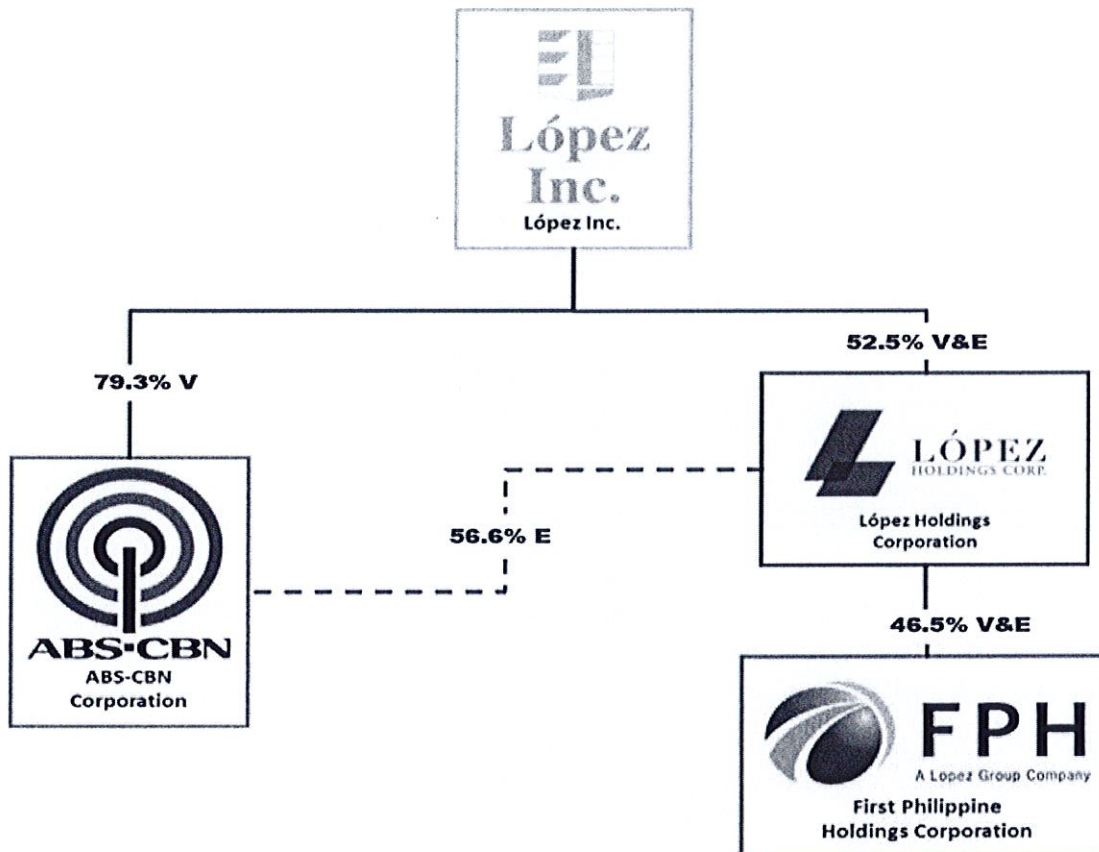
FIRST GEN CORPORATION**SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS****AVAILABLE FOR DIVIDEND DECLARATION****DECEMBER 31, 2015****(Amounts in U.S. Dollars and in Thousands)**

Unappropriated retained earnings, beginning		\$519,530
Add (less) adjustments:		
Non-actual/ unrealized income (net of tax) from previous periods	(\$48,848)	
Treasury shares	(80,557)	(129,405)
Unappropriated retained earnings, as adjusted to available for dividend declaration, beginning		390,125
Net income during the period closed to retained earnings	332,252	
Less: Non-actual/unrealized income net of tax		
Equity in net income of associate/joint venture	—	
Unrealized foreign exchange gain - net (except those attributable to cash and cash equivalents)	—	
Unrealized actuarial gain	662	
Fair value adjustment (mark-to-market gains)	—	
Fair value adjustment of investment property resulting to gain	—	
Deferred tax asset that reduced the amount of income tax expense	—	
Adjustment due to deviation from PFRS/GAAP-gain	—	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	—	
Subtotal	662	
Add: Non-actual losses		
Depreciation on revaluation increment (after tax)	—	
Adjustment due to deviation from PFRS/GAAP - loss	—	
Loss on fair value adjustment of investment property (after tax)	—	
Subtotal	—	
Net income actual/realized during the year		331,590
Add (less):		
Dividends declaration during the period	(64,226)	
Appropriations of retained earnings during the period	—	
Reversals of appropriations	—	
Effects of prior period adjustments	—	
Treasury shares	(32,652)	
		(96,878)
TOTAL RETAINED EARNINGS, AS ADJUSTED TO AVAILABLE FOR DIVIDEND DECLARATION, END		\$624,837



MAP OF RELATIONSHIPS OF THE COMPANIES WITHIN THE LOPEZ GROUP

*MAP OF THE COMPANIES WITHIN THE LOPEZ GROUP
DECEMBER 31, 2015*

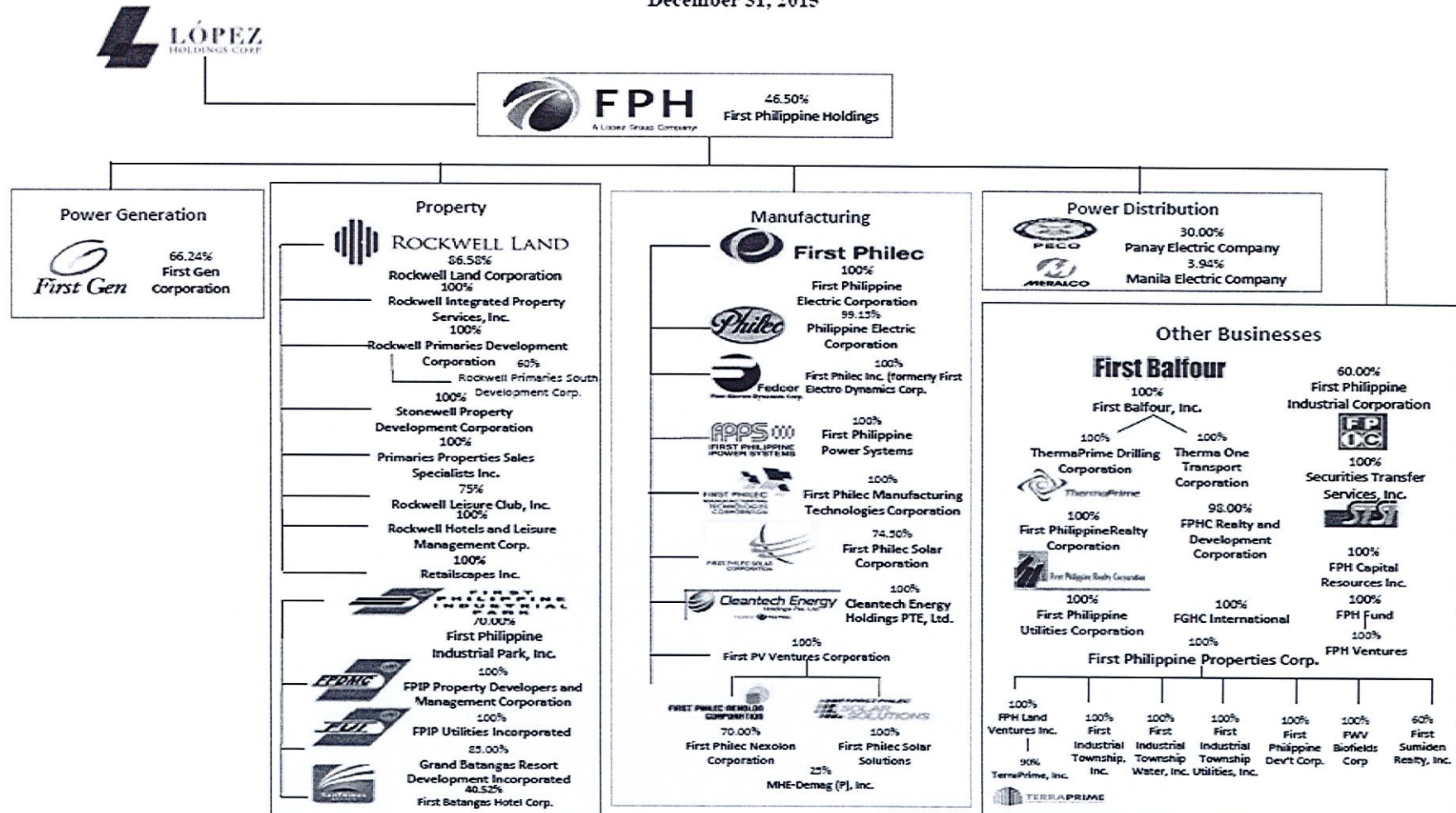


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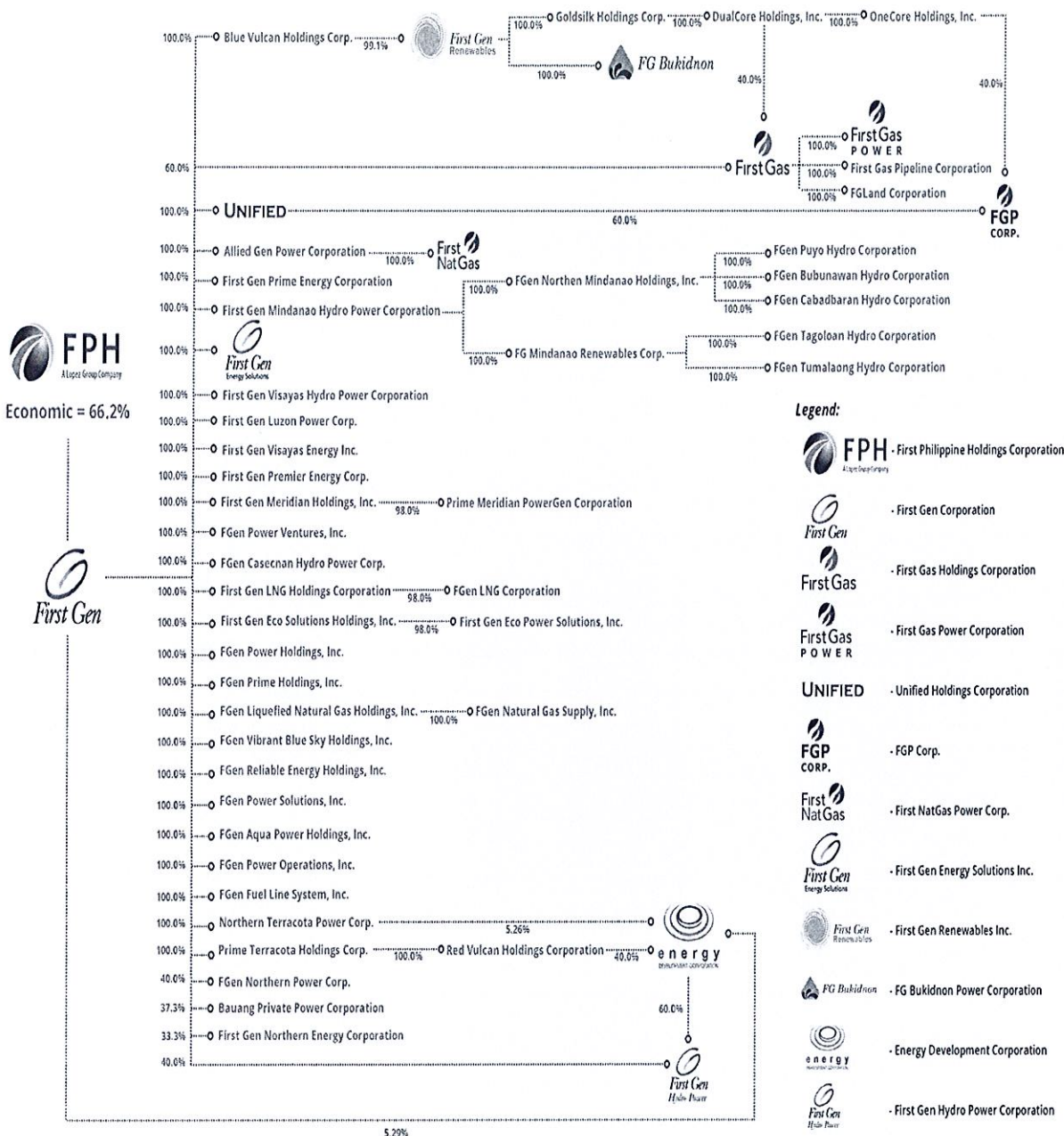
E = Economic

V = Voting

FIRST PHILIPPINE HOLDINGS CORP. AND SUBSIDIARIES
CORPORATE STRUCTURE
 December 31, 2015



*FPH's Corporate Structure as of December 31, 2015



FGEN's Corporate Structure as of December 31, 2015

FIRST GEN CORPORATION AND SUSIDIARIES

SCHEDULE OF ALL EFFECTIVE STANDARDS AND INTERPRETATIONS DECEMBER 31, 2015

List of Philippine Financial Reporting Standards (PFRSs) and Philippine Interpretations Committee (PIC) Q&A's effective as of December 31, 2015:

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
PFRSs Practice Statement Management Commentary			✓	
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			✓
PFRS 2	Share-based Payment	✓		
PFRS 3 (Revised)	Business Combinations	✓		
PFRS 4	Insurance Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources	✓		
PFRS 7	Financial Instruments: Disclosures	✓		
PFRS 8	Operating Segments	✓		
PFRS 9	Financial Instruments*	Not Early Adopted		
PFRS 10	Consolidated Financial Statements	✓		
	Amendments to PFRS 10: Investment Entities - Applying the Consolidation Exception*	Not Early Adopted		
PFRS 11	Joint Arrangements			✓
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations*	Not Early Adopted		
PFRS 12	Disclosure of Interests in Other Entities	✓		
PFRS 13	Fair Value Measurement	✓		
PFRS 14	Regulatory Deferral Accounts*	Not Early Adopted		
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendments to PAS 1: Disclosure Initiatives*	Not Early Adopted		
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		

*Standards and interpretations which will become effective subsequent to December 31, 2015.



PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
PAS 16	Property, Plant and Equipment	✓		
	Amendments to PAS 16: Clarification of Acceptable Methods of Depreciation*	Not Early Adopted		
	Amendments to PAS 16: Bearer Plants*	Not Early Adopted		
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19 (Amended)	Employee Benefits	✓		
	Amendments to PAS 19: Defined Benefit Plans: Employee Contribution		✓	
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
PAS 23 (Revised)	Borrowing Costs	✓		
PAS 24 (Revised)	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Amended)	Separate Financial Statements			✓
	Amendments to PAS 27: Equity Method in Separate Financial Statements*	Not Early Adopted		
PAS 28 (Amended)	Investments in Associates and Joint Ventures			✓
	Amendments to PAS 28: Investment Entities - Applying the Consolidation Exception*	Not Early Adopted		
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Disclosure and Presentation	✓		
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
PAS 36	Impairment of Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		

*Standards and interpretations which will become effective subsequent to December 31, 2015.



PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
PAS 38	Intangible Assets	✓		
	Amendments to PAS 38: Clarification of Acceptable Methods of Amortization*	Not Early Adopted		
PAS 39	Financial Instruments: Recognition and Measurement	✓		
PAS 40	Investment Property			✓
PAS 41	Agriculture			✓
	Amendments to PAS 41: Bearer Plants*	Not Early Adopted		
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	✓		
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✓		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	✓		
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓
IFRIC 8	Scope of PFRS 2	✓		
IFRIC 9	Reassessment of Embedded Derivatives	✓		
IFRIC 10	Interim Financial Reporting and Impairment			✓
IFRIC 11	PFRS 2 - Group and Treasury Share Transactions	✓		
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			
IFRIC 15	Agreements for the Construction of Real Estate*	Not Early Adopted		
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓

*Standards and interpretations which will become effective subsequent to December 31, 2015.



PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies	✓		
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-15	Operating Leases - Incentives			✓
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓
SIC-29	Service Concession Arrangements: Disclosures			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓

**Standards and interpretations which will become effective subsequent to December 31, 2015.*

Note: Standards and interpretations tagged as "Not Applicable" are those standards and interpretations which were adopted but the entity has no significant covered transaction as at and for the years ended December 31, 2015 and 2014.



EXHIBIT “D”

Audit Committee Report for the Year 2015



REPORT OF THE AUDIT COMMITTEE
OF
FIRST GEN CORPORATION
(For the year ended December 31, 2015)

The Audit Committee's roles and responsibilities are defined in First Gen Corporation's (First Gen) Manual on Corporate Governance and Audit Committee Charter. The Audit Committee assists the Board of Directors of the company in fulfilling its oversight responsibility relating to the following matters: (a) financial statements; (b) financial reporting processes and internal control systems; and (c) audit plan, scope and performance of independent auditors.

In this regard, the Audit Committee of First Gen confirms that:

1. The Chairman of the Audit Committee is an Independent Director.
2. The Audit Committee conducted three (3) meetings in 2015.
3. The Audit Committee reviewed and discussed, together with management, the interim quarterly reports and financial statements; and with management and the company's independent auditors SyCip Gorres Velayo & Co., the year-end audited consolidated financial statements. These activities were performed in the context of:
 - Management being primarily responsible for the financial statements and financial reporting process; and
 - SyCip Gorres Velayo & Co. being responsible for expressing an opinion on the conformity of First Gen's consolidated financial statements with Philippine Financial Reporting Standards.
4. The Audit Committee discussed and approved the overall scope of the engagement of SyCip Gorres Velayo & Co., and the Internal Audit Group's annual plan.
5. For the year ended December 31, 2015, SyCip Gorres Velayo & Co. was engaged to perform the following non-audit related services:
 - Issuance of agreed-upon procedures (AUP) report for the increase in authorized capital stock of various subsidiaries;
 - Issuance of AUP report for the conversion of advances/deposits for future stock subscriptions into equity;
 - Conduct of transfer pricing studies; and
 - Conduct of various seminars.
6. The Audit Committee discussed the report on regulatory compliance and found the requirements to have been complied with.

Based on the reviews and discussions undertaken and subject to the limitations on the Audit Committee's roles and responsibilities referred to above, the Audit Committee recommends to the Board of Directors of First Gen that the audited consolidated financial statements for the years ended December 31, 2015 and 2014 be included in the Annual Report for the year ended December 31, 2015, which report will be filed with the Philippine Stock Exchange, Inc. (PSE) and the Securities and Exchange Commission (SEC).

The Audit Committee further recommends to the Board of Directors of First Gen the re-appointment of SyCip Gorres Velayo & Co. as the company's independent auditors for 2016 – 2017. This recommendation is made based on the review of the performance and qualifications of SyCip Gorres Velayo & Co.

March 16, 2016.



JAIME I. AYALA
Chairman



TONY TAN CAKTIONG
Member



PETER D. GARRUCHO JR.
Member



ELPIDIO L. IBÁÑEZ
Member

EXHIBIT “E”

Annual Corporate Governance Report for the year 2015

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

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A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	9
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Actual number of Directors for the year	9
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(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
Oscar M. Lopez	NED	First Philippine Holdings Corp. (FPH)	FPH (through then FPH President and COO Elpidio L. Ibañez)	December 1998	May 13, 2015	Annual General Meeting	17
Federico R. Lopez	ED	FPH	-same-	December 1998	May 13, 2015	-same-	17
Francis Giles B. Puno	ED	FPH	-same-	August 2005	May 13, 2015	-same-	10
Richard B. Tantoco	ED	FPH	-same-	August 2005	May 13, 2015	-same-	10
Peter D. Garrucho Jr.	NED	FPH	-same-	December 1998	May 13, 2015	-same-	17
Elpidio L. Ibañez	NED	FPH	-same-	December 1998	May 13, 2015	-same-	17
Eugenio L. Lopez III	NED	FPH	-same-	September 2009	May 13, 2015	-same-	6
Tony Tan Caktiong	ID	-	Jason Kyle M. Sarenas (no relation)	April 2005	May 13, 2015 (Served 3 full years as ID)	-same-	10
Jaime I. Ayala	ID	-	Ronald A. Cuizon (no relation)	May 2013	May 13, 2015 (Currently on his 3 rd year as ID)	-same-	2

- (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.

CORPORATE GOVERNANCE POLICY - The board of directors, management and employees of the company commit themselves to the principles and best practices contained in the Manual on Corporate Governance, and acknowledge that the same will guide the attainment of the Corporation's mission, vision and corporate goals. The manual intends to institutionalize the principles of good corporate governance. The board of directors, management, employees and shareholders of the Corporation believe that corporate governance is a necessary component of what constitutes sound strategic business management to improve the economic and commercial prosperity of the Corporation and enhance shareholder value. They will therefore undertake

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

every effort necessary to create awareness within the Corporation.

DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS - The board shall have the principal responsibility of ensuring the Corporation's compliance with the principles of good corporate governance. Corollary to setting the policies for the accomplishment of corporate objectives, the board shall provide an independent check on management. It shall be the board's duty and responsibility to foster the long-term success of the Corporation and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Corporation, and in proper cases, its shareholders and other stakeholders. The board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.

Further, the board has the following specific duties and functions to implement corporate governance principles: establish a process for the selection of qualified and competent directors and officers and adopt an effective succession planning program for management; determine the Corporation's purpose, vision and mission, and strategies to carry out its objectives; provide sound strategic policies and guidelines to the Corporation on major capital expenditures; ensure that the Corporation complies with all relevant laws, regulations and best business practices; identify the Corporation's major and other stakeholders and formulate a clear policy of accurate, timely and effective communication with them; establish and maintain an investor relations program that will keep the Corporation's stockholders informed of important developments in the Corporation; adopt a system of internal checks and balances and conduct a regular review of the effectiveness of such a system to ensure the integrity of the decision-making and reporting processes; identify key risk areas and key performance indicators and monitor these factors with due diligence to enable the Corporation to anticipate and prepare for possible threats to its operational and financial viability; properly discharge board functions by meeting regularly; independent views during board meetings shall be given due consideration and all such meetings shall be duly minuted; keep board authority within the powers of the Corporation as prescribed in its Articles of Incorporation and By-laws, and in existing laws, rules and regulations; and as may be deemed proper by the board, establish and maintain an alternative dispute resolution system in the Corporation to allow for the amicable settlement of conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties.

DISCLOSURE DUTIES - The reports or disclosures required under the manual shall be prepared and submitted to the SEC by the responsible committee or corporate officer, as the case may be. The board shall commit at all times to fully disclose material information dealings of the Corporation as required by applicable laws. Disclosures shall be filed with the Philippine Stock Exchange, Inc. (PSE) and the Securities and Exchange Commission (SEC) and posted on the company's website within the period prescribed by applicable rules and regulations.

DISCLOSURE AND TRANSPARENCY - The essence of corporate governance is transparency. The more transparent the internal workings of the Corporation are, the more difficult it will be for management and the dominant stockholders to mismanage the Corporation or misappropriate its assets. It is essential that all material information about the Corporation which could adversely affect its viability or the interests of its stockholders as a whole be publicly and timely disclosed. Such information should include, among others, earnings results, acquisition or disposition of assets, off-balance sheet transactions, related party transactions, and remuneration of members of the board and management. All such information should be disclosed through the appropriate exchange mechanisms and submissions to the SEC.

RESPECT FOR THE RIGHTS OF MINORITY SHAREHOLDERS AND OTHER STAKEHOLDERS – The board recognizes and shall respect the rights of the stockholders under the law, the Articles of Incorporation and By-laws, specifically the stockholders' rights 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 rights. The board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the Corporation. It is the duty of the board to promote the rights of 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 board should take 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 arrive at a sound judgment pertaining to matters brought to their attention for consideration or approval. All stockholders should be treated equally and without discrimination, and the board should consider granting

minority stockholders the right to propose the holding of meetings as may be proper under the circumstances and the items for discussion in the agenda that relate directly to the business of the Corporation.

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

The Corporation's vision and mission are reviewed by the board of directors during its Strategic Board Update which is conducted annually. Such vision and mission were revisited and affirmed by the directors during their annual board update held on September 14, 2015.

Following their establishment and confirmation of the company's vision and mission, the company's directors accordingly formulated the corporate strategy to be executed by management. Overseeing the implementation of corporate strategies by management is one of the primary responsibilities of the company's directors.

(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.
Oscar M. Lopez	First Philippine Holdings Corp. Bauang Private Power Corp. FG Bukidnon Power Corp. First Gen Energy Solutions, Inc. First Gen Geothermal Power Corp. First Gen Luzon Power Corp. First Gen Visayas Hydro Power Corp. First Gen Mindanao Hydro Power Corp. First Gen Premier Energy Corp. First Gen Prime Energy Corp. First Gen Renewables, Inc. First Gen Visayas Energy Inc. Northern Terracotta Power Corp. Prime Terracota Holdings Corp. Red Vulcan Holdings Corp. First Gas Pipeline Corp. First Gas Holdings Corp. FGLand Corp. FGP Corp. First Gas Power Corp. First NatGas Power Corp. Alliedgen Power Corp. Unified Holdings Corp. Energy Development Corp. Bacman Energy Development Corp. Unified Leyte Geothermal Energy Inc. Southern Negros Geothermal, Inc. Bacman Geothermal Inc. EDC Burgos Wind Power Corp. EDC Wind Energy Holdings Inc. Green Core Geothermal Inc. EDC Geothermal Corp. First Gen Hydro Power Corp. Lopez Holdings Corp. Rockwell Land Corp.	Executive (First Philippine Holdings Corp.) and non-executive

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

	ABS-CBN Corp.	
Federico R. Lopez	First Philippine Holdings Corp. Bauang Private Power Corp. Blue Vulcan Holdings Corp. FG Bukidnon Power Corp. First Gen Energy Solutions, Inc. First Gen Geothermal Power Corp. First Gen Luzon Power Corp. First Gen Visayas Hydro Power Corp. First Gen Mindanao Hydro Power Corp. FG Mindanao Renewables Corp. FGEN Northern Mindanao Holdings, Inc. FGEN Tagoloan Hydro Corp. FGEN Tumalaong Hydro Corp. FGEN Bubunawan Hydro Corp. FGEN Cabadbaran Hydro Corp. FGEN Puyo Hydro Corp. First Gen Northern Energy Corp. First Gen Premier Energy Corp. First Gen Prime Energy Corp. First Gen Renewables, Inc. First Gen Visayas Energy Inc. Northern Terracotta Power Corp. Prime Meridian Powergen Corp. Prime Terracota Holdings Corp. Red Vulcan Holdings Corp. First Gas Pipeline Corp. First Gas Holdings Corp. FGLand Corp. FGP Corp. First Gas Power Corp. First NatGas Power Corp. Alliedgen Power Corp. Unified Holdings Corp. Goldsilk Holdings Corp. OneCore Holdings, Inc. DualCore Holdings, Inc. Energy Development Corp. Kayabon Geothermal, Inc. EDC Mindanao Geothermal Inc. Bacman Energy Development Corp. Unified Leyte Geothermal Energy Inc. Southern Negros Geothermal, Inc. Bacman Geothermal Inc. EDC Burgos Wind Power Corp. EDC Wind Energy Holdings Inc. Green Core Geothermal Inc. EDC Geothermal Corp. First Gen Hydro Power Corp. FGEN Power Ventures, Inc. FGEN LNG Corporation First Gen LNG Holdings Corporation FGEN Aqua Power Holdings Inc. FGEN Power Holdings, Inc. FGEN Power Solutions, Inc. FGEN Prime Holdings, Inc. FGEN Reliable Energy Holdings, Inc. FGEN Vibrant Blue Sky Holdings, Inc. FGEN Eco Solutions Holdings, Inc. First Gen Meridian Holdings, Inc. FGEN Fuel Line System, Inc. FGEN Power Operations, Inc. FGEN Natural Gas Supply, Inc.	Executive
Francis Giles B. Puno	First Philippine Holdings Corp. Bauang Private Power Corp.	Executive

	Blue Vulcan Holdings Corp. FG Bukidnon Power Corp. First Gen Energy Solutions, Inc. First Gen Geothermal Power Corp. First Gen Luzon Power Corp. First Gen Visayas Hydro Power Corp. First Gen Mindanao Hydro Power Corp. FG Mindanao Renewables Corp. FGEN Northern Mindanao Holdings, Inc. FGEN Tagoloan Hydro Corp. FGEN Tumalaong Hydro Corp. FGEN Bubunawan Hydro Corp. FGEN Cabadbaran Hydro Corp. FGEN Puyo Hydro Corp. First Gen Northern Energy Corp. First Gen Premier Energy Corp. First Gen Prime Energy Corp. First Gen Renewables, Inc. First Gen Visayas Energy Inc. Northern Terracotta Power Corp. Prime Terracota Holdings Corp. Prime Meridian Powergen Corp. Red Vulcan Holdings Corp. First Gas Pipeline Corp. First Gas Holdings Corp. FGLand Corp. FGP Corp. First Gas Power Corp. First NatGas Power Corp. Alliedgen Power Corp. Unified Holdings Corp. Goldsilk Holdings Corp. OneCore Holdings, Inc. DualCore Holdings, Inc. Energy Development Corp. Kayabon Geothermal, Inc. EDC Mindanao Geothermal Inc. Bacman Energy Development Corp. Unified Leyte Geothermal Energy Inc. Southern Negros Geothermal, Inc. Bacman Geothermal Inc. EDC Burgos Wind Power Corp. EDC Wind Energy Holdings Inc. Green Core Geothermal Inc. EDC Geothermal Corp. First Gen Hydro Power Corp. FGEN Power Ventures, Inc. FGEN Northern Power Corp. FGEN LNG Corporation First Gen LNG Holdings Corporation FGEN Aqua Power Holdings Inc. FGEN Power Holdings, Inc. FGEN Power Solutions, Inc. FGEN Prime Holdings, Inc. FGEN Reliable Energy Holdings, Inc. FGEN Vibrant Blue Sky Holdings, Inc. FGEN Eco Solutions Holdings, Inc. First Gen Meridian Holdings, Inc. FGEN Fuel Line System, Inc. FGEN Power Operations, Inc. FGEN Natural Gas Supply, Inc.	
Richard B. Tantoco	Blue Vulcan Holdings Corp. First Gen Energy Solutions, Inc. First Gen Geothermal Power Corp. First Gen Luzon Power Corp.	Executive

	First Gen Visayas Hydro Power Corp. First Gen Mindanao Hydro Power Corp. FG Mindanao Renewables Corp. FGEN Northern Mindanao Holdings, Inc. FGEN Tagoloan Hydro Corp. FGEN Tumalaong Hydro Corp. FGEN Bubunawan Hydro Corp. FGEN Cabadbaran Hydro Corp. FGEN Puyo Hydro Corp. First Gen Premier Energy Corp. First Gen Prime Energy Corp. First Gen Renewables, Inc. First Gen Visayas Energy Inc. Northern Terracotta Power Corp. Prime Terracota Holdings Corp. Prime Meridian Powergen Corp. Red Vulcan Holdings Corp. First Gas Pipeline Corp. First Gas Holdings Corp. FGLand Corp. FGP Corp. First Gas Power Corp. First NatGas Power Corp. Goldsilk Holdings Corp. OneCore Holdings, Inc. DualCore Holdings, Inc. Energy Development Corp. Kayabon Geothermal, Inc. EDC Mindanao Geothermal Inc. Bacman Energy Development Corp. Unified Leyte Geothermal Energy Inc. Southern Negros Geothermal, Inc. Bacman Geothermal Inc. EDC Burgos Wind Power Corp. EDC Wind Energy Holdings Inc. Green Core Geothermal Inc. EDC Geothermal Corp. First Gen Hydro Power Corp. FGEN Power Ventures, Inc. FGEN Northern Power Corp. FGEN LNG Corporation First Gen LNG Holdings Corporation FGEN Aqua Power Holdings Inc. FGEN Power Holdings, Inc. FGEN Power Solutions, Inc. FGEN Prime Holdings, Inc. FGEN Reliable Energy Holdings, Inc. FGEN Vibrant Blue Sky Holdings, Inc. FGEN Eco Solutions Holdings, Inc. First Gen Meridian Holdings, Inc. FGEN Fuel Line System, Inc. FGEN Power Operations, Inc. FGEN Natural Gas Supply, Inc.	
Peter D. Garrucho Jr.	First Philippine Holdings Corp. FG Bukidnon Power Corp. First Gen Energy Solutions, Inc. First Gen Geothermal Power Corp. First Gen Luzon Power Corp. First Gen Visayas Hydro Power Corp. First Gen Mindanao Hydro Power Corp. First Gen Premier Energy Corp. First Gen Prime Energy Corp. First Gen Renewables, Inc. First Gen Visayas Energy Inc. Red Vulcan Holdings Corp.	Non-executive

	First Gas Pipeline Corp. First Gas Holdings Corp. FGLand Corp. FGP Corp. First Gas Power Corp. First NatGas Power Corp. Alliedgen Power Corp. Unified Holdings Corp. Energy Development Corp. First Gen Hydro Power Corp.	
Elpidio L. Ibañez	First Philippine Holdings Corp. Bauang Private Power Corp. FG Bukidnon Power Corp. First Gen Geothermal Power Corp. First Gen Luzon Power Corp. First Gen Visayas Hydro Power Corp. First Gen Mindanao Hydro Power Corp. FG Mindanao Renewables Corp. FGEN Northern Mindanao Holdings, Inc. FGEN Tagoloan Hydro Corp. FGEN Tumalaong Hydro Corp. FGEN Bubunawan Hydro Corp. FGEN Cabadbaran Hydro Corp. FGEN Puyo Hydro Corp. Northern Terracotta Power Corp. First Gas Pipeline Corp. First Gas Holdings Corp. FGLand Corp. FGP Corp. First Gas Power Corp. First NatGas Power Corp. Alliedgen Power Corp. Unified Holdings Corp. Energy Development Corp. Kayabon Geothermal, Inc. EDC Mindanao Geothermal Inc. Green Core Geothermal Inc. EDC Geothermal Corp. Rockwell Land Corp. Bayan Telecommunications Holdings Corporation Bayan Telecommunications Inc.	Executive (First Philippine Holdings Corp.) and non-executive
Eugenio L. Lopez III	ABS-CBN Corp. First Philippine Holdings Corp. Bauang Private Power Corp. Lopez Holdings Corp. Sky Vision Corporation Rockwell Land Corp. Bayan Telecommunications Holdings Corporation Bayan Telecommunications Inc.	Executive and non-executive
Tony Tan Caktiong	n/a	n/a
Jaime I. Ayala	n/a	n/a

(ii) Directorship in Other Listed Companies

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

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Tony Tan Caktiong	Philippine Long Distance Telephone	Non-executive

	Company	
	Jollibee Foods Corporation	Chairman
	Double Dragon Properties Corp.	Co-Chairman

(iii) Relationship within the Company and its Group

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

Director's Name	Name of the Significant Shareholder	Description of the relationship
Oscar M. Lopez	First Philippine Holdings Corp.	Director, Chairman Emeritus and Chief Strategic Officer
Federico R. Lopez	First Philippine Holdings Corp.	Director, Chairman and Chief Executive Officer
Elpidio L. Ibañez	First Philippine Holdings Corp.	Director
Francis Giles B. Puno	First Philippine Holdings Corp.	Director, President and Chief Operating Officer
Richard B. Tantoco	First Philippine Holdings Corp.	Executive Vice President
Eugenio L. Lopez III	First Philippine Holdings Corp.	Director

- (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:

Under Section 3.4.2 of the company's Manual on Corporate Governance, one of the specific duties of a director is to devote time and attention to the company necessary to properly and effectively perform his duties and responsibilities. In compliance with the said provision, the company's Nomination and Governance Committee duly considers the number of board seats in other companies which are held by a nominee in its evaluation of the candidate's fitness and suitability. In conjunction with other qualifications and requirements, this ensures that a director's ability to serve the Corporation will not be compromised by reason of his directorships in other companies.

(c) 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:

(As of December 31, 2015)

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Oscar M. Lopez	4,375,520		0.12%
		Through Consuelo R. Lopez – 235,050	0.01%
		Through Ma. Consuelo R. Lopez – 75,000	0.00%
Federico R. Lopez	5,568,983		0.15%
	Federico R. Lopez ITF Juan Roberto Daniel Lopez – 414		0.00%
	Federico Daniel R. Lopez ITF Juan Roberto Daniel Lopez – 414		0.00%
		Through Monina D. Lopez – 264,738	0.01%
Francis Giles B. Puno	6,985,130		0.19%
	Francis Giles B. Puno and/or Ma. Patricia D. Puno – 1,105,800		0.03%
Richard B. Tantoco	4,504,620		0.12%
Peter D. Garrucho Jr.	6,887,004		0.19%
Elpidio L. Ibañez	1,900,000		0.05%
Eugenio L. Lopez III	150		0.00%

Tony Tan Caktiong	165		0.00%
Jaime I. Ayala	1		0.00%
TOTAL	31,902,989		0.87%

2) Chairman and CEO

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

Yes ☐

No ☐ / ☐

Although one person occupies the positions of Chairman and Chief Executive Officer, this does not in any way deter the exchange of independent views among the members of the board of directors. In the first place, there are only 3 executive directors out of the total 9 directors. Of the remaining 6 non-executive directors, 2 are independent directors. These 2 independent directors are recognized experts in their respective areas and are highly regarded by their peers. The views and opinions they express during board meetings are given serious consideration by the other directors as well as management. Moreover, each director is provided an opportunity to raise an issue which is not in the agenda, and free-flowing discussion is highly encouraged.

Secondly, the Audit Committee, which is tasked to assist the directors in its oversight responsibilities for financial reporting, internal control systems, internal audit activities, and compliance with key regulatory requirements, among others, is headed by an Independent Director. The company believes that this arrangement provides an efficient system of checks and balances among the members of the board. Further, the composition of the Audit Committee was increased to four (4), of which two (2) are independent directors.

Thirdly, there is a check on the power of the Chairman to call a meeting and set the agenda. Article II, Section 5 of the By-Laws provides that regular meetings may be held at such times and upon such notice as may be fixed by resolution of the board of directors. Further, special meetings may be called by the President or by written request of any five (5) directors.

For the above reasons, the Corporation firmly believes that it has in place sufficient safeguards to ensure sound corporate governance notwithstanding the fact that the positions of Chairman and CEO are held by one individual.

Identify the Chair and CEO:

Chairman of the Board	Federico R. Lopez
CEO/President	CEO – Federico R. Lopez President – Francis Giles B. Puno

(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 acts as the company's representative. He is also primarily responsible for providing leadership to the board of directors.	The CEO is in charge of the general management and administration of the Corporation. He is responsible for providing leadership to the business of the company.
Accountabilities	1. He takes the chair at stockholders' and board of directors' meetings. 2. He chairs the Nomination and Governance Committee to help ensure that each board election results in a mix of proficient directors.	1. He formulates the company's plans, policies and strategies and helps ensure their implementation. 2. He provides leadership and guidance to the company's executives, and evaluates their performance.

	3. He provides assistance to ensure compliance with the Corporation's Manual on Corporate Governance. 4. He exercises such other powers as may be conferred upon him by the board of directors.	3. He oversees the operation of the business and evaluates the performance of the company.
Deliverables	1. He ensures the orderly conduct of shareholders' and board of directors' meetings by supervising the preparation of the agenda in coordination with the Corporate Secretary, and taking into consideration any suggestions from the President, management and other directors. He ensures that the directors receive accurate and timely information on matters brought before the board. He encourages the exchange of views and opinions with the end view of arriving at a resolution that is beneficial to the company. 2. He ensures that there exists open lines of communication among the directors, especially between the executive and non-executive directors, and makes certain that the views and opinions expressed by the independent directors are given due importance and consideration.	1. He ensures that the company's business follows a path that is consistent with agreed plans, policies and strategies. 2. He ensures effective communication among the company's executives to ensure that everyone is working towards achieving the same goals and aspirations. 3. He provides stockholders information on the business of the Corporation during the Annual General Meeting.

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

The board ensures the continuous development of management personnel through training, cross posting, stretch assignments, and special projects. Personnel with potential to be promoted to higher positions are identified through annual competency evaluation.

- 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 company's Manual on Corporate Governance requires the members of the company's Nomination and Governance Committee to review and evaluate the qualifications of all persons nominated to the board to ensure that each board election will result in a mix of proficient directors, each of whom will be able to add value and bring prudent judgment to the board. The committee does not discriminate against any person by reason of that person's age, race, sex, religion, and marital status.

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 members of the Nomination and Governance Committee, in their evaluation of the qualifications of nominees for board members, ensure that there is at least one non-executive director with extensive experience in the power industry. Director Peter D. Garrucho Jr., who does not presently form part of the company's executive management team, was previously Managing Director for Energy of company parent First Philippine Holdings Corp., Vice Chairman/CEO of First Gen and the First Gas group of companies, and Presidential Adviser on Energy Affairs during the term of President Fidel V. Ramos.

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

	Executive	Non-Executive	Independent Director
Role	Executive directors provide leadership for the business of the company	Non-executive directors ensure that the board will be able to fulfill its responsibilities and meet its objectives	Independent directors provide impartial guidance and advice to the board based on their competence and expertise
Accountabilities	They are accountable to the company, its officers and employees, and the company's stakeholders	They are accountable to the board of directors, the company and its stakeholders	They are accountable to the company and its stakeholders
Deliverables	Executive directors shall provide guidance on the company's operations and activities	Non-executive directors shall guide the board in fulfilling its fiduciary and statutory duties and responsibilities	Independent directors shall exert such impartial influence as shall help assure that the board fulfills its duties

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

Pursuant to Article II Section 2 of the company's By-Laws, an Independent Director is a director independent of the management of the Corporation, who is neither an officer nor employee of the Corporation, its parent or subsidiaries, or any other individual having a relationship with the Corporation, and who, apart from his fees and shareholdings, is free from any business or other relationship with the company which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director of the Corporation. The Independent Directors are independent of the company's substantial shareholders.

The company strictly complies with the above definition of independence. The Nomination and Governance Committee, in its review and evaluation of the qualifications of persons nominated for election to the board, ensures that a nomination for independent director is in full compliance with the company's By-Laws, Manual on Corporate Governance, and Rule 38 of the Securities Regulation Code. The committee likewise ensures that no relationship exists between the nominator and nominee.

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 automatically adopted SEC Memorandum Circular No. 9 (Series of 2011) providing for 5 consecutive years as the term limit for independent directors counted from January 2012, with a possibility for re-election for a maximum of 5 consecutive years; provided, however, that the relevant independent director has undergone a 2-year cooling off period prior to his re-election. Hence, independent directors who have reached the 5-year term limit will no longer be eligible for re-election during the immediately succeeding election.

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

(a) Resignation/Death/Removal

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

There were no changes in the board of directors during the period 2014-2015.

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

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

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors	The Nomination and Governance Committee passes upon the qualifications of nominees for executive and non-executive directors. It shall pre-screen and shortlist all candidates to the board, and make recommendations to the board on qualified nominees. Article II Section 2 of the By-laws requires that all nominations for election of directors be submitted in writing to the board of directors at least 30 working days prior to the date of the meeting. The names, credentials and business experience of all qualified nominees are duly indicated in the company's Information Statement which is distributed to all stockholders entitled to vote for the directors pursuant to SRC Rule 20. During the meeting for the election of directors, stockholders vote for or against the election of such nominees to the board.	The Nomination and Governance Committee passes upon the qualifications of persons nominated for election as executive and non-executive directors based on the criteria provided in the By-laws and Manual on Corporate Governance. The committee may utilize the services of external search firms to select and recommend nominees for election to the board, as well as undertake the process of identifying the qualifications of directors. These qualifications are aligned with the company's strategic direction. Once the committee is in receipt of the names and background details of the proposed candidates, the committee members meet to discuss and deliberate on the qualifications and suitability of said nominees. The committee then makes a recommendation to the board on the final list of nominees. The Manual on Corporate Governance and the Corporation's By-laws provide for the following criteria for membership in the board of directors, which criteria is aligned with the company's strategic direction: • should possess personal integrity, have the ability to appreciate and understand financial statements and other pertinent corporate documents; and understand the need to prevent conflict of interest with the Corporation. • Should not be engaged in any business or activity which competes with or is antagonistic to that of the Corporation or any of its subsidiaries and affiliates; • Should not have any finding against him by
(ii) Non-Executive Directors		

		final and executory judgment by the SEC or a court or other administrative body of competent jurisdiction of a willful serious violation, or willful aiding, abetting, counseling, inducing, or procuring of the serious violation of any material provision of the SRC, the Corporation Code, or any other law administered by the SEC or the BSP, or any material rule, regulation or order of the SEC or BSP; • Should not be judicially declared to be insolvent; • Should not have a finding against him by final judgment by a foreign court or equivalent regulatory authority with competent jurisdiction, of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs; • Should not have committed patently unlawful act(s) and/or other act(s) deemed prejudicial or inimical to the reputation and/or interest of the Corporation; • Should not have committed acts causing undue injury to the Corporation, its subsidiaries or affiliates, or committed acts causing injury to another corporation while acting as a director therein; • Should not have committed gross negligence or bad faith in directing the affairs of another corporation where he served as a director or officer
(iii) Independent Directors	The Nomination and Governance Committee passes upon the qualifications of nominees for independent directors. It shall pre-screen and shortlist all candidates to the board, and make recommendations to the board on qualified nominees. In accordance with SRC Rule 38, the committee shall prepare a final list of candidates for independent directors. The final list shall contain all the information about the nominees,	The Nomination and Governance Committee passes upon the qualifications of persons nominated for election as independent directors in accordance with the criteria provided in the company's By-laws and Manual on Corporate

	and form part of the Information Statement which is distributed to all stockholders entitled to vote. During the meeting for the election of directors, stockholders vote for or against the election of such independent directors.	Governance, and SRC Rule 38. An independent director should be independent from the management of the company, as an officer or employee of the company, its parent or subsidiaries, or any other individual having a relationship with the company and who, apart from his fees and shareholdings, is free from any business or other relationship with the Corporation which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities. The committee may utilize the services of external search firms to select and recommend nominees, as well as undertake the process of identifying the qualifications of directors. These qualifications are aligned with the company's strategic direction. Once the committee is in receipt of the names and background details of the proposed candidates for independent directors, the committee members meet to discuss and deliberate on the qualifications and suitability of said nominees. The committee then makes a recommendation to the board on the final list of nominees.
b. Re-appointment		
(i) Executive Directors	The Nomination and Governance Committee passes upon the qualifications of persons nominated for re-election as executive and non-executive directors. It shall pre-screen and shortlist all candidates to the board, and make recommendations to the board on qualified nominees. Article II Section 2 of the By-laws requires that all nominations for election of directors be submitted in writing to the board of directors at least 30 working days prior to the date of the meeting. The names, credentials, business experience, as well as date of first election to the board, of all qualified nominees are duly indicated in the company's Information Statement which is distributed to all stockholders entitled to vote for the directors pursuant to SRC Rule 20. During the meeting for the election of directors, stockholders vote for or against the re-election of such	The Nomination and Governance Committee passes upon the qualifications of persons nominated for re-election as executive and non-executive directors based on the criteria provided in the By-laws and Manual on Corporate Governance. The committee members meet to discuss and deliberate on the qualifications and suitability of said nominees for re-election. The committee then makes a recommendation to the board on the final list of nominees.
(ii) Non-Executive Directors		

	nominees to the board.	The Manual on Corporate Governance and the Corporation's By-laws provide for the following criteria for membership in the board of directors: • should possess personal integrity, have the ability to appreciate and understand financial statements and other pertinent corporate documents; and understand the need to prevent conflict of interest with the Corporation. • Should not be engaged in any business or activity which competes with or is antagonistic to that of the Corporation or any of its subsidiaries and affiliates; • Should not have a finding against him by final and executory judgment by the SEC or a court or other administrative body of competent jurisdiction of a willful serious violation, or willful aiding, abetting, counseling, inducing, or procuring of the serious violation of any material provision of the SRC, the Corporation Code, or any other law administered by the SEC or the BSP, or any material rule, regulation or order of the SEC or BSP; • Should not have been judicially declared to be insolvent; • Should not have a finding against him by final judgment by a foreign court or equivalent regulatory authority with competent jurisdiction, of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs; • Should not have previously committed patently unlawful act(s) and/or other act(s) deemed prejudicial or inimical to the reputation
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		and/or interest of the Corporation; • Should not have committed acts causing undue injury to the Corporation, its subsidiaries or affiliates, or committed acts causing injury to another corporation while acting as a director therein; • Should not have previously committed gross negligence or bad faith in directing the affairs of another corporation where he served as a director or officer
(iii) Independent Directors	The Nomination and Governance Committee passes upon the qualifications of persons nominated for re-election as independent directors. It shall pre-screen and shortlist all candidates to the board, and make recommendations to the board on qualified nominees. In accordance with SRC Rule 38, the committee shall prepare a final list of candidates for independent directors. The final list shall contain all the information about the nominees, including the date of first appointment as independent director and any relationship between the nominating stockholder and the nominee for independent director, and form part of the Information Statement which is distributed to all stockholders entitled to vote. During the meeting for the election of directors, stockholders vote for or against the re-election of such independent directors.	The Nomination and Governance Committee passes upon the qualifications of persons nominated for re-election as independent directors in accordance with the criteria provided in the company's By-laws and Manual on Corporate Governance, and SRC Rule 38. An independent director should be independent from the management of the company, as an officer or employee of the company, its parent or subsidiaries, or any other individual having a relationship with the company and who, apart from his fees and shareholdings, is free from any business or other relationship with the Corporation which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities. The committee members meet to discuss and deliberate on the qualifications and suitability of said nominees for re-election. The committee then makes a recommendation to the board on the final list of nominees.
c. Permanent Disqualification		
(i) Executive Directors	The Nomination and Governance Committee passes upon the qualifications of executive and non-executive directors based on the criteria provided in the By-laws and Manual on Corporate Governance. In the event the committee, by	Under the Manual on Corporate Governance, the following shall be grounds for the permanent disqualification of a director:
(ii) Non-Executive Directors		

	majority vote, finds a ground for the permanent disqualification of a director, it shall make a recommendation to the board of directors. Pursuant to the By-laws, a director can be disqualified from continuing in office in the event that any of the disqualification grounds provided therein occurs subsequent to his election. Should the board determine that a non-executive director should be disqualified from continuing in office, it shall submit the same to the stockholders for their ratification by a 2/3 vote. However, in accordance with Section 28 of the Corporation Code, a special meeting of the stockholders to consider the removal of a director may be called by the secretary on order of the president, or on written demand of majority of the stockholders.	• Conviction by final judgment or order by a competent judicial or administrative body of any crime that: [i] involves the purchase or sale of securities as defined in the SRC; [ii] arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or [iii] arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them; • After hearing, being permanently enjoined by a final judgment or order of the SEC or any court or administrative body of competent jurisdiction from: [i] acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; [ii] acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; [iii] engaging in or continuing any conduct or practice in any of the capacities mentioned in [i] and [ii], or willfully violating the laws that govern securities and banking activities;
(iii) Independent Directors	The Nomination and Governance Committee passes upon the qualifications of independent directors based on the criteria provided in the By-laws, Manual on Corporate Governance, and SRC Rule 38. In the event the committee, by majority vote, finds a ground for the permanent disqualification of an independent director, it shall make a recommendation to the board of directors. Pursuant to the By-laws, a director can be disqualified from continuing in office in the event that any of the disqualification grounds provided therein occurs subsequent to his election. Should the board determine that an independent director should be disqualified from continuing in office, it shall submit the same to the stockholders for their ratification by a 2/3 vote. However, in accordance with Section 28 of the Corporation Code, a special meeting of the stockholders to consider the removal of a director may be called by the secretary on order of the president, or on written demand of majority of the stockholders.	The disqualification shall also apply if such person is currently the subject of an order of the SEC or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, SRC or any other law administered by the SEC or

		the BSP, or under any rule or regulation issued by the SEC or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization. • Conviction by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts; • Being adjudged by final judgment or order of the SEC, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, SRC or any other law administered by the SEC or the BSP, or any of its rule, regulation or order; • Becoming an officer, employee or consultant of the Corporation where he serves as an Independent Director; • Being judicially declared insolvent; • Being found guilty by final judgment by order of a foreign court or equivalent financial regulatory authority with competent jurisdiction of acts, violations or misconduct similar to any of the acts, violations or misconduct listed (a) to (e) above; or • Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six years, or a violation of
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		the Corporation Code committed within five years prior to the date of his election or appointment.
d. Temporary Disqualification		
(i) Executive Directors	The Nomination and Governance Committee passes upon the qualifications of executive and non-executive directors based on the criteria provided in the By-laws and Manual on Corporate Governance. In the event the committee, by majority vote, finds a ground for the temporary disqualification of an executive director, it shall make a recommendation to the board of directors. Pursuant to the By-laws, a director can be disqualified from continuing in office in the event that any of the disqualification grounds provided therein occurs subsequent to his election. Section 4.1.5 of the Manual on Corporate Governance provides that a temporarily disqualified director shall, within 60 business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent. In view thereof, the board shall duly advise the director of his temporary disqualification and give him the requisite 60-business day period within which to remedy the disqualification. If the board is satisfied that the disqualification has been duly remedied within the said period, it shall declare the director as having regained his qualification to sit in the board. If however the director fails to remedy the disqualification within the said period, the board of directors shall consider the same to be a permanent disqualification and submit to the stockholders for their ratification by a 2/3 vote the matter of the removal of the said director. In accordance with Section 28 of the Corporation Code, a special meeting of the stockholders to consider the removal of a director may be called by the secretary on order of the president, or on written demand of majority of the stockholders. The Nomination and Governance Committee passes upon the qualifications of independent directors based on the criteria provided in the By-laws, Manual on Corporate Governance, and SRC Rule 38. In the event the committee, by majority vote, finds a ground for the temporary disqualification of a director, it shall make a recommendation to the board of directors. Pursuant to the By-laws, a director can be disqualified from continuing in office in the event that any of the disqualification grounds provided therein occurs subsequent to his election. Section 4.1.5 of the Manual on Corporate Governance provides that a temporarily disqualified director shall, within 60 business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the	The following may be considered as grounds for the temporary disqualification of a director: • Refusal to comply with the disclosure requirements of the SRC and its Implementing Rules and Regulations; the disqualification shall be in effect as long as the refusal persists; • Absence in more than fifty percent of all board meetings during his incumbency or any twelve-month period during the said incumbency, unless the absence is due to illness, death in the immediate family, or serious accident; the disqualification shall apply for purposes of the succeeding election; • Dismissal or termination for cause from directorship in any corporation covered by the SRC; the disqualification shall be in effect until the person has cleared himself from any involvement in the cause that gave rise to his dismissal or termination; • If the beneficial equity ownership of an Independent Director in the Corporation or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock; the disqualification shall be lifted if the limit is later complied with; • If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.
(ii) Non-Executive Directors		
(iii) Independent Directors		

	disqualification shall become permanent. In view thereof, the board shall duly advise the director of his temporary disqualification and give him the requisite 60-business day period within which to remedy the disqualification. If the board is satisfied that the disqualification has been duly remedied within the said period, it shall declare the director as having regained his qualification to sit in the board. If however the director fails to remedy the disqualification within the said period, the board of directors shall consider the same to be a permanent disqualification and submit to the stockholders for their ratification by a 2/3 vote the matter of the removal of the said director. In accordance with Section 28 of the Corporation Code, a special meeting of the stockholders to consider the removal of a director may be called by the secretary on order of the president, or on written demand of majority of the stockholders.	
e. Removal		
(i) Executive Directors	The Nomination and Governance Committee passes upon the qualifications of executive and non-executive directors based on the criteria provided in the By-laws and Manual on Corporate Governance. In the event the committee, by majority vote, finds a ground for the permanent disqualification of an executive director, it shall make a recommendation to the board of directors. Pursuant to the By-laws, a director can be disqualified and removed from office in the event that any of the disqualification grounds provided therein occurs subsequent to his election. Should the board determine that an executive director should be disqualified and removed from office, it shall submit the matter to the stockholders for their ratification by a 2/3 vote. However, in accordance with Section 28 of the Corporation Code, a special meeting of the stockholders to consider the removal of a director may be called by the secretary on order of the president, or on written demand of majority of the stockholders.	Article II Section 3 of the company’s By-laws as well as Section 4.1.5 of the Manual on Corporate Governance provide for the criteria for the permanent disqualification and removal of a director. Article 15 of the manual provides that a violation of any provision of the manual by any member of the board of directors shall be a sufficient cause for removal from directorship.
(ii) Non-Executive Directors		
(iii) Independent Directors		
f. Re-instatement		

(i) Executive Directors	The Nomination and Governance Committee passes upon the qualifications of executive and non-executive directors based on the criteria provided in the By-laws and Manual on Corporate Governance. In the event the committee, by majority vote, finds a ground for the temporary disqualification or suspension of an executive director, it shall make a recommendation to the board of directors. Pursuant to the By-laws, a director can be disqualified from continuing in office in the event that any of the disqualification grounds provided therein occurs subsequent to his election. Section 4.1.5 of the Manual on Corporate Governance provides that a temporarily disqualified director shall, within 60 business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent. In view thereof, the board shall duly advise the director of his temporary disqualification and give him the requisite 60-business day period within which to remedy the disqualification, during which time he will be suspended from office. If the board is satisfied that the disqualification has been duly remedied within the said period, it shall declare the director as having regained his qualification and order his reinstatement to the board.	Should a director who is temporarily disqualified or suspended based on the criteria provided in Article II Section 3 of the By-laws be able to remedy or correct the disqualification within the 60-day period prescribed by the Manual on Corporate Governance, the board shall declare the director as having regained his qualification and order his reinstatement.
(ii) Non-Executive Directors		
(iii) Independent Directors	The Nomination and Governance Committee passes upon the qualifications of independent directors based on the criteria provided in the By-laws, Manual on Corporate Governance, and SRC Rule 38. In the event the committee, by majority vote, finds a ground for the temporary disqualification or suspension of an independent director, it shall make a recommendation to the board of directors. Pursuant to the By-laws, a director can be disqualified from continuing in office in the event that any of the disqualification grounds provided therein occurs subsequent to his election. Section 4.1.5 of the Manual on Corporate Governance provides that a temporarily disqualified director shall, within 60 business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent. In view thereof, the board shall duly advise the director of his temporary disqualification and give him the requisite 60-business day period within which to remedy the disqualification, during which time he will be suspended from office. If the board is satisfied that the disqualification has been duly remedied within the said period, it shall declare the director as having regained his qualification and order his reinstatement to the board.	Should an independent director who is temporarily disqualified or suspended based on the criteria provided in Article II Section 3 of the By-laws be able to remedy or correct the disqualification within the 60-day period prescribed by the Manual on Corporate Governance, the board shall declare the director as having regained his qualification and order his reinstatement.
g. Suspension		
(i) Executive Directors	The Nomination and Governance Committee passes upon the qualifications of executive and non-executive directors based on the criteria provided in the By-laws and Manual on Corporate	The following may be considered as grounds for the temporary disqualification of a director:
(ii) Non-Executive Directors		

	Governance. In the event the committee, by majority vote, finds a ground for the temporary disqualification or suspension of an executive director, it shall make a recommendation to the board of directors. Pursuant to the By-laws, a director can be disqualified from continuing in office in the event that any of the disqualification grounds provided therein occurs subsequent to his election. Section 4.1.5 of the Manual on Corporate Governance provides that a temporarily disqualified director shall, within 60 business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent. In view thereof, the board shall duly advise the director of his temporary disqualification and give him the requisite 60-business day period within which to remedy the disqualification, during which time he will be suspended from office. If the board is satisfied that the disqualification has been duly remedied within the said period, it shall declare the director as having regained his qualification to sit in the board. If however the director fails to remedy the disqualification within the said period, the board of directors shall consider the same to be a permanent disqualification and submit to the stockholders for their ratification by a 2/3 vote the matter of the removal of the said director. In accordance with Section 28 of the Corporation Code, a special meeting of the stockholders to consider the removal of a director may be called by the secretary on order of the president, or on written demand of majority of the stockholders.	• Refusal to comply with the disclosure requirements of the SRC and its Implementing Rules and Regulations; the disqualification shall be in effect as long as the refusal persists; • Absence in more than fifty percent of all board meetings during his incumbency or any twelve-month period during the said incumbency, unless the absence is due to illness, death in the immediate family, or serious accident; the disqualification shall apply for purposes of the succeeding election; • Dismissal or termination for cause from directorship in any corporation covered by the SRC; the disqualification shall be in effect until the person has cleared himself from any involvement in the cause that gave rise to his dismissal or termination; • If the beneficial equity ownership of an Independent Director in the Corporation or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock; the disqualification shall be lifted if the limit is later complied with; • If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.
(iii) Independent Directors	The Nomination and Governance Committee passes upon the qualifications of independent directors based on the criteria provided in the By-laws, Manual on Corporate Governance, and SRC Rule 38. In the event the committee, by majority vote, finds a ground for the temporary disqualification or suspension of an independent director, it shall make a recommendation to the board of directors. Pursuant to the By-laws, a director can be disqualified from continuing in office in the event that any of the disqualification grounds provided therein occurs subsequent to his election. Section 4.1.5 of the Manual on Corporate Governance provides that a temporarily disqualified director shall, within 60 business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent. In view thereof, the board shall duly advise the director of his temporary disqualification and give him the requisite 60-business day period within which to remedy the disqualification, during which time he will be suspended from office. If the board is satisfied that the disqualification has been duly remedied within the said period, it shall declare the director as having regained his qualification to sit in the board. If however the director fails to remedy the disqualification within	

	the said period, the board of directors shall consider the same to be a permanent disqualification and submit to the stockholders for their ratification by a 2/3 vote the matter of the removal of the said director. In accordance with Section 28 of the Corporation Code, a special meeting of the stockholders to consider the removal of a director may be called by the secretary on order of the president, or on written demand of majority of the stockholders.	
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6) Orientation and Education Program

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

Pursuant to Section 10 of the company's Manual on Corporate Governance, the board may require a newly-elected director to attend a seminar on corporate governance conducted by any duly-recognized private or government institution. The company also conducts a briefing for newly-elected directors so that they can familiarize themselves with the company's operations, senior management, business environment, strategies and current issues. The Manual on Corporate Governance also provides that newly-elected directors be inducted in terms of their fiduciary duties and responsibilities as well as in respect of the board's expectations. Appropriate training opportunities for both existing and potential directors may from time to time be identified and undertaken.

Independent Director Jaime I. Ayala, who was first elected on May 8, 2013, attended Strategic Board Updates held on October 16, 2013, October 1, 2014, and September 14, 2015.

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

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Oscar M. Lopez	August 24, 2015	Corporate Governance	SyCip Gorres Velayo & Co.
	October 2014	Executive Learning Session by Dr. Ronald Heifetz	Senior Lecturer, Harvard Kennedy School
	August 2014	Corporate Governance	SyCip Gorres Velayo & Co.
	September 2014	Strategic Board Update	
	October 2014	Creating and Preserving Value Through Contracts: What All FPH Execs Must Know	Bonoan Law Firm
	February 2013	Executive Learning Session by Deepak Malhotra	Eli Goldston Professor, Harvard Business School
	June 2013	Executive Learning Session by Richard Greene	Cal Entertainment
	August 2013	Lopez Group HR Summit - Heroic Leadership Executive	Heroic Leadership Philippines

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

	November 2013 June 2012	Learning Session by Ranjay Gulati	Jaime & Josefina Chua Tiampo, Professor, Harvard Business School
Federico R. Lopez	August 24, 2015 March 2015 August 2014 November 24, 2014 October 2014 February 2013 June 2013 August 2013 October 2013 June 2012 and September 2012	Corporate Governance Executive Learning Workshop – Scaling Up Executive Learning Session by Dr. Ronald Heifetz Corporate Governance Strategic Board Update Creating and Preserving Value Through Contracts: What All FPH Execs Must Know Executive Learning Session by Deepak Malhotra Executive Learning Session by Richard Greene Strategic Board Update Executive Learning Session by Ranjay Gulati	Sycip Gorres Velayo & Co. Verne Harnish Senior Lecturer, Harvard Kennedy School SyCip Gorres Velayo & Co. Bonoan Law Firm Eli Goldston Professor, Harvard Business School Cal Entertainment Jaime & Josefina Chua Tiampo, Professor, Harvard Business School
Elpidio L. Ibañez	August 24, 2015 March 2015 August 2014 September 2014 October 2014 February 2013 June 2013 October 2013 June 2012 and September 2012	Corporate Governance Executive Learning Workshop Executive Learning Session by Dr. Ronald Heifetz Corporate Governance Strategic Board Update Creating and Preserving Value Through Contracts: What All FPH Execs Must Know Executive Learning Session by Deepak Malhotra Strategic Board Update Executive Learning Session by Ranjay Gulati	SyCip Gorres Velayo & Co. Verne Harnish Senior Lecturer, Harvard Kennedy School SyCip Gorres Velayo & Co. Bonoan Law Firm Eli Goldston Professor, Harvard Business School Jaime & Josefina Chua Tiampo, Professor, Harvard Business School
Francis Giles B. Puno	August 24, 2015 May 2015 March 2015	Corporate Governance Low Carbon Investors Forum Executive Learning Workshop - Scaling Up	SyCip Gorres Velayo & Co. Private Equity International (PEI) Verne Harnish

	August 2014	Executive Learning Session by Dr. Ronald Heifetz	Senior Lecturer, Harvard Kennedy School
	November 2014	Corporate Governance	SyCip Gorres Velayo & Co.
	October 2014	Strategic Board Update	
	February 2013	Creating and Preserving Value Through Contracts: What All FPH Execs Must Know	Bonoan Law Firm
	June 2013	Executive Learning Session by Deepak Malhotra	Eli Goldston Professor, Harvard Business School
	August 2013	Executive Learning Session by Richard Greene	Cal Entertainment
	October 2013	Strategic Board Update	
	June 2012 and September 2012	Executive Learning Session by Ranjay Gulati	Jaime & Josefina Chua Tiampo, Professor, Harvard Business School
Richard B. Tantoco	August 24, 2015	Corporate Governance	SyCip Gorres Velayo & Co.
	March 2015	Executive Learning Workshop - Scaling Up	Verne Harnish
	August 2014	Executive Learning Session by Dr. Ronald Heifetz	Senior Lecturer, Harvard Kennedy School
	September 2014	Corporate Governance	SyCip Gorres Velayo & Co.
	October 2014	Strategic Board Update	
	February 2013	Creating and Preserving Value Through Contracts: What All FPH Execs Must Know	Bonoan Law Firm
	June 2013	Executive Learning Session by Deepak Malhotra	Eli Goldston Professor, Harvard Business School
	August 2013	Executive Learning Session by Richard Greene	Cal Entertainment
	October 2013	Strategic Board Update	
	June 2012 and September 2012	Executive Learning Session by Ranjay Gulati	Jaime & Josefina Chua Tiampo, Professor, Harvard Business School
Peter D. Garrucho Jr.	August 24, 2015	Corporate Governance	SyCip Gorres Velayo & Co.
	September 2014	Corporate Governance	SyCip Gorres Velayo & Co.
	October 2014	Strategic Board Update	
	October 2013	Strategic Board Update	
Eugenio L. Lopez III	September 23, 2015	Corporate Governance	SyCip Gorres Velayo & Co.
	September 2014	Corporate Governance	SyCip Gorres Velayo & Co.
Tony Tan Caktiong	September 7, 2015	Corporate Governance	Institute of Corporate Directors

	August 2014	Corporate Governance	SyCip Gorres Velayo & Co.
	October 2014	Strategic Board Update	
	October 2013	Strategic Board Update	
	November 2012	Navigating the New World of Business	
	November 2012	Corporate Governance Enhancement Session	PLDT
Jaime I. Ayala	August 24, 2015	Corporate Governance	SyCip Gorres Velayo & Co.
	September 2014	Corporate Governance	SyCip Gorres Velayo & Co.
	October 2014	Strategic Board Update	
	October 2013	Strategic Board Update	

Continuing education programs for directors: programs and seminars and roundtables attended during the years 2015 and 2014:

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Oscar M. Lopez	August 24, 2015	Corporate Governance	SyCip Gorres Velayo & Co.
	September 2014	Corporate Governance	SyCip Gorres Velayo & Co.
Federico R. Lopez	August 24, 2015	Corporate Governance	SyCip Gorres Velayo & Co.
	March 2015	Executive Learning Workshop – Scaling Up	Verne Harnish
	November 2014	Corporate Governance	Sycip Gorres Velayo & Co.
Francis Giles B. Puno	August 24, 2015	Corporate Governance	SyCip Gorres Velayo & Co.
	March 2015	Executive Learning Workshop - Scaling Up	Verne Harnish
	November 2014	Corporate Governance	SyCip Gorres Velayo & Co.
Richard B. Tantoco	August 24, 2015	Corporate Governance	SyCip Gorres Velayo & Co.
	March 2015	Executive Learning Workshop - Scaling Up	Verne Harnish
	August 2014	Executive Learning Session by Dr. Ronald Heifetz	Senior Lecturer, Harvard Kennedy School
	September 2014	Corporate Governance	SyCip Gorres Velayo & Co.
	October 2014	Strategic Board Update	
Peter D. Garrucho Jr	August 24, 2015	Corporate Governance	SyCip Gorres Velayo & Co.
	September 2014	Corporate Governance	SyCip Gorres Velayo & Co.
Elpidio L. Ibanez	September 23, 2015	Corporate Governance	SyCip Gorres Velayo & Co.
	September 2014	Corporate Governance	SyCip Gorres Velayo & Co,
	March 2015	Executive Learning Workshop	Verne Harnish

	August 2014	Executive Learning Session by Dr. Ronald Heifetz	Senior Lecturer, Harvard Kennedy School
Eugenio L. Lopez III	September 23, 2015	Corporate Governance	SyCip Gorres Velayo & Co.
	September 2014	Corporate Governance	Sycip Gorres Velayo & Co.
Tony Tan Caktiong	September 7, 2015	Corporate Governance	Institute of Corporate Directors
	August 2014	Corporate Governance	SyCip Gorres Velayo & Co.
	October 2014	Strategic Board Update	
Jaime I. Ayala	August 24, 2015	Corporate Governance	SyCip Gorres Velayo & Co.
	September 2014	Corporate Governance	SyCip Gorres Velayo & Co.
	August 2014	Strategic Board Update	

B. CODE OF BUSINESS CONDUCT & ETHICS

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

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	The company has adopted a Policy on Conflict of Interest which provides that the Company directors, officers and employees owe a duty of loyalty to the company and its shareholders, and hence shall ensure that they do not have any business interest or activity that will tend to interfere with the proper performance of their duties and functions. A conflict of interest shall be considered material if the personal or business interest is or tends to be disadvantageous to the company, such as when a director, officer or employee stands to personally acquire or gain financial advantage at the expense of the company. If an actual or potential material conflict of interest should arise, the matter should be immediately reported to specific persons for proper investigation and resolution, and the implementation of corrective action. Further, the Manual on Corporate Governance provides that the board of directors shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities. The	The company has adopted a Policy on Conflict of Interest which provides that the Company directors, officers and employees owe a duty of loyalty to the company and its shareholders, and hence shall ensure that they do not have any business interest or activity that will tend to interfere with the proper performance of their duties and functions. A conflict of interest shall be considered material if the personal or business interest is or tends to be disadvantageous to the company, such as when a director, officer or employee stands to personally acquire or gain financial advantage at the expense of the company. If an actual or potential material conflict of interest should arise, the matter should be immediately reported to specific persons for proper investigation and resolution, and the implementation of corrective action. Further, the company Code on Employee Discipline lists down specific acts which constitute violations of the section regarding conflict of interest. The code provides that in such cases, the employee concerned will be made to give up the conflicting outside interest; otherwise the employee will be asked to resign.	

	manual also provides that a director should act in a manner characterized by transparency, accountability and fairness.		
(b) Conduct of Business and Fair Dealings	The Manual on Corporate Governance provides that the board of directors shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities. The manual also provides that a director should act in a manner characterized by transparency, accountability and fairness. Further, the Corporate Code of Conduct was established for the purpose of setting the principles and guidelines in the conduct of the company's businesses and dealings with the company's stakeholders – its shareholders, customers, partners, government and employees. All members of the board of directors, including the independent directors, are required to comply with the Corporate Code of Conduct. The directors' compliance with the provisions of the code is monitored by the board by way of inquiry on the individual directors' business transactions.	The Corporate Code of Conduct was established for the purpose of setting the principles and guidelines in the conduct of the company's businesses and dealings with the company's stakeholders – its shareholders, customers, partners, government and employees. All members of senior management are required to comply with the Corporate Code of Conduct. The Company Code on Employee Discipline prescribes the penalty of dismissal for acts of dishonesty. Compliance by senior management with the provisions of the Corporate Code of Conduct is monitored by way of inquiry on their business transactions, and a requirement for a full disclosure thereof.	The Corporate Code of Conduct was established for the purpose of setting the principles and guidelines in the conduct of the company's businesses and dealings with the company's stakeholders – its shareholders, customers, partners, government and employees. All employees of the company are required to comply with the Corporate Code of Conduct. The Company Code on Employee Discipline prescribes the penalty of dismissal for acts of dishonesty. Compliance by all employees with the provisions of the Corporate Code of Conduct is monitored by way of inquiry on their business transactions, and a requirement for a full disclosure thereof.
(c) Receipt of gifts from third parties	The Corporation has adopted a Policy on Anti-Bribery and Corruption which strictly prohibits any form of bribery and corruption within the company, as well as in dealing with its business partners, service providers, customers and governmental agencies and instrumentalities. The company is guided by the principle of ensuring that gifts and/or services which are customarily given in the ordinary course of business are appropriate to the occasion. Any act, attempt or allegation of bribery and corruption shall be treated seriously and dealt with swiftly. In handling any case of bribery or corruption, the company shall be guided by the Manual on Corporate Governance, Company Code on Employee Discipline, the Revised Penal Code, and other relevant laws and regulations pertaining to the said subject.	The Corporation has adopted a Policy on Anti-Bribery and Corruption which strictly prohibits any form of bribery and corruption within the company, as well as in dealing with its business partners, service providers, customers and governmental agencies and instrumentalities. The company is guided by the principle of ensuring that gifts and/or services which are customarily given in the ordinary course of business are appropriate to the occasion. Any act, attempt or allegation of bribery and corruption shall be treated seriously and dealt with swiftly. In handling any case of bribery or corruption, the company shall be guided by the Manual on Corporate Governance, Company Code on Employee Discipline, the Revised Penal Code, and other relevant laws and regulations pertaining to the said subject. Any act or attempt by a Company employee to commit bribery or corruption should be reported to the Human Resources Department, the Internal Audit Group or the employee's immediate supervisor. The procedure for reporting and the protection afforded by the Whistleblower Policy shall apply in each instance of reported bribery and corruption. In addition to the policy, the Company Code on Employee Discipline provides for the penalty of dismissal for soliciting or receiving money, gifts, or a share, percentage or benefits from any person, personally or through the mediation of another, to perform an act prejudicial to the company or as a condition for the performance of one's duty.	

	In addition to the policy, the Manual on Corporate Governance provides that the board of directors shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities. The manual also provides that a director should act in a manner characterized by transparency, accountability and fairness.	
(d) Compliance with Laws & Regulations	Under the Manual on Corporate Governance, the board may consider, as a ground for the temporary disqualification of a director, such director's refusal to comply with the disclosure requirements of the SRC and its IRR. Further, the manual provides that the Audit Committee shall assist the board in the performance of its oversight responsibility for, among others, the monitoring of compliance with applicable laws, rules and regulations. In reviewing the company's financial statements, the committee shall focus on, among others, compliance with tax, legal and regulatory requirements. Further, the Corporate Code of Conduct provides that the company recognizes the authority of the government. The company abides by their rules, orders and decisions, and strives to support activities which are aligned with its aspirations to fulfill its responsibilities as corporate citizens and members of society.	The Corporate Code of Conduct provides that the company recognizes the authority of the government. The company abides by their rules, orders and decisions, and strives to support activities which are aligned with its aspirations to fulfill its responsibilities as corporate citizens and members of society. The Manual on Corporate Governance provides that the Compliance Officer shall monitor compliance by the company with the provisions of the manual and the rules and regulations of regulatory agencies and, if violations are found, report the matter to the board of directors and recommend the imposition of appropriate disciplinary actions on the responsible parties and the adoption of measures to prevent a repetition of the violation.
(e) Respect for Trade Secrets/Use of Non-public Information	First Gen has adopted a Policy on Insider Trading. As a publicly-listed company, the company values the fairness and integrity of the securities markets in the Philippines, and works aggressively to protect and maintain the confidence and trust of its investors and shareholders. In line with this, the company has adopted a policy of prohibiting unlawful insider trading or any form of illegal transaction involving company securities. The policy is issued to serve as a guide in determining whether a trading activity involving company securities is unlawful. Under the policy, directors, officers, employees and their respective representatives shall not buy or	First Gen has adopted a Policy on Insider Trading. As a publicly-listed company, the company values the fairness and integrity of the securities markets in the Philippines, and works aggressively to protect and maintain the confidence and trust of its investors and shareholders. In line with this, the company has adopted a policy of prohibiting unlawful insider trading or any form of illegal transaction involving company securities. The policy is issued to serve as a guide in determining whether a trading activity involving company securities is unlawful. Under the policy, directors, officers, employees and their respective representatives shall not buy or sell company securities while in possession of material information which is not yet generally available to the public. Information shall be deemed material if such information is reasonably expected to affect investors' decisions in relation to the company's securities. Information shall be deemed not to have been generally available to the public if such has not yet been disclosed to the Securities and Exchange Commission, the Philippine Stock Exchange, Inc., or other relevant institutions as mandated by law. Any act, attempt or allegation of prohibited insider trading shall be treated seriously and dealt with appropriately and swiftly. In handling any case of prohibited insider trading, the company shall be guided

	sell company securities while in possession of material information which is not yet generally available to the public. Information shall be deemed material if such information is reasonably expected to affect investors' decisions in relation to the company's securities. Information shall be deemed not to have been generally available to the public if such has not yet been disclosed to the Securities and Exchange Commission, the Philippine Stock Exchange, Inc., or other relevant institutions as mandated by law. Any act, attempt or allegation of prohibited insider trading shall be treated seriously and dealt with appropriately and swiftly. In handling any case of prohibited insider trading, the company shall be guided by the Manual on Corporate Governance, Company Code on Employee Discipline, the Securities Regulation Code, and other relevant laws and regulations pertaining thereto. Any act or attempt by a director, officer or employee to commit prohibited insider trading should be reported to the Human Resources Department, the Internal Audit Group or the employee's immediate supervisor. The procedure for reporting and the protection afforded by the Whistleblower Policy shall apply in each instance of reported prohibited insider trading. In addition to the policy, the Manual on Corporate Governance provides that the board of directors shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities. The manual also provides that a director should act in a manner characterized by transparency, accountability and fairness.	by the Manual on Corporate Governance, Company Code on Employee Discipline, the Securities Regulation Code, and other relevant laws and regulations pertaining thereto. Any act or attempt by a director, officer or employee to commit prohibited insider trading should be reported to the Human Resources Department, the Internal Audit Group or the employee's immediate supervisor. The procedure for reporting and the protection afforded by the Whistleblower Policy shall apply in each instance of reported prohibited insider trading. In addition to the policy, the Company Code on Employee Discipline provides for the penalty of dismissal for acts constituting violations of the confidentiality of work and information.
(f) Use of Company Funds, Assets and Information	First Gen has adopted a Policy on Insider Trading. As a publicly-listed company, the company values the fairness and integrity of the securities markets in the Philippines, and	First Gen has adopted a Policy on Insider Trading. As a publicly-listed company, the company values the fairness and integrity of the securities markets in the Philippines, and works aggressively to protect and maintain the confidence and trust of its investors and shareholders. In line with this, the company has adopted a policy of prohibiting unlawful insider trading or any form of illegal transaction

	works aggressively to protect and maintain the confidence and trust of its investors and shareholders. In line with this, the company has adopted a policy of prohibiting unlawful insider trading or any form of illegal transaction involving company securities. The policy is issued to serve as a guide in determining whether a trading activity involving company securities is unlawful. Under the policy, directors, officers, employees and their respective representatives shall not buy or sell company securities while in possession of material information which is not yet generally available to the public. Information shall be deemed material if such information is reasonably expected to affect investors' decisions in relation to the company's securities. Information shall be deemed not to have been generally available to the public if such has not yet been disclosed to the Securities and Exchange Commission, the Philippine Stock Exchange, Inc., or other relevant institutions as mandated by law. In addition to the policy, the Manual on Corporate Governance provides that the board of directors shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities. The manual also provides that a director should act in a manner characterized by transparency, accountability and fairness.	involving company securities. The policy is issued to serve as a guide in determining whether a trading activity involving company securities is unlawful. Under the policy, directors, officers, employees and their respective representatives shall not buy or sell company securities while in possession of material information which is not yet generally available to the public. Information shall be deemed material if such information is reasonably expected to affect investors' decisions in relation to the company's securities. Information shall be deemed not to have been generally available to the public if such has not yet been disclosed to the Securities and Exchange Commission, the Philippine Stock Exchange, Inc., or other relevant institutions as mandated by law. In addition to the policy, the Company Code on Employee Discipline provides for penalties from written warning to dismissal, depending on gravity of the offense, for several types of unauthorized, improper or abusive use of company property.
(g) Employment & Labor Laws & Policies		The Corporate Code of Conduct provides that employees are the company's most important resource. The company is committed to fostering a work environment that encourages innovative and entrepreneurial employees to build its business, where employees are treated with respect and dignity, and where they are given the opportunity to contribute to value creation while developing and using their full potential. The company also has an Anti-Sexual Harassment Policy which is intended to promote a favorable work environment that values the dignity of every person and guarantees full respect of human rights, free from offensive behavior and intimidation detracting from employees' ability to perform their jobs. It identifies procedures to be followed in investigating and resolving complaints alleging specifically prohibited conduct, and emphasizes the education and training of employees.
(h) Disciplinary action	Under the Manual on Corporate Governance, the board of	The Company Code on Employee Discipline provides for penalties from written warning to dismissal, depending on gravity of the

	directors commits itself to the principles and best practices contained in the manual. Under the manual, the Compliance Officer shall monitor compliance with the provisions of the manual and the rules and regulations of regulatory agencies and, if violations are found, report the matter to the board and recommend the imposition of appropriate disciplinary actions on the responsible parties and the adoption of measures to prevent a repetition of the violation. For non-compliance with the manual, the board of directors may impose appropriate sanctions or corrective actions, after notice and hearing. Sanctions may include censure, suspension and removal from office depending on the gravity of the offense and frequency of the violation. A violation of any provision of the manual by a member of the board of directors shall be a sufficient cause for removal from directorship.	offense, for violations of acts provided in the section pertaining to Conduct and Behavior. Further, under the Manual on Corporate Governance, the Compliance Officer shall monitor compliance by the company with the manual and the rules and regulations of regulatory agencies and, if violations are found, report the matter to the board and recommend the imposition of appropriate disciplinary actions on the responsible parties and the adoption of measures to prevent a repetition of the violation. For non-compliance with the manual, the board of directors may impose appropriate sanctions or corrective actions, after notice and hearing. Sanctions may include censure, suspension and removal from office depending on the gravity of the offense and frequency of the violation.
(i) Whistle Blower	The company has adopted a Whistleblower Policy which provides that the company is committed to high standards of moral and ethical business conduct, and aims to promote a culture which encourages communication without fear of retaliation. The policy states that the company aims to provide an assurance to any director, officer, employee (whether regular, contractual or probationary), contractor, consultant, advisor and other personnel (Member/s) who wish to raise concerns pertaining to unlawful activities, that he will be protected from any and all forms of reprisal or revenge and be afforded a mantle of confidentiality. The policy is intended to protect any Member who reports a violation or any illegal activity from harassment, intimidation, punishment or adverse employment consequences. Consequently, any Member who retaliates against someone who intends to report, or has reported, a violation shall be dealt with accordingly pursuant to the Company Code of Employee Discipline. The policy is adopted with the end in view of nurturing an environment where there is internal accountability, and to encourage and enable its Members as well as concerned persons to disclose any act contrary to company rules, policies and values. Further, among the functions of the Audit Committee is to ensure that the performance of the work of the internal auditor is free from interference from outside parties. As such, the Audit Committee is tasked to establish and identify the reporting line of the internal auditor, and ensure the establishment of a transparent financial management controls systems. The internal auditor reports directly to the Audit Committee. As such, the Audit Committee may request information, data and clarification from the officers of the Corporation in the performance of their duties and responsibilities. With the objective of implementing a whistle-blower policy, under Section 5 of the Manual on Corporate Governance, the Audit Committee is authorized to conduct or authorize an investigation into any matter within the scope of responsibility, as follows: • Appoint , compensate, and oversee the work of any registered public accounting and/or auditing firm employed by the company; • Retain external counsel, accountants, or other consultants to advise the committee or assist in the conduct of investigation; • Seek any information it requires from employees of the company – all of whom shall be directed to cooperate with the committee – as well as duly authorized third parties; and • Confer and consult with company officers, external auditors, or outside counsel as it deems necessary.	

(j) Conflict Resolution	Under the Manual on Corporate Governance, the board of directors may establish and maintain, as it may deem proper, an alternative dispute resolution system in the company to allow for the amicable settlement of conflicts and differences between the company and its stockholders, and the Corporation and third parties.	Under Section 15 of the Manual on Corporate Governance, the board may impose appropriate sanctions or corrective actions for non-compliance with the Manual, after notice and hearing. Also, the Company's Code on Employee Discipline mandates that before any penalty or disciplinary action is taken, the company first conduct a proper and thorough investigation on an employee who is alleged to have violated the work rules, or the acts provided in the section pertaining to Conduct and Behavior.

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

Yes. All members of the board of directors, senior management, and employees of the company have been made aware of the Corporate Code of Conduct and are required to comply with all the provisions thereof.

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

The company's Compliance Officer is tasked, under the Manual on Corporate Governance, with ensuring that the board of directors, management and employees of the company shall adhere to corporate principles and best practices. He is thus primarily responsible for monitoring compliance with the Corporate Code of Conduct which sets the principles and guidelines in the conduct of the company's businesses and dealings with stakeholders. The Compliance Officer reports directly to the Chairman of the board of directors.

Compliance by the directors, senior management and employees with the provisions of the code is likewise monitored by the board, CEO, President, and head of Human Resources by way of inquiry on their transactions, and a requirement for a full disclosure thereof.

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.

Under the Audit Committee Charter, specifically Section G on Financial Reporting and Disclosures, the audit committee is required to review any unusual or complex transactions and the accuracy of disclosures of material information, including subsequent events and related party transactions. The committee, which is presently composed of 4 board members including 2 independent directors, 1 of whom shall be the chairman of the committee, has the authority to conduct or authorize an investigation into any matter within its scope of responsibility. In this regard it is empowered to retain external counsel, accountants or other consultants to advise the committee or assist in the conduct of the investigation.

The Manual on Corporate Governance, in particular Item 13 on Disclosure and Transparency, provides that it is essential that all material information about the Corporation which could adversely affect its viability or the interests of its stockholders as a whole be publicly and timely disclosed. Such information should include, among others, related party transactions. Such information should be disclosed through the appropriate exchange mechanisms and submissions to the SEC. Related party transactions are duly reported and disclosed in Item 5 of the Information Statement as well as Note 19 of the Audited Consolidated Financial Statements. The financial statements are attached to the Information Statement and Annual Report on SEC Form 17-A.

(b) Conflict of Interest

(i) Directors/Officers and 5% or more Shareholders

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

There is no actual or probable conflict of interest which the company's directors/officers/5% or more shareholders may be involved in.

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

(ii) 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.

The company has adopted a Policy on Conflict of Interest which provides that the Company directors, officers and employees owe a duty of loyalty to the company and its shareholders, and hence shall ensure that they do not have any business interest or activity that will tend to interfere with the proper performance of their duties and functions. A conflict of interest shall be considered material if the personal or business interest is or tends to be disadvantageous to the company, such as when a director, officer or employee stands to personally acquire or gain financial advantage at the expense of the company. If an actual or potential material conflict of interest should arise, the matter should be immediately reported to the following persons for proper investigation and resolution, and the implementation of corrective action: immediate supervisors, in the case of employees; senior management, in the case of officers; or the board of directors, in the case of senior management and directors. Any act or attempt to act in violation of the policy shall be treated seriously and dealt with appropriately and swiftly. In handling any case of such nature, the company shall be guided by the Manual on Corporate Governance, Code on Employee Discipline, and other relevant laws and regulations pertaining to the said subject. The procedure for reporting and the protection afforded by the company's Whistleblower Policy shall apply in each reported instance of violation of this policy.

Under the Audit Committee Charter, specifically Section G on Financial Reporting and Disclosures, the audit committee is required to review any unusual or complex transactions and the accuracy of disclosures of material information, including subsequent events and related party transactions. The committee, which is composed of 3 board members including 2 independent directors, 1 of whom shall be the chairman of the committee, has the authority to conduct or authorize an investigation into any matter within its scope of responsibility. In this regard it is empowered to retain external counsel, accountants or other consultants to advise the committee or assist in the conduct of the investigation.

The Manual on Corporate Governance, in particular Item 13 on Disclosure and Transparency, provides that it is essential that all material information about the Corporation which could adversely affect its viability or the interests of its stockholders as a whole be publicly and timely disclosed. Such information should include, among others, related party transactions. Such information should be disclosed through the appropriate exchange mechanisms and submissions to the SEC. Related party transactions are duly reported and disclosed in Item 5 of the Information Statement as well as Note 19 of the Audited Consolidated Financial Statements. The financial statements are attached to the Information Statement and Annual Report on SEC Form 17-A.

With respect to conflict of interest between a director and the company, under the company's By-laws, a stockholder is disqualified from being a director if he is engaged in any business or activity which competes with or is antagonistic to that of the company or any of its subsidiaries and affiliates. Such person is deemed to be engaged in such business or activity: (a) if he is an officer, manager, or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of

shares of any corporation (other than one in which the company owns at least 30% of the capital stock) engaged in a business or activity which the board, by at least 2/3 vote of the directors present constituting a quorum, determines to be competitive or antagonistic to that of the company or its subsidiaries and affiliates; or (b) if he is an officer, manager or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of any corporation or entity engaged in any line of business of the company or that of its subsidiaries or affiliates, and if, in the judgment of the board, by at least 2/3 vote of the directors present constituting a quorum, the laws against combinations in restraint of trade shall be violated by such person's membership in the board of directors; or (c) if the board, in the exercise of its judgment in good faith, determines by at least 2/3 vote of the directors present constituting a quorum that he is the nominee of any person set forth in (a) or (b).

5) Family, Commercial and Contractual Relations

- (a) Indicate, if applicable, any relation of a family,⁴ commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

There is no individual holding a more than 5% equity stake in the company.

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
None	-	-

- (b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:

There is no individual holding a more than 5% equity stake in the company. The company's parent, First Philippine Holdings Corp. (FPH), holds a majority stake in the company.

Names of Related Significant Shareholders	Type of Relationship	Brief Description
None	-	-

- (c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the company:

There are no shareholder agreements that may impact the control, ownership and strategic direction of the company.

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
None	-	-

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.

Pursuant to Section 3.2.2(k) of the company's Manual on Corporate Governance, the board of directors may, as it deems proper, establish and maintain an alternative dispute resolution system in the company to allow for the amicable settlement of conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties. For conflicts or differences between the Corporation and third parties, their respective contractual arrangements provide for the specific dispute resolution process, which may include mutual discussions, consultations, conciliation, mediation and arbitration both domestic and international, in accordance

⁴ Family relationship up to the fourth civil degree either by consanguinity or affinity.

with applicable law.

C. BOARD MEETINGS & ATTENDANCE

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

At the start of the financial year, the Corporate Secretary, following consultations with the Chief Executive Officer and the President, advises the board of directors of the schedule of regular meetings for the entire year. The advice includes the date, time and venue for each such board meeting.

As may be necessary, special meetings of the board are called by the President or by written request of majority of the directors in accordance with the provisions of the company's By-laws.

- 2) Attendance of Directors

For the year 2015, the board of directors of First Gen Corporation held meetings on the following dates:

Date of Meeting	Type of Meeting
January 20	Special
February 16	Regular
March 12	Special
May 13	Organizational
June 15	Regular
July 22	Regular
September 14	Regular
November 26	Regular

All members of the board of directors attended at least 75% of all board meetings held in 2015.

Board	Name	Date of Election	No. of Meetings Held in 2014	No. of Meetings Attended	%
Chairman	Federico R. Lopez	May 13, 2015	8	8	100%
Member	Oscar M. Lopez	May 13, 2015	8	6	75%
Member	Francis Giles B. Puno	May 13, 2015	8	8	100%
Member	Richard B. Tantoco	May 13, 2015	8	8	70%
Member	Peter D. Garrucho Jr.	May 13, 2015	8	8	100%
Member	Elpidio L. Ibañez	May 13, 2015	8	8	100%
Member	Eugenio L. Lopez	May 13, 2015	8	7	88%
Independent	Tony Tan Caktiong	May 13, 2015	8	6	75%
Independent	Jaime I. Ayala	May 13, 2015	8	7	88%

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

Yes. The Corporation's non-executive directors held a meeting on November 26, 2015, without the presence of any executive director.

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

No, there is no 2/3 quorum requirement. A majority of the board (5 out of 9) shall constitute a quorum for the transaction of business, and every decision of a majority of the quorum shall be valid as a corporate act.

- 5) Access to Information

(a) How many days in advance are board papers⁵ for board of directors meetings provided to the board?

⁵ 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,

The agenda of the meeting is provided to the members of the board at least 10 business days before the day of the meeting. Management endeavors to provide the board meeting materials to the members of the board at least 5 business days before the meeting.

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

Yes, each director has independent access to any member of management and the Corporate Secretary. Directors may contact the Corporate Secretary via e-mail or telephone.

- (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?

The Corporate Secretary, who should be a Filipino citizen and resident of the Philippines, shall assist in the preparation of the agenda of meetings and gathering of materials to be presented to the board of directors and shareholders. Further, the Corporate Secretary should be responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the board; be loyal to the mission, vision and objectives of the Corporation; work fairly and objectively with the board, management and stockholders; have appropriate administrative and interpersonal skills; if she is not at the same time the Corporation's legal counsel, be aware of the laws, rules and regulations necessary in the performance of her duties and responsibilities; have a working knowledge of the operations of the Corporation; inform the members of the board, in accordance with the By-Laws, of the agenda of their meetings and ensure that the directors have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval; issue a certification on or before January 30 of each year on the directors' record of attendance in board meetings for the immediately preceding year, which certification shall be countersigned by the Chairman; attend all board meetings, except when justifiable causes such as illness, death in the immediate family, and serious accidents, prevent her from doing so; and ensure that all board procedures, rules and regulations are strictly followed by the directors.

- (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 a member of the Philippine bar who has attended trainings and seminars in legal updates, disclosure guidelines, corporate governance, and other relevant skills and topics.

- (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	Each member of the Executive Committee has direct access to management as well as any officer or employee of the company. The committee can directly consult and confer with management and company employees to request or direct the preparation of documents and information necessary or in connection with any matter that is of concern to the committee.
Audit	Members of the Audit Committee are directly provided materials and reports by the company's external auditors and Internal Audit Group. In turn, the members of the Audit Committee can directly consult and confer with the company's external auditors and Internal Audit Group to ask questions and request documents pertaining to any matter that is of interest to the Audit Committee. They may also request information, data and clarification from any officer of the Corporation in the performance of their duties and responsibilities.
Nomination and	The Corporate Secretary provides the members of the Nomination and Governance

Governance	Committee the resumes of each person nominated for appointment to a position requiring board approval. Each committee member may directly request additional information or documents from the Corporate Secretary or any officer or employee of the Corporation relating to any matter that is of interest to the committee.
Compensation and Remuneration	Members of the Compensation and Remuneration Committee can directly consult and confer with any member of management or employee of the Corporation to ask questions and request reports and other documents relating to any issue that is of interest to the committee.
Risk Management Committee	Members of the Risk Management Committee can directly confer and consult with any member of the company's Risk Management Group or any member of management of the company to ask questions or request documents and other reports relating to the strategic risks which have been identified by the committee.

6) External Advice

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

Procedures	Details
The members of the Audit Committee can directly obtain external advice.	Under The Audit Committee Charter, the committee has the authority to conduct or authorize an investigation into any matter within the scope of its responsibility. In this regard, it is empowered to retain external counsel, accountants or other consultants to advise the committee or assist in the conduct of an investigation. Further, each member of the committee may directly confer and consult with external auditors as he deems necessary. During meetings of the Audit Committee which are attended by external auditors, each committee member has the opportunity to directly consult external auditors for any matter. If they so choose, the members of the Audit Committee may also course such requests for advice through management or the Internal Audit Group.
The members of the board can directly confer and consult with external advisors.	The board of directors approves appointments of external advisors (financial, legal, etc.) for a specific project or undertaking. As they are aware of such appointments, including the specific persons performing duties under such appointments, the directors have the ability to directly confer and consult with such advisors, or they may course such requests through management.

7) Change/s in existing policies

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

During its most recent term, the board of directors did not introduce any changes to existing policies which would have an effect on the business of the company.

Existing Policies	Changes	Reason
None	-	-

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	Fixed remuneration is benchmarked with that of other CEOs based on published compensation reports and is reviewed annually.	Fixed remuneration is benchmarked with that of other officers in a similar role based on published compensation reports and is reviewed annually.
(2) Variable remuneration	n/a	n/a
(3) Per diem allowance	n/a	n/a
(4) Bonus	Bonuses to all officers and employees, including the CEO, are based on their monthly salaries and are granted based on the company's performance for a given year as well as their individual performance.	Bonuses to all officers and employees, including the CEO, are based on their monthly salaries and are granted based on the company's performance for a given year as well as their individual performance.
(5) Stock Options	The company's Executive Stock Option Plan expired on July 1, 2013.	The company's Executive Stock Option Plan expired on July 1, 2013.
(6) Others (specify)	n/a	n/a

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	Under the company's By-laws, directors do not receive any stated salary for their services, but per diems in the amount determined by the board of directors may be allowed for attendance at each meeting. In May 2010, the stockholders passed a resolution fixing the annual compensation of the board of directors at an amount not to exceed ¾ of 1% of the company's net income before income tax for the preceding year.	The directors receive: (i) a standard per diem for attendance at each board meeting; and (ii) bonuses.	As benchmarked, the directors currently receive a standard per diem of Fifty Thousand Pesos (PHP 50,000.00), while bonuses for the board of directors are set at a maximum of ¾ of 1% of the company's net income before income tax for the preceding year.
Non-Executive Directors	- same -	- same -	-same-

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 Stockholders' Approval
In May 2010 the stockholders passed a resolution fixing the annual compensation of the board of directors at an amount not to exceed ¾ of 1% of the company's net income before income tax for the preceding year	May 12, 2010

3) Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued in 2015:

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	n/a	n/a	n/a
(b) Variable Remuneration	n/a	n/a	n/a
(c) Per diem Allowance	₱ 882,352.95	₱ 1,294,117.66	₱ 882,352.95
(d) Bonuses	₱ 14,117,647.05	₱ 18,823,529.40	₱ 9,411,764.70
(e) Stock Options and/or other financial instruments	n/a	n/a	n/a
(f) Others (Specify)	n/a	n/a	n/a
Total	₱15,000,000.00	₱ 20,117,647.06	₱ 10,294,117.65

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	n/a	n/a	n/a
2) Credit granted	n/a	n/a	n/a
3) Pension Plan/s Contributions	n/a	n/a	n/a
(d) Pension Plans, Obligations incurred	n/a	n/a	n/a
(e) Life Insurance Premium	n/a	n/a	n/a
(f) Hospitalization Plan	n/a	n/a	n/a
(g) Car Plan	n/a	n/a	n/a
(h) Others (Specify)	n/a	n/a	n/a
Total	n/a	n/a	n/a

(d) Stock Rights, Options and Warrants

Under the Corporation's Executive Stock Option Plan ("ESOP"), senior managers and executives of the Corporation, senior managers and executives of companies of which more than 30% of the voting stock is effectively owned, directly or indirectly and legally or beneficially, by the Corporation, senior managers and executives of such other companies in which the Corporation owns shares as may be determined by the board of directors, and directors, officers or employees of FPH and its affiliates, who are nominated and awarded as such, may acquire the Corporation's common shares.

There has only been one (1) option grant date (July 1, 2003) pursuant to the ESOP. Options awarded under this option grant date are no longer exercisable following the Option Expiration Date on July 1, 2013.

The following table sets out the persons to whom options have been granted pursuant to the ESOP and the number of shares relating to each such person as of the Option Expiration Date:

Name and Position	Date of Grant	Total Options Granted	Vested and Unexercised (Forfeited)	Unvested	Exercise Price/Share	Average Market Price/Share (from Listing Date to Option Expiration Date)
Federico R. Lopez Chairman and CEO						
Francis Giles B. Puno President and COO						
Richard B. Tantoco Executive Vice President						
Jonathan Russell Executive Vice President						
Victor B. Santos Jr. SVP and Compliance Officer						
Aggregate number of shares granted to the above-named officers	July 1, '03	4,923,072	–	–	₱8.80	₱14.07
Aggregate number of shares granted to all officers and directors as a group unnamed	July 1, '03	18,028,336	893,366	–	₱8.80	₱14.07

(a) Board of Directors

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

As of the expiration date of the company's ESOP on July 1, 2013, there are no outstanding options owned by the company's directors.

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock
None				

(b) Amendments of Incentive Programs

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

Apart from the company's ESOP which expired on July 1, 2013, the company has no other incentive program.

Incentive Program	Amendments	Date of Stockholders' Approval
None		

(e) 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 in 2014:

Name of Officer/Position	Total Remuneration
Executive Vice President	P 229,429,994.65
Senior Vice President	
Senior Vice President	
Senior Vice President	
Senior Vice President	

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)	Indp. Director (ID)				
Executive	3	0	0	Article II Section 8 of the company's By-Laws provides for the creation, membership, formalities and procedures for holding the meeting of an Executive Committee.	Pursuant to Article II Section 8 of the company's By-Laws, between the regular or special meetings of the board, the Executive Committee shall possess and may exercise all the powers of the board in the management and direction of the affairs of the company in all cases in which specific direction shall not have been given by the board of directors.	The Executive Committee is responsible for ensuring the continuity of the business and operations of the company by providing the necessary leadership and guidance during instances when the board is unable to provide the same.	Pursuant to Article II Section 8 of the company's By-Laws, the Executive Committee may exercise the powers of the board in the management and direction of the affairs of the Corporation in all cases in which specific direction shall not have been given by the board. The ExCom is likewise authorized to adopt its own rules of procedure.
Audit	0	2 *On May 8, 2013, the directors voted to increase the membership of the committee by appointing Director Garrucho as the 4 th member of the committee.	2	The Audit Committee Charter	The Audit Committee shall assist the board of directors in fulfilling its oversight responsibilities for financial reporting, internal control systems, internal audit activities, compliance with key regulatory requirements, and enforcement of the Corporate	The members of the committee shall provide input and perspective on the company's management of credit, market, liquidity, operational, legal and other risks; monitor and evaluate the adequacy and effectiveness of the company's internal control	The board of directors has granted the committee broad powers as provided in The Audit Committee Charter .

					Code of Conduct.	system, including financial reporting control and information technology security; perform interface functions with the internal and external auditors; receive and review reports of internal and external auditors and regulatory agencies, where applicable, and ensure that management is taking appropriate corrective actions to address regulatory issues; review and approve the internal audit plan including audit scope and frequency, and all major changes thereto; and review and confirm the independence of the internal audit by obtaining statements of independence and objectivity from the internal auditors. The Audit Committee shall check all financial reports of the company against its compliance with both the internal financial management handbook and pertinent accounting standards, including regulatory requirements. The committee shall review financial statements and disclosures, as well as any unusual or	
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						complex transactions. It shall also recommend, for approval during the annual general meeting, the appointment, reappointment or removal of external auditors for the company. It shall regularly review and assess external auditor's fees and ensure that the fees charged shall be commensurate with its reputation, level of expertise and required scope of work, and shall be in accordance with current industry standards. The Audit Committee shall discuss with the external auditor the nature and scope, including possible coordination of audit work with internal audit or other audit firms, to secure proper coverage and minimize duplication of efforts. It shall review whether the external auditor conducts its activities and engagements for and in the company in accordance with generally accepted auditing standards in the Philippines. The committee shall evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the	
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						external auditor. The committee shall disallow any non-audit work that will conflict with its duties as an external auditor or may pose a threat to its independence. The non-audit work, if allowed, shall be disclosed in the company's annual report. The committee shall review and endorse for board approval the rotation of the external auditor's handling partner or the replacement of the external auditor itself as warranted, every five (5) years or earlier. The committee shall assist the board in resolving disagreements between the external auditor and management. The committee shall ensure the existence of a working internal audit group, headed by a competent business manager, which shall identify audit issues, propose resolutions to these issues, and provide reasonable assurance that key organizational and procedural controls as promulgated by management are effective, appropriate, and enforced. The committee shall establish a	
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						direct reporting line of the internal audit group to the committee to prevent impediments in the conduct of internal audit activities and the conveyance/presentation of audit findings. The internal audit group shall functionally report directly to the committee. The Audit Committee shall also concur in the appointment, dismissal, replacement or re-assignment of the internal audit head. The committee shall periodically review the internal audit charter and propose revisions thereto as may be applicable. The committee shall periodically review, with management and the internal audit group, the activities, staffing and organizational structure of the internal audit function. The committee shall conduct an annual self-assessment of its performance and effectiveness and recommend, if necessary, changes to The Audit Committee Charter. The committee shall periodically revisit and/or review its charter for the purpose of adapting changes hereto in	
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						accordance with the company's Manual on Corporate Governance and in keeping with new standards and emerging trends.	
Nomination and Governance	2	0	1	Nomination and Governance Committee Charter	The committee's principal function is to select directors and pass upon their qualifications as shall be consistent with the By-Laws and Manual on Corporate Governance. The committee makes sure that a board election will result in a mix of proficient directors, each of whom will be able to add value and bring prudent judgment to the board. It is also tasked to review the structure, size and composition of the board and make appropriate recommendations thereto. It shall likewise review with the board, on an annual basis or as may be needed, the appropriate skills, characteristics and training required by the directors. The committee may utilize external search firms in selecting candidates to the board and undergoing a process of identifying the quality of directors. The quality of nominees for	The Nomination and Governance Committee is responsible for carrying out the following: review and evaluate the qualifications of persons nominated for positions that require board approval; assess the effectiveness of the board's processes and procedures in the election and replacement of directors; review the recommendations of the Compliance Officer in relation to the Manual on Corporate Governance, as well as other corporate governance rules and regulations; review, as may be necessary, the charters of all board committees and recommend any change to the board for its approval; and perform such other tasks or duties as may be requested or delegated by the board of directors.	The board of directors has granted the committee the authority and power as provided in The Nomination and Governance Committee Charter.

					election to the board of directors shall be aligned with and supportive of the company's strategic direction.		
Compensation and Remuneration	1	1 *On May 8, 2013, the directors voted to amend the charter to delete the requirement that the Chairman of the board be the chairman of the committee. The directors proceeded to appoint Indp. Director Tony Tan Caktiong as the chairman of the committee.	1	The Compensation and Remuneration Committee Charter	The committee has the principal function of studying and recommending an appropriate compensation and/or rewards system. It is tasked to review and determine the compensation and remuneration of corporate officers other than the Chairman.	The committee has the following duties and responsibilities: designate the amount of remuneration which shall be in a level sufficient to attract and retain directors and officers who are needed to run the Corporation successfully; review the Corporation's human resources development or personnel handbook to strengthen provisions on conflict of interest, policies on salaries and benefits, and directives on promotion and career advancement; and such other tasks as may be delegated by the board of directors.	The board of directors has granted the committee such powers as provided in the Compensation and Remuneration Committee Charter.
Risk Management	1	2	1 *On May 8, 2013, the directors voted to increase the membership of the committee by appointing Indp. Director Jaime Ayala as the 4 th member of the committee.	The Risk Mgt. Committee Charter	The Risk Management Committee shall assist the board of directors in its oversight responsibility over management's activities in managing risks involving physical, financial, operational, labor, legal, security, environmental, and other risks of the Corporation.	The committee serves as an important liaison to the board. Its specific duties and responsibilities are as follows: provide guidance to management through the establishment of the company's risk management philosophy and risk appetite; approve the company's risk management policy and processes and any	The committee is empowered under its charter to recommend the review and/or change/s in the company's risk management policy as may be deemed appropriate; require periodic reports from management to confirm that the risk management system of the Corporation is operating correctly and consistently with its objectives,

						revisions thereto; regularly assess the company's risk management activities; understand and set clear directions for the management of the Corporation's strategic and critical risks; provide the necessary support and resources to management in managing the risks to the company; and communicate to key stakeholders the status of strategic and critical risks.	and execute such other authority which the board may delegate to the committee.
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2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held (Year 2015)	No. of Meetings Attended (Year 2015)	%	Length of Service in the Committee
Chairman	Federico R. Lopez	2008	21	21	100%	6 years
Member (ED)	Francis Giles B. Puno	2008		19	90%	6 years
	Richard B. Tantoco	2008		17	80%	6 years
Member (NED)	-					
Member (ID)	-					
Member	Ernesto B. Pantangco	2010	21	16	76%	4 years
	Jonathan C. Russell	2010	21	16	76%	4 years

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held (2015)	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Jaime I. Ayala	2013 (elected May 2013)	3	3	100%	1 year
Member (ED)	-	-	-	-	-	-
Member (NED)	Elpidio L. Ibañez	2005	3	2	67%	9 years
	Peter D. Garrucho Jr.	2013 (elected May 2013)	3	2	67%	1 years

Member (ID)	Tony Tan Caktiong	2005	3	3	70%	9 years
Member	-	-	-	-	-	-

Disclose the profile or qualifications of the Audit Committee members.

Jaime I. Ayala was elected Independent Director of the company May 8, 2013, and is the current Chairman of the Audit Committee. He is the Founder and CEO of Hybrid Social Solutions, a social enterprise focused on empowering rural villages through solar energy. He was recognized as 2013 Schwab Foundation Social Entrepreneur of the Year and 2012 Ernst & Young Entrepreneur of the Year Philippines. Mr. Ayala was President and CEO of publicly-listed Ayala Land, Inc. and Senior Managing Director of Ayala Corporation. Prior to joining Ayala Corporation, he was a director (global senior partner) at McKinsey & Company, where he played a number of global and regional leadership roles, including head of the firm's Asian Energy Practice, and President of McKinsey's Manila office. Mr. Ayala sits as a trustee in the Princeton University Board of Trustees, Stiftung Solarenergie - Solar Energy Foundation, and the Philippine Tropical Forest Conservation Foundation. Mr. Ayala earned his master's degree in Business Administration from Harvard Business School (1988) where he graduated with honors, and completed his undergraduate work at Princeton University (1984) where he graduated *magna cum laude* in Economics.

Elpidio L. Ibañez is President and Chief Operating Officer of First Philippine Holdings Corp. and sits in the boards of various subsidiaries and affiliates of the company. He was first elected to the board of directors in December 1998. He is a member of the board of EDC, and serves as President and COO of FPH, both of which are publicly-listed companies. Mr. Ibañez obtained a master's degree in Business Administration from the University of the Philippines (1975) and a Bachelor of Arts degree major in Economics from Ateneo de Manila University (1972).

Tony Tan Caktiong was first elected Independent Director of the company in April 2005. He is the Chairman of Jollibee Foods Corporation and Co-Chairman of DoubleDragon Properties Corp., both of which are publicly-listed companies. He is a director of listed company Philippine Long Distance Telephone Company, and is at the helm of Chowking, Greenwich, Red Ribbon Bakeshop, Mang Inasal in the Philippines, and Yonghe King and Hong Zhuang Yuan in China. He is a member of the board of trustees of the Asian Institute of Management, St. Luke's Medical Hospital, Philippine Business for Education, and the Temasek Foundation of Singapore. He is an Agora Awardee for Outstanding Marketing Achievement, Triple A Alumni Awardee of the Asian Institute of Management, TOYM Awardee for Entrepreneurship, and a recipient of the World Entrepreneur of the Year award in 2004. Mr. Caktiong has a Bachelor of Science degree in Chemical Engineering from the University of Santo Tomas (1975) and has management tutoring certifications from Harvard University, Asian Institute of Management, University of Michigan Business School, and Harvard Business School.

Peter D. Garrucho Jr. is the newest member of the Audit Committee, following the board's decision on May 8, 2013 to increase the membership of the committee. He has been a member of the board since the company's incorporation in December 1998. He sits in the boards of listed companies FPH and EDC. Until his retirement in January 2008 as Managing Director for Energy of FPH, Mr. Garrucho held the positions of Vice Chairman and CEO of the company. Mr. Garrucho served in the government of President Corazon C. Aquino as Secretary of Tourism and Secretary of Trade and Industry. During the term of President Fidel V. Ramos, he served as Executive Secretary and Presidential Adviser on Energy Affairs. He is an Honorary Officer of the Order of the British Empire, an award bestowed by Queen Elizabeth II. Mr. Garrucho has an AB-BSBA degree from De La Salle University (1966) and a master's degree in Business Administration from Stanford University (1971).

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

1. The Audit Committee shall recommend, for approval during the annual general meeting, the appointment or reappointment of external auditors for the company.
2. It shall regularly review and assess external auditor's fees and ensure that the fees charged shall be commensurate with its reputation, level of expertise and required scope of work, and shall be in accordance with current industry standards.

3. The committee shall discuss with the external auditor the nature and scope, including possible coordination of audit work with internal audit or other audit firms, to secure proper coverage and minimize duplication of efforts.
4. The committee shall review whether the external auditor conducts its activities and engagements for and in the company in accordance with generally accepted auditing standards in the Philippines.
5. The Audit Committee shall 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. The committee shall disallow any non-audit work that will conflict with its duties as an external auditor or may pose a threat to its independence. The non-audit work, if allowed, shall be disclosed in the company's annual report.
6. The committee shall review and endorse for board approval the rotation of the external auditor's handling partner or the replacement of the external auditor itself as warranted, every 5 years or earlier.
7. It shall assist the board in understanding and resolving disagreements between the external auditor and management. Should the external auditor resign, be dismissed or cease to perform its services, such act shall be reported in the Corporation's annual and current reports stating the reason/s for and the date of effectivity of such action. The report shall include a discussion on any disagreement between the external auditor and management on accounting principles or practices, financial disclosures or audit procedures which were not resolved satisfactorily.

(c) Nomination and Governance Committee

Office	Name	Date of Appointment	No. of Meetings Held (2015)	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Federico R. Lopez	2005	2	2	100%	9 years
Member (ED)	Richard B. Tantoco	2005	2	2	100%	9 years
Member (NED)						
Member (ID)	Tony Tan Caktiong	2005	2	2	100%	9 years
Member						

(d) Compensation and Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held (2015)	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Tony Tan Caktiong (Independent Director)	2013 (elected on May 8, 2013)	2	2	100%	1 year
Member (ED)	Federico R. Lopez	2010	2	2	100%	4 years
Member (NED)	Peter D. Garrucho Jr.	2010	2	2	100%	4 years
Member						

(e) Others (Specify)

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

Risk Management Committee

Office	Name	Date of Appointment	No. of Meetings Held (2015)	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Peter D. Garrucho Jr.	2010	1	-	-	4 years
Member (ED)	Francis Giles B. Puno	2010	1	1	100%	4 years

Member (NED)	Elpidio L. Ibañez	2010	1	1	100%	4 years
Member (ID)	Jaime I. Ayala	2013	1	1	100%	1 year

3) Changes in Committee Members

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

There were no changes in committee membership that occurred during the year 2014-2015.

During the Organizational Board Meeting held on May 8, 2013, the following changes in committee membership were implemented:

Name of Committee	Name	Reason
Executive	None	-
Audit	Independent Director Jaime I. Ayala (Chairman)	Took the place of former Independent Director and committee chairman Cezar P. Consing
	Director Peter D. Garrucho Jr.	Was made an additional member of the committee
Nomination and Governance	None	-
Compensation and Remuneration	Independent Director Tony Tan Caktiong (Chairman)	Took the place of Chairman/CEO Federico R. Lopez as committee chairman
Risk Management	Independent Director Jaime I. Ayala	Was made an additional member of the committee

4) 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	The committee reviewed and studied various proposals of management prior to their submission to the board of directors for approval	The committee resolved and finalized various transactional issues prior to their presentation to the board of directors
Audit	- The Audit Committee assisted the board in fulfilling its oversight responsibilities for financial reporting, internal control systems, internal audit activities, compliance with key regulatory requirements, and enforcement of the company's Code of Conduct. It relied primarily on (1) the Finance and Accounting Group for financial reporting and key financial decisions/ transactions; (2) Internal Audit Group for internal control systems and internal audit tasks; and (3) Legal & Regulatory Group for compliance with statutory and other government requirements. - It recommended for approval the appointment or reappointment of external auditors for the company. It oversaw the work of the registered public auditing firm employed by the organization. It discussed with the external auditor the nature and scope of audit work to secure proper	The committee determined the level of compliance (qualitative and quantitative) of the Audit Committee Charter with the SEC Revised Code of Corporate Governance, as well as the extent of implementation of the provisions of the charter through its annual self-assessment.

	coverage. • It reviewed the quarterly, half-year and annual financial statements and reports and its compliance with both the internal financial management handbook and pertinent accounting standards, including regulatory requirements before submission to the board • It reviewed and approved the internal audit plan that includes audit scope and frequency, and all major changes thereto • It successfully completed the self-assessment of its performance for the year 2015	
Nomination and Governance	The committee reviewed the qualifications and determination of eligibility of persons nominated to positions requiring board approval	The committee ensured that each person appointed to a position requiring board approval possessed the qualifications and none of the disqualifications as provided in the By-laws and Manual on Corporate Governance
Risk Management	The committee identified/updated strategic risk exposures and identification of risk owners; review of risk management system and governance structure	Identification and management of current risks involving political, economic, social, technical, legal, environmental, counterparty, organizational, financial, safety and other risks of the company

5) Committee Program

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

Name of Committee	Planned Programs	Issues to be Addressed
Executive	Continue to assist management in drafting and finalizing particular transactions and projects by reviewing, prior to submission to the board of directors, proposals from management	Resolution and finalization of various transactional issues prior to presentation to the board of directors
Audit	Continuous monitoring and oversight of financial reporting, internal control systems, internal audit activities, compliance with key regulatory requirements, and enforcement of the Company's Code of Conduct Conduct of annual self-assessment of Audit Committee performance	Continuous monitoring of the level of compliance by the Audit Committee Charter with the SEC Revised Code of Corporate Governance to ensure full alignment with the Code
Nomination and Governance	Continue to ensure proper review of the qualifications of persons proposed to be appointed as officers of the Corporation where such appointment is subject to the approval of the board of directors..	Maintain the quality and level of competence of corporate officers to assure attainment of corporate objectives..
Compensation and Remuneration	Review and pass upon proposals or initiatives pertaining to compensation and rewards.	Ensure that compensation is consistent with the Corporation's culture, strategy, and the business environment in which it operates.
Risk Management	a. Strategic risk reviews b. Project risk reviews c. Capital adequacy review d. Business continuity management project	a. Review and update list of strategic risks b. Project execution risks c. Funding and debt servicing risk d. Disaster preparedness and business

	e. Customer credit portfolio review f. Vendor accreditation system	recovery risk e. Customer payment default risk f. Vendor performance risk
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F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company

The Company believes that identification and management of the various risks to which the company is exposed to are vital to the success of its projects and programs. The company firmly believes that effective risk management will result in a good balance between risk and reward, which will augur well for the company and its stakeholders. As such, risk management is embedded in the company's strategic planning and project monitoring process.

(b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof

The board of directors reviews and approves the Corporation's Enterprise Risk Management (ERM) system as formulated and recommended by the Risk Management Committee (RMC). The board's confirmation of the system is a commitment and affirmation of the adequacy of such risk management system.

The RMC is primarily tasked to oversee the formulation, establishment and implementation of the ERM system; review and assess the company's ERM policy, processes, strategies, methods and activities, and recommend revisions thereto for the approval of the board of directors; understand and set clear directions for the management of the company's strategic and critical risks; and provide management the support and resources necessary to manage the risks to the Corporation.

(c) Period covered by the review

On an annual basis, the RMC identifies the company's strategic risk exposures. Risk owners are identified to develop, implement and monitor the treatment options for each strategic risk. For the succeeding year, these strategic risks and the success of the treatment options are reviewed by the RMC, and the list is accordingly updated for the next period.

(d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness; and

The ERM system and governance structure are reviewed by the RMC and presented to the board of directors for its review and approval on an annual basis. The following criteria are used in the assessment of the effectivity of the risk management system: market position of the company, compliance with applicable rules and regulations, quality of services provided to customers, levels of exposure to interest rates as well as credit exposures to its customers.

(e) Where no review was conducted during the year, an explanation why not.

2) Risk Policy

(a) Company

Give a general description of the company's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Competition Risk	The company continues to expand its project portfolio, improve operations and upgrade its systems to be able to offer competitively priced products and services to the market	To strengthen or improve its market position, both in the local and international energy industry
Regulatory Risk	The company regularly monitors its exposures and compliance with laws and regulations to ensure the continuity of its operations	To comply with all applicable laws and regulations
Business Interruption Risk	The company continuously enhances its operations and support systems to reduce the likelihood of unscheduled interruptions and, in the case of actual interruptions, to reduce the impact to the company's financial performance	To ensure continuity of services to its customers
Interest Rate Risk	The company believes that prudent management of its interest cost will entail a balanced mix of fixed and variable rate	To manage the exposure to floating interest rates in a cost-efficient manner.
Foreign Currency Risk	The company monitors its exposures to foreign currency fluctuations and may consider entering into derivative transactions, as necessary	To manage / reduce foreign currency exposures
Credit Risk	The company trades only with recognized, reputable and creditworthy 3 rd parties and/or transacts only with institutions and/or banks which have demonstrated financial soundness	To manage the credit exposures with its customers and/or other 3 rd parties

(b) Group

Give a general description of the Group's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
Same as above		

(c) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power.

Risk to Minority Shareholders
While there are no existing provisions in the Corporation's Articles of Incorporation or By-laws which will delay, defer, or in any manner prevent a change in control of the company, First Philippine Holdings Corp. (FPH) is the sole holder of the company's Series "B" and "E" preferred shares. These preferred shares are entitled to full voting rights under the company's Articles of Incorporation. The Series "B" and "E" preferred shares can only be transferred to Philippine citizens or corporations are least 60% of the outstanding equity capital is beneficially owned by Philippine citizens and which, in either case, is not in competition with FPH or any of its affiliates.

3) Control System Set Up

(a) Company

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Competition Risk	Annual risk identification, evaluation, and monitoring	- Competitively-priced power - Value-added services - Reliability of power plants
Regulatory Risk	Annual risk identification, evaluation, and monitoring	Regular monitoring of changes or updates to relevant laws and regulations

		• Close monitoring of the company's compliance with applicable laws and regulations • Close coordination with regulatory agencies
Business Interruption Risk	Annual risk identification, evaluation, and monitoring	• Regular monitoring of operations • Regular repair and maintenance of key equipment, systems and processes • Regular review, revision and practice of Business Continuity Management plans
Interest Rate Risk	Annual risk identification, evaluation, and monitoring	• Regular monitoring of the interest rates • Identify, assess and enter into interest hedging, whenever necessary
Foreign Currency Risk	Annual risk identification, evaluation, and monitoring	• Regular monitoring of foreign currency rates • Identify, assess and enter into derivative transactions, when necessary
Credit Risk	Annual risk identification, evaluation, and monitoring	• Regular review and analysis of customer financial and credit performances • Close coordination with customers to discuss emerging risks

(b) Group

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
same as above		

(c) Committee

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Committee/Unit	Control Mechanism	Details of its Functions
Risk Management Committee	Providing oversight, guidance, support and resources to management in its monitoring of risk management activities	The committee plays a vital oversight role and serves as an important liaison to the board of directors. Its specific duties and responsibilities are as follows: provides guidance to management through the establishment of the company's risk management philosophy and risk appetite; approves the company's risk management policy and processes and any revisions thereto; regularly assesses the company's risk management activities; understands and sets clear directions for the management of the company's strategic and critical risks; provides the necessary support and resources

		to management in managing the risks to the company; and communicates to key stakeholders the status of strategic and critical risks. Further, the committee is empowered to recommend the review and/or change in the company's risk management policy; require periodic reports from management to confirm that the risk management system of the company is operating correctly and consistently with its objectives; and execute such other authority which the board may delegate to the committee.
Key company executives	Implementing and monitoring risk management activities	Key executives of the company are identified risk owners of strategic risks. As such, they are given the responsibility and authority to develop, implement and monitor risk treatment options for the assigned strategic risks. These risk owners are likewise tasked to regularly update the Risk Management Committee.

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.

The Corporation's Manual on Corporate Governance provides that the minimum internal control mechanisms for management's operational responsibility centers on the Chief Executive Officer, he being ultimately accountable for the Corporation's organizational and procedural controls. Management formulates, under the supervision of the Audit Committee, the rules and procedures on financial reporting and internal control in accordance with the following guidelines:

- a. The extent of its responsibility in the preparation of the financial statements of the company, with the corresponding delineation of the responsibilities that pertain to the external auditor, should be clearly explained;
- b. An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the company should be maintained;
- c. On the basis of the approved audit plans, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the company's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules and regulations; and
- d. The company should consistently comply with the financial reporting requirements of the SEC.

The board of directors reviews and approves the Corporation's internal control system as formulated by the Internal Audit Group (IAG) and recommended for approval by the Audit Committee. The board's confirmation of the internal control system is a commitment and affirmation of the adequacy of such system, which includes financial reporting control and information technology security.

The IAG is accountable to senior management and the Audit Committee to provide annually an assessment of the adequacy and effectiveness of the organization's internal control and risk management, as appropriate, in the functional areas and operational processes identified in the audit plan. In evaluating internal control, the IAG is guided by the definition of internal control as defined by the COSO Internal Control Integrated Framework to be the process effected by an entity's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in: a) effectiveness and efficiency of operations; b) reliability of financial reporting; and c) compliance with laws and regulations.

A statement as to the adequacy and effectiveness of internal control, as appropriate, is provided to the Audit Committee through the audit reports on the functional areas and operational processes being reviewed by the Internal Audit for the year. In March 2015, the IAG presented a report to the Audit Committee which contained the significant audit findings noted from the 2014 engagements and the annual audit plan for 2015 including the status of audit resources. The IAG also reported in October 2015 the progress of activities against the 2015 audit plan and the significant audit findings from the engagements. An Internal Control Baseline Assessment was conducted as of April 2015 to assess the general design and operation of the five components of internal control in the organization. The results of the assessment showed that the key internal controls are generally strong with the existence of effective and efficient internal control mechanisms in the organization's control environment, risk assessment, information and communication, control activities, and monitoring activities, as evidenced by document review, previous assessment/review, and test of controls. Opportunities for further improvement were also identified in a number of areas for management's consideration.

2) Internal Audit

(a) Role, Scope and Internal Audit Function

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

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
The mission of the Internal Audit group is to provide independent, objective assurance and consulting services designed to add value to and improve the organization's operations. It assists the organization achieve its objectives by bringing a systematic, disciplined approach to evaluate the effectiveness of governance, risk management and control processes.	The primary work is to determine whether the organization's network of governance, risk management, and control process, as designed and implemented by management, is adequate and functioning in a manner that ensures that: risks are appropriately identified and managed; significant financial, managerial and operating information are accurate, reliable and timely; employees' actions are in	In-house	A fully staffed and functional working internal audit group is being handled by Internal Audit Head Ma. Theresa M. Villanueva, whose appointment was confirmed by the board of directors in November 2013.	Members of the Internal Audit group report to the Internal Audit Head who reports functionally to the Audit Committee and administratively to senior management. The Internal Audit group issues periodic reports to the Audit Committee and management, updating and summarizing results of audit activities.

	compliance with policies, standards, procedures, and applicable laws and regulations; resources are acquired economically, used efficiently, and protected adequately; significant legislative or regulatory issues impacting the organization are recognized and addressed appropriately; and interaction with various governance groups is pursued as necessary.			
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- (b) Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?

The Audit Committee ensures the existence of a working internal audit group, which is headed by a competent business manager, to identify audit issues, propose resolutions to these issues, and provide reasonable assurance that key organizational and procedural controls as promulgated by Management are effective, appropriate and enforced. The Committee concurs in the appointment, dismissal, replacement or re-assignment of the internal audit head.

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

The Audit Committee establishes a direct reporting line of the Internal Audit group to the committee to prevent impediments in the conduct of internal audit activities and the conveyance/ presentation of audit findings. The Internal Audit group functionally reports directly to the Audit Committee.

- (d) Resignation, Re-assignment and Reasons

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

Name of Audit Staff	Reason
April Jean B. Avilla	To pursue other interests (September 2015)
Nielsen L. Canada	To pursue other interests (January 2016)

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

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

Progress Against Plans	Thirteen (13) engagement activities in 2015 were conducted and completed. Continuous improvements in the audit process were carried out specifically the audit rating system and standardized working papers for the audit engagements.
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Issues⁶	Significant issues are reported by the Internal Audit to the Audit Committee by providing them both sides of issues in cases where varying interpretations have been adopted by the internal auditor and the auditee. As part of the internal auditor's discussion with the auditee, the internal auditor comes to an agreement on the results of the engagement and on any necessary plan of action to improve operations. If the internal auditor and the auditee disagree on the results, the audit report shall state the differing positions and the reasons for such disagreement. The auditees' written comments may be made part of and attached to the audit report.
Findings⁷	The results of an audit engagement are communicated to the Audit Committee through a summary of the significant audit findings from an engagement, which include a detailed report on the internal auditor's opinions and/or conclusions, audit findings noted during the review, and the corresponding recommendations and auditees' action plans. The Audit Committee members respond with their comments accordingly.
Examination Trends	Internal Audit established a monitoring procedure that ensures that the summary of significant audit findings, issues and examinations trends noted from the engagement during the year, and the management's resolutions to address such findings are reported to the Audit Committee. Internal Audit likewise conducts follow-up activities to monitor and ensure that management actions have been effectively implemented or that management has accepted the risk of not taking action.

The relationship among progress, plans, issues and findings should be viewed as an internal control review cycle which involves the following step-by-step activities:

- 1) Preparation of an audit plan inclusive of a timeline and milestones;
- 2) Conduct of examination based on the plan;
- 3) Evaluation of the progress in the implementation of the plan;
- 4) Documentation of issues and findings as a result of the examination;
- 5) Determination of the pervasive issues and findings ("examination trends") based on single year result and/or year-to-year results;
- 6) Conduct of the foregoing procedures on a regular basis.

(f) Audit Control Policies and Procedures

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

Policies & Procedures	Implementation
Internal Audit Charter	The Internal Audit Charter contains the purpose, authority and responsibility of the internal audit activity. There are no restrictions to the scope, resources and access of the internal audit activity and the structure is in alignment with the corporate structure.
Internal Audit Policies and Procedures	A policy and procedure has been established for the Internal Audit process which consists of 2 major processes and several sub-

⁶ "Issues" are compliance matters that arise from adopting different interpretations.

⁷ "Findings" are those with concrete basis under the company's policies and rules.

	processes under each major process category.
Planning and Managing Internal Audit	Planning and managing internal audit is the first major process which covers managing and planning internal audit activities, communication and approval, resource management, coordination and reporting to senior management and the board. The 2015 annual audit plan was established and the progress of actual activity against the plan is being reported to senior management, including significant amendments and available resources. A summary of significant audit findings from the engagements in 2014 and 2015 were also reported and presented to the Audit Committee in March 2015 and October 2015, respectively.
Internal Audit Engagement	The procedures for conducting internal audit engagements were established. These included planning the engagement, performing the engagement, communicating the results, and monitoring the progress of audit findings. These are documented in a working paper file for each engagement.

(g) Mechanism and Safeguards

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

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
A Statement of Independence and Objectivity is submitted annually by each internal audit personnel for transparency and to address any potential and existing conflict of interest and/or any impairment in fact or in appearance in his/her performance of duties and responsibilities. For the external auditors, the Audit Committee evaluates and determines the non-audit work, if any, of the external auditor. The committee undertakes a periodic review of the non-audit fees paid to the external auditor, and shall disallow any non-audit work that will conflict with its duties as an external auditor or may pose a threat to its independence. Any non-audit work is duly disclosed in the company's annual report.	The company has established a Corporate Code of Conduct which sets the principles and guidelines in the conduct of its businesses and dealings with its stakeholders. The code covers directors, officers, employees, consultants, product and service providers, and any and all persons acting for and on behalf of the company. In the conduct of its business, the company shall be guided by the following values and principles: a pioneering entrepreneurial spirit, business excellence, unity, nationalism, social justice, integrity, and employee welfare and wellness. The code thus helps ensure that the company and all those who represent it act in a manner that will not jeopardize the independence and integrity of financial analysts. Further, the company's board of directors, management and employees are all	For specific transactions, the company, through its board of directors as recommended by management, engages only those investment banks which are of proven competence, integrity and independence. Further, in conducting its business with the said investment banks, the company is duty-bound to comply with the provisions of the Corporate Code of Conduct and Manual on Corporate Governance. As such, the company's board of directors, officers, employees, consultants, product and service providers, and any and all persons acting for and on behalf of the company, are committed to grow the business and enhance shareholder value by, among others, valuing relationships with partners and demonstrating this through good governance, transparency and professionalism.	For specific transactions, the company, through its board of directors as recommended by management, engages only those rating agencies which are of proven competence, integrity and independence. Further, in conducting its business with the said rating agencies, the company is duty-bound to comply with the provisions of the Corporate Code of Conduct and Manual on Corporate Governance. As such, the company's board of directors, officers, employees, consultants, product and service providers, and any and all persons acting for and on behalf of the company, are committed to grow the business and enhance shareholder value by, among others, valuing relationships with partners and demonstrating this through good governance, transparency and professionalism.

	committed to the principles and best practices as contained in the company's Manual on Corporate Governance. The Compliance Officer monitors compliance by the company with the provisions of the manual, as well as rules and regulations of regulatory agencies. Further, the board of directors ensures that the company complies with all relevant laws, regulations, and best business practices. With these safeguards in place, the company helps ensure the independence and integrity of financial analysts.	With these safeguards in place, the company is assured of the independence and integrity of its partner-investment banks.	With these safeguards in place, the company is assured of the independence and integrity of its partner-rating agencies.
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(h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company's full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

The Corporation's Compliance Officer will attest to the company's full compliance with the SEC Code of Corporate Governance as well as the company's Manual on Corporate Governance.

For the year 2015, the Corporation and its directors, officers, and employees have fully complied with the practices and principles of good corporate governance as embodied in the Corporation's Manual on Corporate Governance. The manual complies with the requirements of the Revised Code of Corporate Governance.

H. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' welfare	Under the Corporate Code of Conduct, the company is committed to be the preferred provider of energy services. In performing its role as the preferred provider, the company continues to acquire, develop, finance, operate, and maintain its investments with the single-minded focus on delivering superior services to its customers. The company follows an accreditation and selection process that ensures that the company and its subsidiaries deal only with reliable, efficient, moral and law-compliant, and socially, economically and environmentally-concerned entities. The company demands that its suppliers strictly comply with environmental parameters. In its assessment and evaluation of a supplier, the company follows accreditation criteria that include but are not limited to the following parameters:	First Gen, through its affiliates, continues to explore ways and means to satisfy the needs of its customers while delivering greater value. To accomplish this, the company engages in the following activities: survey of customer needs, customer needs assessment, customer visits, customer feedback, project implementation, and presentation of project proposal. In particular, First Gen holds an annual Customer Appreciation Night in which customers of the company's subsidiaries (First Gen being a holding company) are entertained and treated in a gesture of gratitude by the company. The company provided value-adding services to its customers as follows: To improve reliability of supply of electricity to its customers, the

	quality, environment, safety and health, financial, legal and regulatory compliance, general reputation and industry status, product and service expertise, facility and location, labor, and customer commitment. Under the company's Policy on Conflict of Interest: • The company upholds the principles of honesty, integrity, and transparency in conducting business. • The company directors, officers and employees shall act in a fair and judicious manner, and keep the company's interests in mind at all times. • The company shall ensure that they do not have any business interest or activity that will tend to interfere with the proper performance of their duties and functions. Any potential conflict of interest shall immediately be disclosed. Under the company's Anti Bribery and Corruption Policy: • First Gen upholds the principles of honesty, integrity, and transparency in conducting business. • The company strictly prohibits any form of bribery and corruption within the company as well as in dealing with its business partners, service providers, customers and governmental agencies and instrumentalities.	company sponsored programs on linemen training (basic and advance), electrical energy audit, thermographic inspection, systems loss evaluation, and supply of transformers • To share information and expertise, the company sponsored WESM briefing, attendance at the Energy Forum, plant tour, and power supply agreement application with the Energy Regulatory Commission • To facilitate the conduct of capability building programs, the company sponsored a read and bill system, succession management seminar, business continuity management seminar, customer events, and employee team building activities • For CSR activities, the company provided sponsorship to the Knowledge Channel, tree planting, and school rebuilding • The company holds customers' assembly and customers' appreciation night every year to enhance customer relationship and develop loyalty.
Supplier/contractor selection practice	• The company shall ensure that gifts and/or services which are customarily given in the ordinary course of business are appropriate to the occasion. • The company expressly prohibits, among other acts of bribery and corruption, the following: directly or indirectly offering, giving, requesting, or receiving money, gifts or anything of value for the purpose of influencing decisions or to gain unfair advantage in company transactions; using or performing official functions for personal gain; performing or neglecting to perform any official function in exchange for receiving favors or benefits in the course of business; and any actions similar to those stated above. Under the Corporate Code of Conduct, the company aims to be the preferred partner in nation-building and community development. The company is committed to the fulfillment of its social, ethical, environmental and economic responsibilities. The company considers its suppliers as its partners, and values its relationships with them and demonstrates this through good governance, transparency and professionalism.	The company is geared towards centralized vendor accreditation. A unified policy which contains guidelines and procedures on vendor accreditation has been finalized and shall be applied across First Gen and all its related companies. In order to protect the interests of the company, its stakeholders and affected communities and industries, vendors shall be evaluated based on specific criteria and parameters. These criteria, which include strict environmental parameters, shall be scored through a counterparty risk rating system to determine the degree of risk the company is exposed in its vendor portfolio. All in all, the company, through its centralized vendor accreditation process, will only deal with reliable; efficient; moral and law-compliant; socially, economically and environmentally-concerned entities. The vendor accreditation team convenes periodically, or immediately as may be necessary, to assess applications and deliberate on the same. The team conducts a regular review of the vendor database.

Environmentally friendly value-chain	The company remains committed to the fulfillment of its social, ethical, environmental, and economic responsibilities. The company uses clean, renewable and indigenous fuels such as steam, water, wind and natural gas. First Gen is the country's leading clean and renewable energy company, and has the cleanest portfolio of power plants. The company will continue to develop and finance lower carbon-emitting projects. The company will not only react to climate change with disaster preparedness; it will be pro-active, embracing lower carbon sources of energy. As for its suppliers, the company follows an accreditation and selection process that ensures that the company and its subsidiaries deal only with reliable, efficient, moral and law-compliant, and socially, economically and environmentally-concerned entities. The company demands that its suppliers strictly comply with environmental parameters. In its assessment and evaluation of a supplier, the company follows accreditation criteria that include but are not limited to the following parameters: quality, environment, safety and health, financial, legal and regulatory compliance, general reputation and industry status, product and service expertise, facility and location, labor, and customer commitment.	First Gen and its subsidiaries have an active document management system that strongly encourages the creation of an effective paperless office. Electronic storage of documents is recommended to all employees, and recycling of paper is a common practice. The Lopez group of companies also regularly engages in widespread recycling programs which encourages employees throughout the organization to bring recyclable materials for proper disposition. Operations of the company's subsidiaries are subject to stringent health, safety and environmental rules, regulations and policies. In particular, multisectoral monitoring teams - which consist of representatives from the local government units, host communities, non-governmental organizations, and the Department of Environment and Natural Resources - monitor the air and water quality within the sites of the company's various projects. Air and water quality are maintained at acceptable levels. The company's projects are compliant with laws and regulations such as the Philippine Clean Air Act and Clean Water Act. Its subsidiary EDC introduced a forest-based strategy as a new business paradigm. During well construction, directional drilling and multiwall pad technologies are adopted to prevent the opening of more areas than are considered necessary. EDC utilizes vertical discharge diffuser to mitigate temporary defoliation of adjacent forests stands during well testing. EDC has adopted reforestation as its major watershed management strategy. This is intended to enhance the recharge of the reservoir. With this strategy, grassland areas as well as open and denuded areas in the geothermal reservation are planted with forest trees. Indigenous forest tree species is used in such reforestation projects. Through its subsidiaries, the company engaged in the following activities: - provided operational support and accident insurance to Bantay Dagat organizations, enabling them to conduct regular patrolling operations; - supported the Batangas Environment Response Team's Operational and Planning
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		Workshop, in partnership with the Provincial Government – Environment and Natural Resources office. This advocacy protects the Verde Island Passage from illegal and commercial fishers, preventing harmful fishing methods while safeguarding local industry; • with its subsidiary FG Bukidnon Power Corp., conducted regular coastal and creek clean-ups • planted 3,500 seedlings in multiple locations, boosting the Department of Environment and Natural Resources' TreeVolution: Greening MindaNOW initiative which was recognized by the Guinness World Records for planting the most number of trees in multiple locations; • EDC established arboretums in Southern Leyte – in partnership with the Provincial Environment and Natural Resources Management Office – and at the UP Institute of Biology, to serve as seedling banks for threatened tree species; • First Gen Hydro Power Corp. (FGHPC) maintained its 542 hectares of BINHI plantations. BINHI's 4 Farmers' Associations – comprising a sum of 298 members – were endowed with Php 5.0 million in total contracts, and seminars on self-awareness, patrolling, firefighting, basic accounting and related skills; • In partnership with the Diliman Science Research Foundation and Makiling Center for Mountain Ecosystem and FGHPC, conducted biodiversity studies to better protect ecosystems in their host communities; • under the auspices of the Oscar M. Lopez Center for Climate Change Adaptation and Disaster Risk Management Foundation and with the Office of the Presidential Assistant for Rehabilitation and Recovery, hosted a forum for international scientists to discuss strategies for the rehabilitation and rebuilding of Yolanda-stricken areas
Community interaction	First Gen recognizes that its businesses will flourish best when the communities in which it operates flourish as well. First Gen is committed to lending its host communities aid and support in various areas throughout the year. For this reason, First Gen was ranked no. 7 in 2014 among FinanceAsia best managed companies in the Best in Corporate Social Responsibility category.	Education • First Gen subsidiaries support the Department of Education's annual Brigada Eskwela, in which school bags with school supplies are distributed among the primary host schools in areas of the company's operations, and which ensures

	Under the Corporate Code of Conduct, as part of efforts to help develop and improve the quality of life of residents in the host communities and promote their level of self-reliance, the company continues to pursue and implement corporate social responsibility and community relations projects in partnership with local government units and other local stakeholders, with particular focus on education, community, health and safety, poverty alleviation, and environment. The company remains partners with non-governmental organizations whose objectives and activities are aligned with its goals and aspirations.	clean, well-maintained and disaster-ready learning environments • The company raised US\$1 million to build classrooms in Yolanda-stricken areas • First Gen and FGHPC gave allowances to 327 students at 4 host schools including student dependents of Bantay Dagat organizations • First Gas facilitated the National Achievement Test to 266 6th grade students in partnership with Batangas State University • FGHPC supplied training on the K+12 approach to 25 teachers from 4 host schools • The First Gen Mindanao Hydro group installed Knowledge Channel learning packages at 5 host schools in Agusan del Norte and Bukidnon • First Gas provided 229 students from 2 host schools with dental care and partnered with the Asia Eye Institute to provide glasses for 101 students Community Health and Safety • First Gas and FGHPC conducted in-school feeding programs which benefited 470 malnourished children from 7 host schools • First Gen ran a number of healthcare initiatives including medical missions, optical missions, dental missions, and free cataract operations in partnership with the Asian Eye Institute • FGHPC is constructing a Home for the Aged in Pantabangan, Nueva Ecija to provide medical attention, rest and recreation for the elderly Employee Volunteerism under the Employee Power (EmPower) Program • company personnel rendered 67.5 volunteer hours in 5 activities benefiting 2 elementary schools, 3 college scholars, 7 institutions, 30 impoverished youths and 475 Aeta students; • helped in the rehabilitation and repair of Candavid Elementary School, an earthquake-stricken school in Bohol, and the Eastern Visayas State University, a Yolanda-stricken school in Leyte; • added a new student to the pair of scholars already being sponsored by donations through various fundraising activities; • provided 475 Aeta students from Pampanga's Nabuclod Community with schoolbags and supplies and
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		held a team-building activity together with marginalized youth from the Unang Hakbang Foundation; and had personnel distribute Christmas food packs to hospitals, the Sagip Kapamilya Precious Heritage Foundation, Metro Manila Development Authority enforcers, and various communities
Anti-corruption programmes and procedures?	Under the company's Anti Bribery and Corruption Policy, First Gen strictly prohibits any form of bribery and corruption within the company, as well as in dealing with its business partners, service providers, customers and governmental agencies and instrumentalities. The company shall ensure that gifts and/or services which are customarily given in the ordinary course of business are appropriate to the occasion. Some examples of acts of bribery and corruption are: directly or indirectly offering, giving, requesting, or receiving money, gifts or anything of value for the purpose of influencing decisions or to gain unfair advantage in company transactions; using or performing official functions for personal gain; performing or neglecting to perform any official function in exchange for receiving favors or benefits in the course of business; and any other action similar to the foregoing. Any act, attempt or allegation of bribery and corruption shall be treated seriously and dealt with swiftly. In handling any case of bribery or corruption, the company shall be guided by the Manual on Corporate Governance, Company Code on Employee Discipline, the Revised Penal Code, and other relevant laws and regulations pertaining to the said subject. Any act or attempt by an employee to commit bribery or corruption should be reported to the Human Resources Department, the Internal Audit Group or the employee's immediate supervisor. The procedure for reporting and the protection afforded by the Whistleblower Policy shall apply in each instance of reported bribery and corruption. Further, under the Corporate Code of Conduct, the company recognizes the authority of the government. The company abides by their rules, orders and decisions and strives to support activities which are aligned with the company's aspirations to fulfill its responsibilities as corporate citizens and members of society. Further, the company aims to be the preferred partner in nation-building and community development.	The Manual on Corporate Governance provides that the Compliance Officer shall monitor compliance by the company with the provisions of the manual and the rules and regulations of regulatory agencies and, if violations are found, report the matter to the board of directors and recommend the imposition of appropriate disciplinary actions on the responsible parties and the adoption of measures to prevent a repetition of the violation. To ensure that employees throughout the organization are properly equipped to practice and apply such anti-corruption procedures in their activities, the company sponsors and encourages its employees to attend training relating to doing business in the country and in the particular industry in which the company's subsidiaries operate. This assures that employees receive proper training and guidance in respect of the company's anti-corruption policy.
Safeguarding creditors' rights	Under the Corporate Code of Conduct, the company aims to be the preferred partner in nation-building and community development. The company is committed to the fulfillment of its social, ethical, environmental and economic responsibilities. The company considers its creditors as its partners, and values its relationships with them and demonstrates this through good governance, transparency and professionalism. The Corporation adheres to and	The company regularly holds lenders' updates and conducts roadshows, both local and international, to inform and update the lenders and investors about the company. Meetings with creditors are also regularly held, and a constant open line of communication is maintained. The company also periodically submits to its creditors reports on its financial and operating

	fully complies with its debt covenants, and ensures that it continues to operate and maintain its businesses in accordance with good utility practices. As for the company's shareholders, First Gen duly respects their rights such as voting rights, right of inspection, right to information, right to dividends, and appraisal right.	highlights, and responds to all their queries and concerns. The company strictly complies with its debt covenants and ensures that the company's activities and project do not in any way violate such covenants. The company complies with the PSE and SEC disclosure rules and makes timely and accurate filings of its reports. Its disclosures are duly posted on the company website to duly apprise the stockholders and investors.
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2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?

Yes. In the company's 2014 Annual Report⁸, there is the following section on Corporate Social Responsibility (pages 36-39) entitled CSR:

CORPORATE SOCIAL RESPONSIBILITY

At First Gen, we recognize that our businesses will flourish best when the communities in which we operate flourish as well. We are thus committed to lending our host communities our aid and support in various areas throughout the year, every year.

Education

Thanks to our partnerships, we raised USD1 million to build classrooms in the Super-typhoon Yolanda-stricken areas of Leyte. In 2014, the Lopez Group, through the ABS-CBN Sagip Kapamilya Foundation:

- Completed four new buildings with 14 typhoon-resilient classrooms in Isabel, Palo, and Ormoc City; and
- Repaired five buildings with 10 classrooms in Ormoc City

Nearly 7,000 students will benefit from these new and refurbished classrooms.

- First Gen participated in the Department of Education's (DepEd) annual *Brigada Eskwela*, ensuring clean, well-maintained, and disaster-ready learning environments.
- We provided school and teaching supplies to 12,758 students and 277 teachers from 50 host schools.
- First Gas and FGHPG gave allowances to 327 students at four host schools, including student-dependents of *Bantay Dagay* organizations.
- First Gas facilitated the National Achievement Test (NAT) Review for 266 sixth-grade students, in partnership with the Batangas State University.
- FGHPG supplied training on the K+12 approach to 25 teachers from our host schools.
- The First Gen Mindanao Hydro group installed Knowledge Channel learning packages at our five host schools in Agusan del Norte and Bukidnon.
- First Gas provided 229 students from two host schools with dental care, and partnered with the Asian Eye Institute to provide glasses for 101 students.

Community Health & Safety

- First Gas and FGHPG conducted in-school feeding programs, benefiting 470 malnourished children from seven host schools.
- The First Gen group ran a number of healthcare initiatives, including
 - Medical missions that benefited 9,057 individuals
 - Optical missions that benefited 4,469 individuals
 - Dental missions that benefited 1,753 individuals
 - Free cataract operations for 13 elderly citizens, in partnership with the Asian Eye Institute
- First Gas's community clinic served a total of 2,024 individuals. Moreover, FGHPG is constructing a Home for the Aged in Pantabangan, Nueva Ecija, to provide medial attention, rest, and recreation for the elderly.

Poverty Alleviation

⁸ Entitled, "Energizing the Future"

- For the second year in a row, our Kananga-EDC Institute of Technology (KEITECH) received the Technical Education and Skills Development Authority's Kabalikat Award. Two FGHPC students graduated from KEITECH in 2014.
 - Our Center of the Center program provided a 4DRS diesel engine for the *Samahang Bantay Dagat ng Mabini's* ecotourism boat business, and equipment and initial ingredients for the *Nagkakaisang Bantay Dagat ng Tingloy's shing-a-ling and miki* noodles business, which was able to earn a net profit of over Php16,000 in only its first four months of operation.
 - Our subsidiaries conducted livelihood courses in:
 - Basic Cosmetology, for 41 participants
 - Shielded Metal Arc Welding, for 32 participants
 - Electrical Installation and maintenance, for nine participants
- First Gas's *Tulong Upang Lumawak Angking Yaman* (TULAY) and *Ganda Mo Hanapbuhay Ko* graduates also underwent values formation seminars.

Environment

- Through First Gas, we continued to uphold the Center of the Center program, by:
 - Providing operational support and accident insurance to Bantay Dagat organizations, enabling them to conduct regular patrolling operations.
 - Supporting the Batangas Environment Response Team's Operational and Planning Workshop, in partnership with the Provincial Government – Environment and Natural Resources Office.

This advocacy protects the Verde Island Passage from illegal and commercial fishing, preventing harmful fishing methods while safeguarding the local industry.

- In partnership with community volunteers, First Gas and FG Bukidnon Power conducted regular coastal and creek Clean-ups in their respective areas.
- The First Gen group planted 3,500 seedlings in multiple locations, boosting the Department of Environment and Natural Resources' (DENR) TreeVolution: Greening MindaNOW initiative, which was recognized by the Guinness World Records for planting the most number of trees in multiple locations.
- EDC established arboretums in Southern Leyte – in partnership with the Provincial Environment and Natural Resources Management Office – and at the UP Institute of Biology, to serve as seedling banks for threatened tree species.
- FGHP maintained its 542 hectares of BINHI plantations. BINHI's four Framers' Associations – comprising a sum of 298 members – were endowed with Php5.0 million in total contracts, and seminars on self-awareness, patrolling, firefighting, basic accounting, and related skills.
- First Gen – in partnership with the Diliman Science Research Foundation and the Makiling Center for Mountain Ecosystem – and FGHP continued to conduct biodiversity studies, to better protect ecosystems in our host communities.
- First Gen – under the auspices of the Oscar M. Lopez Center for Climate Change Adaptation and Disaster Risk Management Foundation, and with the Office of the Presidential Assistant for Rehabilitation and Recovery (OPARR) – hosted a forum for international scientists to discuss strategies for the rehabilitation and rebuilding of Yolanda-stricken areas.

EmPOWER

- Our EmPOWER (Employee Power) program led our personnel to render 67.5 volunteer hours, in five activities benefiting two elementary schools, three college scholars, seven institutions, 30 impoverished youths, and 475 Aeta students.
- Through EmPOWER donations, our employees helped in the rehabilitation and repair of Candavid Elementary School – an earthquake-stricken school in Bohol – and the Eastern Visayas State University, a Yolanda-stricken school in Leyte.
- A new student was added to the pair of scholars already being sponsored through college by our employees' donations, through various fundraising activities.
- First Gen employees provided 475 Aeta students from Pampanga's Nabuclod Community with schoolbags and supplies. They held a team-building activity together with marginalized youth from the *Unang Hakbang* Foundation.
- Our annual Red Bags campaign had personnel distribute Christmas food packs to hospitals, the Sagip Kapamilya Precious Heritage Foundation, Metro Manila Development Authority (MMDA) enforcers, and communities in Quezon City, Pasig, Mandaluyong, Batangas, and Manila.

3) Performance-enhancing mechanisms for employee participation.

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

It is the policy of the company to extend leave benefits with pay to its employees to enable them to take respite from pressures of work, to provide them with the opportunity to attend to personal matters and support their health and well-being.

The company recognizes the importance of keeping its employees in good health for them to perform efficiently and effectively in their respective work assignments. The company provides its employees with outpatient medical services benefits, medicine reimbursements, dental care services and optical benefits for the prevention, detection and treatment of sickness, diseases and injuries.

The company recognizes its responsibility to assist its employees in addressing their medical hospitalization needs. The company provides appropriate medical hospitalization benefits to its employees and, to a certain extent, their eligible dependents.

In line with the company's philosophy of providing for the well-being of its employees and their families, the company also makes available to its employees term life insurance coverage and accident insurance coverage under a group policy.

Below are the policies adopted by the company relating to the safety, health and welfare of its employees:

- a. Vacation Leave
- b. Sick Leave
- c. Maternity Leave
- d. Paternity leave
- e. Solo Parent Leave
- f. Group Medical Hospitalization and Post Confinement
- g. Outpatient Medical Services
- h. Dental Services
- i. Optical Reimbursement
- j. Drug Free Workplace Policy
- k. Workplace Policy on HIV/AIDS
- l. Other Special Leave Benefits – R.A.9710 Magna Carta for Women

The company makes a regular assessment of the impact of its projects and activities on environment, safety and health. It adopts effective mitigating measures using available and appropriate technologies. The company likewise seeks to improve the management of its environment, safety and health programs with the end view of reducing work-related illnesses / accidents, environmental emissions, effluents and wastes, and promoting the efficient use of energy, water and other resources. Further, as part of its new employee engagement program, the company regularly conducts orientations on its QESH policies.

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

Sick Leaves for Year 2014

No. of employees	Availed sick leaves	Average sick leave per employee
75	22.5	2.97

Environment Safety and Health Programs:

SAFETY/ENVIRONMENT/HEALTH AND WELLNESS 2015	
Defensive Driving Training	August to December 2015
National Fire Protection Association (NFPA) 70E Training	December 2015
Hazard and Operability Workshop	November 2015
Safety Culture	1 session – 22 participants in April 2014

Basic Occupational Safety and Health Training	1 session
Basic Life Support/First Aid Training	1 session
Employee Emergency Kits Issued	Existing kits are still being used
First Aid and Basic Life Support Training	July 2015
Occupational Health Awareness	March 2015
▪ Occupational illness	
▪ Blood supply program	3 rd quarter of 2015
▪ Fitness to work	
▪ Food safety program	3 rd quarter of 2015
▪ Infectious diseases	
▪ Medical emergency response	
▪ Substance abuse management program	
▪ Chickenpox awareness	
▪ Alcohol testing procedure	April 2015
▪ Medical review officer	June 2015
▪ Biological hazards	August 2015
Annual Physical Examination	177 employees
Fire Evacuation Drill	1 session
Wellness/Physical Fitness Activities	
▪ Badminton activities	started April 2015
▪ Dance/Zumba activities	Started July 2015
▪ Fun run	6 runs
▪ Basketball	started April 2015
Medical Missions	6 sessions
Minimum Health Management System sessions	5 sessions
Walk the Talk	August 15
Conduct of Work Environment Measurement	2 sessions

Safety:

- Deployment of ESH Management System to the head office and project sites
- Deployment of QESH Corporate processes and procedures
- Safety and occupational health support at project sites
- Emergency Preparedness and Response – Team and Plan in place (kits provided to employees/first aid station provided in pre-defined office areas as well as in pool of vehicles)
- Conducted investigations on safety-related incidents in Batangas
- Conducted ESH audit on contractors
- Support for the ESH Risk Assessment of ongoing projects
- Initiated Safety Culture workshop which was attended by different personnel from the sites and HO
- Hiring and assigning Safety Specialist at Avion and San Gabriel construction sites to oversee ESH-related scope.
- Conducted QESH orientation to new employees at HO and site personnel
- Conducted ocular inspections for First Gen (including other Lopez-wide) activities conducted outside HO i.e. Walk the Talk
- Ongoing participation in the risk assessment or ESH due diligence for the transfer of First Gen to the RBC Tower.
- Ongoing participation in the IFC Due Diligence and post audit requirements
- Ongoing participation in the Global Reporting Initiative (GRI) for First Gen

Health and Wellness:

- Ongoing wellness programs: badminton, basketball games, dance, participation in fun run, walk the talk activities and OML Walk
- Annual Physical Examination (APE), medical consultation and appropriate referral; over the counter medicines and first aid
- Information, Education and Communication / fora on occupational health programs held on food safety, alcohol and drug testing and fitness to work at site offices
- Random alcohol testing
- Ebola awareness campaign through lectures, quiz bees, posters
- Conduct of medical missions in project sites
- Continuation of roll-out of the Minimum Health Management System

- Medical mission conducted in Pantabangan, Nueva Ecija
- Ongoing collaborative review on Substance Abuse (Drug and Alcohol) Policy

Environment:

- Support for annual recycling event (Benpres)-April (previously due diligence of recycling facility - transport and disposal of hazardous waste-busted lamps)

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

The following company-initiated training and development programs were conducted in 2014 and 2015:

Program	Number of Participants	Date
Supreme Court decisions	1	December 2015
Professional Executive Assistant Training	8	December 2015
Executive Learning Session: Scaling Up Master Class	42	December 2015
Management Development Program	2	November 2015
Basic Management Program	9	November 2015
MS Excel for HR (Intermediate Level)	8	October 2015
Eloquent Emcee: Mastering Emcee Skills and Becoming an Effective Master of Ceremonies	3	October 2015
Contracts 101: What Every Manager Should Know	27	October and Nov 2015
Systems Thinking: Understanding Complexity	6	October 2015
Advance Project Financial Modeling	8	October 2015
Basic Practice Financial Modeling	8	October 2015
Essentials of Finance	11	Sept and Nov 2015
Coaching Skills Workshop	27	Sept, Oct, Nov 2015
Executive Learning Session: Gear Up	7	September 2015
Official and Diplomatic Protocol and VVIP Courtesy Workshop	12	August 2015
Change Management Workshop	12	August 2015
Seven Habits of Highly Effective People Program	5	July 2015
Master Negotiation Skills	7	June and October 2015
Executive Presentation Skills Program	36	June-July 2015
Project Management Workshop	11	June 2015
Executive Decision Making Process Learning Session	20	April 2015
Executive Coaching Program	5	April – December 2015
Unleash the Highest Potential of your Life	3	March 2015
Executive Learning Workshop: Scaling Up	29	March 2015
Power 101: Philippine Power Industry	14	March 2015
Advance Project Finance Modeling	17	April 2014
Advanced MS Excel 2010	21	November 2014
Best Practices on Finance Modeling	22	November 2014
Contracts 101: Creating And Preserving Value Through Contracts	27	November 2014
Creating Development Plans	20	April 2014
Electricity Retail Contracts	3	April 2014
Engineering, Procurement and Construction (EPC) Master Class with Workshop	30	December 2014
Executive Coaching Program	5	September 2014
Executive Learning Session - Adaptive Leadership	45	August 2014

Fundamentals of Power Generation	5	February 2014
Intermediate MS Office Power Point Training	5	December 2014
Making Learning Effective through Materials & Test	14	April 2014
MS Excel 2010 - Advance Level	5	December 2014
Power 101: Philippine Power Industry	54	October 2014
Power Purchase Agreement	8	March 2014
Presentation Advantage	4	May 2014
Setting Up For Success: A Strategic Visioning Workshop	18	July 2014
Targeted Selection Training	6	February 2014
Technical Report Writing Skills for Power and Utilities Professionals	48	November 2014
The 7 Habits of Highly Effective People Signature Program	9	July 2014

The following functional training and development programs were conducted in 2014 and 2015:

Program	Number of Participants	Date
Business Valuation with Aswath Damodaran	2	January 2015
Tools & Techniques for Internal Audit Staff	1	January 2015
2nd LNG Supply, Transport and Storage Philippines	2	February, 2015
LNG Global Congress Asia Pacific	2	February 2015
Managing Technology for Competitive Advantage	1	February 2015
Protective Relaying	2	February 2015
Zero Carbon Resorts Towards Sustainable Development of Tourism Sectors in the Philippines and Thailand	1	February 2015
ASEAN Corporate Sustainability Summit	1	March 2015
Basic Occupational Safety & Health Course	6	March 2015
Electrical Control Wiring, Installation and Troubleshooting	1	March 2015
Fraud Audit	1	March 2015
LNG Terminal Operations	1	March 2015
Process Hazard Analysis Team Leader Workshop	1	March 2015
The Business of Talent - Human Capital and Talent Management in the Age of Disruption	1	March 2015
10th Annual Asia Pacific V User's Conference	1	September 2014
14th National Occupational Safety and Health Congress	1	November 2014
16th Hydro Power Engineering Exchange	1	August 2014
2014 Natural Gas Summit	1	March 2014
2014 V Users' Conference	3	September 2014
5 Modular Courses for Occupational Health Physician	1	August – September 2014
Accounting for Non-Accountants	1	December 2014
Advanced Diagnostics Workshop for High Voltage Assets	1	October 2014

Agile Project Management (Scrum): Lessons Learned from Orchestrack	1	November 2014
AIM Asian Forum on CSR	5	September 2014
Annual Siemens T3000 Users' Group Meeting	2	June 2014
Business Continuity Management System	1	May 2014
Certificate Course in the Fundamentals of Organization Development	1	September-October 2014
Certifier Information Security Manager	1	August, September, October 2014
COBIT 5 Foundation	1	August 2014
Compensation Management, Measure and Analysis Seminar	1	January 2014
Comprehensive Seminar on Withholding Tax on Wages and Fringe Benefits Tax	1	January 2014
Comprehensive Seminar to Achieve Tax Compliance in the Local Accounts Payable Process	1	February 2014
Control Objectives for Information and Related Technology (COBIT) 5 Foundation	1	November 2014
Corporate Governance Seminar	1	May 2014
Creative Problem Solving Techniques for Auditors	1	May 2014
Effective Business Writing	2	May 2014
Electrical Control Wiring, Installation and Troubleshooting	1	June-August 2014
Essentials of Coal Markets and Training	2	June 2014
Executive Decision Making Workshop	1	March 2014
Expenditure Taxation	1	February 2014
Financial Derivatives	1	February 2014
Fundamentals of Labor and Employment Laws	2	February 2014
Gaztransport & Technigaz Seminar on Gas Ship Technology (GST) Membrane Full Integrity Seminar	2	April 2014
Heads Up: ISO Transitions	1	August 2014
HRSG User's Group Conference and Expo	2	February 2014
HV Substation - Design and Construction	1	May 2014
Hydraulic Industrial Controls	1	February – March 2014
Hydro 2014: Building on Recent Development Progress	3	October 2014
IIA-P Audit Rating System	1	February 2014
IIA-P Whole Day Learning Event with 3rd General Membership Meeting	6	August 2014
Import/Export Part 1 Seminar	1	April 2014
Incident Investigation and Prevention Training	2	March 2014
Infor10x EAM Workshop	1	January 2014
Infor10x Enterprise Asset Management (EAM) Workshop	2	January 2014
IT Security Summit 2014	1	May 2014
ITIL (Information Technology Infrastructure Library) v.4 Foundation Training	1	November 2014
Loss Control Management - Advanced OSH	1	September 2014

Managing Logistics in the Supply Chain	1	February 2014
Materials and Process Quality Control in Construction	1	May 2014
National Examination Board in Occupational Safety and Health (NEBOSH) International General Certificate in Occupational Safety and Health	2	December 2014
New BIR Rules on Tax Audit and Assessment	1	January 2014
OMICRON Advanced Diagnostics Workshop for High Voltage Assets	1	May 2014
Operational Risk Management Workshop	1	July 2014
Partial Discharge in Rotating Machine	15	April 2014
Participatory Monitoring and Evaluation of Social Development Projects	1	July 2014
Philippines LNG	7	May 2014
Power System Design, Protective Relaying, & High Voltage Substation	1	August 2014
PowerGen International 2014	2	December 2014
Practical Root Cause Analysis Training	5	March 2014
Project Management Workshop	2	August 2014
Reserve Market Training	11	January 2014
Safety Culture Excellence	4	August 2014
SAP BC400	1	August 2014
Seminar on Environmental Management for Managing Heads	1	August 2014
The 3rd Strategic Recruitment & Talent Selection Summit	2	May 2014
The Philippine Energy and The ASEAN Energy Market Integration	1	June 2014
Towers Watson Forum on Executive Compensation and Long-Term Incentive	1	November 2014
Training of Trainers for Mindanao /Occupational Health and Safety Center, Department of Labor and Employment	1	March 2014
VM 600 Machinery Protection System Basic and Advance Training	6	July 2014
Workshop on VAT	1	September 2014
10th Annual Asia Pacific V User's Conference	1	January 2014

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

The company's rewards and compensation policy are designed to accomplish the following: provide a competitive level of pay and benefits to attract and retain employees; encourage high performance and the achievement of organization objectives; and recognize and reward individuals' initiatives and contributions.

The company's rewards policy includes the grant of bonuses and increases based on, among others, the attainment by the company of its goals and targets, changing market conditions for various types of talent, and the employees' demonstrated performance and contribution to the organization. Increases and incentive pay take into consideration not only short-term financial measures but long-term Key Results Areas that include market performance, customer satisfaction, operational and process excellence and organizational learning.

- (e) 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.

The company has adopted a Whistleblower Policy which aims to promote a culture which encourages communication without fear of retaliation. Specifically, the policy is intended to provide an assurance to any director, officer, employee, contractor, consultant, advisor and other personnel (Member/s) who wish to raise concerns pertaining to unlawful activities, that he will be protected from any and all forms of reprisal or revenge and be afforded a mantle of confidentiality. The policy will protect any Member who reports a violation or any illegal activity from harassment, intimidation, punishment or adverse employment consequences. Any Member who retaliates against someone who intends to report, or has reported, a violation shall be dealt with accordingly pursuant to the Company Code of Employee Discipline.

Under the provisions of the policy, a whistleblower may make a disclosure on any act which is: contrary to law and company rules, regulations, policies or values; adversely affects company image and reputation; unreasonable, unjust, unfair, or discriminatory; an undue or improper exercise of powers and prerogatives; and similar actions which are against company interest or contrary to company values. A whistleblower may make any disclosure to his immediate superior, senior officers, Human Resources Department; or Internal Audit Department. Disclosures may be made personally, in writing, or any acceptable means, and must contain sufficient particulars and details of the act that is being reported. As much as possible, material evidence in support of the disclosure should be included. Anonymous disclosures are discouraged. However, an anonymous disclosure may be considered and acted upon if there is strong and compelling evidence to support such disclosure. Upon receipt of the disclosure, the recipient of the information shall treat the identity of the whistleblower and the information disclosed as confidential, review the disclosure and determine how the matter will proceed in accordance with existing company policies and procedures, and, if deemed necessary under the circumstances, form a committee to investigate the matter subject of the disclosure.

The identity of a whistleblower and the information disclosed shall be treated with strict confidentiality regardless of the outcome of any procedure taken as a result of the disclosure. No retaliatory action against the whistleblower shall be entertained or tolerated by the company as a result of any disclosure. The company shall take disciplinary action against any Member who is found to have committed, initiated, or been otherwise involved in the commission of any retaliatory action against a whistleblower. Said disciplinary action may include termination of employment. The company shall take disciplinary action against any Member who violates the confidentiality of any disclosure including the identity of any whistleblower. Further, the company shall take disciplinary action against any person who is found to have maliciously made a false or misleading disclosure.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more (as of December 31, 2015)

Shareholder	Number of Shares	Percent	Beneficial Owner
See table below			

The equity securities of the Corporation consist of common and preferred shares. The common shares, as well as Series "B" and "E" preferred shares, are voting; the Series "F" and "G" preferred shares are non-voting.

As of December 31, 2015, the Company knows of no one who is directly or indirectly the record or beneficial owner of more than 5% of the corporation's capital stock except as set forth below:

COMMON SHARES:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage to Common Shares
Common	FPH 4 th Floor Benpres Building Exchange Road cor. Meralco	FPH is the record and beneficial owner of the shares indicated.	Filipino	2,424,990,159	66.24%

	Avenue, Pasig City FPH is the parent of the Corporation.				
Common	PCD Nominee Corp. 37 th Floor Tower 1, The Enterprise Center, 6766 Ayala Ave. cor. Paseo de Roxas, Makati City	Various	Filipino Foreign	798,174,799 390,190,673	21.80% 10.66%

	Owner of more than 5% under PCD Nominee Corp.				
Common	Deutsche Bank Manila-Clients A/C 26 th Floor Ayala Tower One Ayala Triangle Makati City	Various	Foreign	210,234,841	5.74%

PREFERRED SHARES:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage to Voting Preferred Shares
Voting Preferred Shares (Series B and E)	FPH	FPH is the record and beneficial owner of the shares.	Filipino	1,468,553,892	100.00%

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage to Non-Voting Preferred Shares
Non-Voting Preferred Shares (Series F)	FPH	FPH is the record and beneficial owner of the shares.	Filipino	61,664,000 ¹⁰	31.24%
Non-Voting Preferred Shares (Series F)	PCD Nominee Corp. (Filipino)	Various	Filipino	16,745,930	8.48%

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage to Non-Voting Preferred Shares
Non-Voting Preferred Shares (Series G)	FPH	FPH is the record and beneficial owner of the shares.	Filipino	50,296,450	21.52%
Non-Voting Preferred Shares (Series G)	PCD Nominee Corp. (Filipino)	Various	Filipino	81,303,050	34.78%

	Owner of more than 5% under PCD Nominee Corp.				
Non-Voting Preferred	BDO Securities Corporation 27 th Floor Tower I & Exchange Plaza Ayala Ave., Makati City	Various	Filipino	24,994,830	12.66%

¹⁰ Inclusive of the 16,745,930 shares beneficially owned by FPH under PCD Nominee Corporation.

Shares (Series F)					
Non-Voting Preferred Shares (Series F)	RCBC Securities, Inc. Unit 1008 Tower 1 Exchange Plaza Ayala Ave. Makati City	Various	Filipino – 10,000,000 shares Foreign – 1,000	10,001,000	5.07%
Non-Voting Preferred Shares (Series G)	BDO Securities Corporation 27 th Floor Tower I & Exchange Plaza Ayala Ave., Makati City	Various	Filipino – 39,384,620 Foreign – 114,100	39,498,720	20.01%

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
See table below			

The shareholdings of the Corporation's directors and officers as of December 31, 2015 are as follows:

Director / Officer	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Oscar M. Lopez	4,375,520		0.12%
		Through Consuelo R. Lopez – 235,050	0.01%
		Through Ma. Consuelo R. Lopez – 75,000	0.00%
Federico R. Lopez	5,568,983		0.15%
	Federico R. Lopez ITF Juan Roberto Daniel Lopez – 414		0.00%
	Federico Daniel R. Lopez ITF Juan Roberto Daniel Lopez – 414		0.00%
		Through Monina D. Lopez – 264,738	0.01%
Francis Giles B. Puno	6,985,130		0.19%
	Francis Giles B. Puno and/or Ma. Patricia D. Puno – 1,105,800		0.03%
Richard B. Tantoco	4,504,620		0.12%
Peter D. Garrucho Jr.	6,887,004		0.19%
Elpidio L. Ibañez	1,900,000		0.05%
Eugenio L. Lopez III	150		0.00%
Tony Tan Caktiong	165		0.00%
Jaime I. Ayala	1		0.00%
Ernesto B. Pantangco	2,316,866		0.06%
Jonathan C. Russell	1,484,538		0.04%
Renato A. Castillo	0		-
Victor B. Santos Jr.	0		-
Emmanuel P. Singson	605,000		0.02%
Nestor H. Vasay	525,000		0.01%
Ferdinand Edwin S. Co Seteng	0		-
Colin Fleming	33,300		0.00%
Julicer A. Alvis	0		-
Ramon J. Araneta	60,028		0.00%
Erwin O. Avante	273,875		0.01%
Jerome H. Cainglet	294,416		0.01%
Dominic M. Camu Jr.	0		-
Ramon A. Carandang	0		-
Ma. Aurora E. Ceniza	0		-
Reman A. Chua	4,500		0.00%
Teodorico R. Delfin	0		-
Valerie Y. Dy Sun	0		-
Ana Karina P. Gerochi	0		-

Dennis P. Gonzales	465,000		0.01%
Shirley C. Hombrebueno	410,749		0.01%
Ariel Arman V. Lapus	0		-
Jorge H. Lucas	169,729		0.00%
Aloysius L. Santos	0		-
Carmina Z. Ubaña	10,268		0.00%
Daniel H. Valeriano Jr.	1,300,000		0.04%
Charlie R. Valerio	0		-
Conrado Ernesto C. Viejo	0		-
Ma. Theresa M. Villanueva	0		-
Vincent C. Villegas	245,269		0.01%
Rachel R. Hernandez	8,299		0.00%
Anna Marie M. Sencio	0		-

Directors are required to report to the Compliance Officer / Corporate Secretary their dealings in company shares within three trading days from the date of the transaction.

During the Organizational Board Meeting on May 13, 2015, the directors appointed Ma. Aurora E. Ceniza as Vice President and Ramon A. Carandang as Vice President for Corporate Communications. On September 14, 2015, the board of directors confirmed the appointments of the following: Rassen M. Lopez, Reman A. Chua, Conrado Ernesto C. Viejo, and Raymundo N. Jarque Jr. as Vice Presidents, and Rachel R. Hernandez as Compliance Officer. Ms. Hernandez replaced Victor B. Santos Jr. who elected to focus on his duties and responsibilities as Senior Vice President of both First Gen and its parent company, First Philippine Holdings Corp. In January 2016, the company disclosed the demise of Assistant Corporate Secretary Anna Marie M. Sencio on December 20, 2015.

The shareholdings of the Corporation's directors and officers as of December 31, 2013 and December 31, 2014 are as follows:

Title of Class	Director/Officer	As of December 31, 2013	As of December 31, 2014
Common	Oscar M. Lopez	5,461,226	5,461,226
Common	Federico R. Lopez	5,569,397	5,569,397
Common	Francis Giles B. Puno	8,090,930	8,090,930
Common	Richard B. Tantoco	4,748,820	4,748,820
Common	Peter D. Garrucho Jr.	6,887,004	6,887,004
Common	Elpidio L. Ibañez	1,900,000	1,900,000
Common	Eugenio L. Lopez III	150	150
Common	Tony Tan Caktiong	165	165
Common	Jaime I. Ayala	1	1
Common	Ernesto B. Pantangco	2,681,866	2,681,866
Common	Jonathan C. Russell	1,929,538	1,484,538
Common	Renato A. Castillo	0	0
Common	Victor B. Santos Jr.	0	0
Common	Emmanuel P. Singson	757,534	705,000
Common	Nestor H. Vasay	525,000	525,000
Common	Ferdinand Edwin S. Co Seteng	0	0
Common	Colin Fleming	33,300	33,300
Common	Julicer A. Alvis	0	0
Common	Ramon J. Araneta	237,528	60,028
Common	Erwin O. Avante	273,875	273,875
Common	Jerome H. Cainglet	294,416	294,416
Common	Dominic M. Camu Jr.	0	0
Common	Teodorico R. Delfin	0	0
Common	Valerie Y. Dy Sun	0	0
Common	Ana Karina P. Gerochi	0	0
Common	Dennis P. Gonzales	465,000	465,000
Common	Shirley C. Hombrebueno	410,749	410,749
Common	Ariel Arman V. Lapus	0	0
Common	Jorge H. Lucas	169,729	169,729
Common	Aloysius L. Santos	0	0
Common	Carmina Z. Ubaña	10,268	10,268

Common	Daniel H. Valeriano Jr.	1,300,000	1,300,000
Common	Charlie R. Valerio	0	0
Common	Ma. Theresa M. Villanueva	0	0
Common	Vincent C. Villegas	245,269	245,269
Common	Rachel R. Hernandez	8,299	8,299
Common	Anna Marie M. Sencio	0	0

2) Does the Annual Report disclose the following:

The Annual Report (on SEC Form 17-A) for 2014 has the following Exhibits:

- Exhibit A – Management Report
- Exhibit B – Audited Consolidated Financial Statements and Audited Parent Company Financial Statements
- Exhibit C – SRC Rule 68, as amended (2011) (Schedules)
- Exhibit D – Audit Committee Report for the Year 2014
- Exhibit E - Annual Corporate Governance Report for 2014

The company also furnished its stockholders its 2014 annual report entitled “Energizing the Future”.

Key risks	Major financial risks (interest rate risk, foreign currency risk, credit risk, liquidity risk) are discussed on pages 25 to 27 of the company’s SEC Form 17-A for 2014 (the “Annual Report”). Extensive discussion and quantifications of the impact of the major financial risks are disclosed in Note 25 (pages 101-108) of the Audited Consolidated Financial Statements. A discussion on how the company managed risks is found on pages 8 to 9 of the 2014 annual report (Energizing the Future).
Corporate objectives	The company’s power generation business, through its various operating companies, is discussed extensively on pages 1 to 20 of the Annual Report and pages 1 to 2 of the Management Report (Exhibit A of the Annual Report). The company’s mission and vision are found on page 1 of the 2014 annual report (Energizing the Future).
Financial performance indicators	The key financial performance indicators of the First Gen group are disclosed on page 29 of the Management Report (Exhibit A of the Annual Report).
Non-financial performance indicators	The operational highlights of the various power plants under the company’s portfolio are discussed on pages 11, 21 to 29 of the company’s 2014 annual report (Energizing the Future),
Dividend policy	The dividend policy and previous dividends declared are discussed on pages 40 to 43 of the Annual Report, pages 32-36 of the Management Report (Exhibit A of the Annual Report), and pages 82 to 84 of the Audited Consolidated Financial Statements.
Details of whistle-blowing policy	The oversight responsibilities of the Audit Committee on financial reporting, internal control systems, internal audit activities, compliance with key regulatory requirements, and enforcement of the Corporate Code of Conduct are discussed on pages 51 - 52 of the company’s 2014 annual report (Energizing the Future).
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Biographical details of the directors are indicated on pages 44-46 of the Annual Report, pages 7-8 of the Information Statement, and pages 42 to 45 of the 2014 annual report (Energizing the Future).
Training and/or continuing education programme attended by each director/commissioner	The educational background of the directors are included in their respective biographical details on pages 44-46 of the Annual Report, pages 7-8 of the Information Statement, and pages 42 to 45 of the 2014 annual report (Energizing the Future).
Number of board of directors/commissioners meetings held during the year	The number of board meetings held in 2014 is included in the company’s January 9, 2015 filing with the SEC, on page 53 of the 2014 annual report (Energizing the Future), and page 39 of the Management Report (Exhibit A of the Annual Report).
Attendance details of each director/commissioner in respect of meetings held	The attendance details of each director for board meetings held in 2014 are included in the company’s January 9, 2015 filing with the SEC, on page 53 of the 2014 annual report (Energizing the Future), and page 39 of the Management Report (Exhibit A of the Annual Report).

Details of remuneration of the CEO and each member of the board of directors/commissioners	The compensation of the CEO and the top 5 members of senior management are disclosed on page 15 of the Information Statement and page 50 of the Annual Report.
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Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure.

3) External Auditor's fee

The following table sets out the aggregate fees billed and paid for each of the last three (3) fiscal years for professional services rendered by SGV & Co.:

AUDIT FEES (in Philippine peso)	2014	2013	2012
Audit and Audit-Related Fees	7,391,319	6,577,136	5,175,276
Tax Fees	294,000	457,597	709,531
All Other Fees ^[1]	1,413,253	9,911,485	4,949,572
	9,098,572	16,946,218	10,834,379

^[1] For services relating to due diligence for various financing activities, issuance of agreed-upon procedures (AUP) report for the increase in capital stock of various subsidiaries, AUP for the conversion of deposits for future stock subscriptions into equity, conduct of transfer pricing studies, issuance of comfort letters in relation to the Series "F" & Series "G" perpetual preferred shares offerings and the US\$300M Notes offering, and conduct of seminars.

4) Medium of Communication

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

The company disseminates corporate information through structured and unstructured disclosures filed with the PSE and SEC, press releases, and company website.

5) Date of release of audited financial report:

The company's audited consolidated financial statements for the years ended December 31, 2014 and 2013 were released on April 6, 2015 as an exhibit to the company's Preliminary Information Statement on SEC Form 20-IS.

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

The following are disclosed in the Information Statement and Audited Financial Statements:

To the best of the Corporation's knowledge, there has been no material transaction during the past two (2) years, nor is there any material transaction presently proposed, to which the Corporation was or is to be a party, in which any of its directors, executive officers, nominees for election as directors, or any individual owning, directly or indirectly, significant voting power of the Corporation, or any close family members of such individuals, had or is to have a direct or indirect material interest, except as provided hereunder.

Related party relationships exist when the party has the ability to control, directly or indirectly, through one or more intermediaries, or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity and its key management personnel, directors and stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationships, and not merely to the legal form. Each of the company's related party transactions is fair and was conducted at arm's length.

The following are the other significant transactions with related parties:

- a. Due to related parties represent non-interest-bearing U.S. dollar and Philippine peso-denominated emergency loans to meet working capital and investment requirements of certain entities in the Lopez group of companies.
- b. The First Gen group of companies leases its office premises, where its corporate offices are located, from First Philippine Realty Corporation, a subsidiary of FPH.
- c. First Gen is engaged as a consultant of EDC to render services pertaining to financial, business development and other matters under a Consultancy Agreement which commenced in September 2008. This agreement had an initial term of three (3) years or up to August 2011, which was extended by the parties to 2012. In January 2013, First Gen and EDC agreed to further extend the term of the agreement for two (2) years from January 1, 2013 to December 31, 2014.
- d. Intercompany Guarantees

During the May 12, 2014 Annual General Meeting of the Corporation, the stockholders approved the confirmation, ratification and approval of the authority of First Gen, pursuant to Clause (i) of the Second Article of the Corporation's Amended Articles of Incorporation, to act as a guarantor or co-obligor or assume any obligation of any person, corporation or entity in which the Corporation may have an interest, directly or indirectly, including but not limited to First NatGas Power Corp. (FNPC), which is the operating company of the 414 MW San Gabriel plant, and Prime Meridian Powergen Corporation (PMPC), which is the operating company of the 97 MW Avion plant, under such terms and conditions as the company's duly authorized representatives may deem necessary, proper or convenient in the best interests of First Gen and its relevant subsidiary. FNPC is the operating company of the 414 MW San Gabriel power plant, while PMPC is the operating company of the 97 MW Avion power plant. Pursuant to such authority, the Corporation guaranteed the payment to the Board of Investments by FNPC and PMPC of customs duties waived in the event that FNPC and/or PMPC does not comply with the terms and conditions of their respective Certificates of Authority, specifically on the installation and permanent use of imported capital equipment, spare parts and accessories for the San Gabriel and Avion power plants. The Corporation likewise guaranteed FNPC's punctual performance of its payment obligations under the Export Credit Facility loan agreement with KfW IPEX-Bank of Germany.

Further details on the above matters may be found in Note 19 to the audited consolidated financial statements (Exhibit "B").

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?

Under the Manual on Corporate Governance, management formulates, under the supervision of the Audit Committee, rules and procedures on financial reporting and internal control, that promote an effective system of internal control, ensure the integrity of financial reports, and protect the assets of the company, and complies with the financial reporting requirements by the SEC.

J. RIGHTS OF STOCKHOLDERS

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

The Corporation encourages the attendance and active participation of all stockholders, both individual and institutional, at its stockholders' meetings.

As can be seen in the minutes of the May 13, 2015 annual general meeting, the Chairman asked the stockholders present if there were any questions or points of clarification on the company's annual report. The annual report consists of the Chairman's Message and the President's Report which were presented during the said stockholders' meeting. After the presentation of the annual report, the Chairman and the directors provided the stockholders a sufficient period of time within which to ask any question or make any comment. Since no stockholder took the floor after the presentation of the annual report, the Chairman, during the latter part of the proceedings and prior to entertaining a motion to adjourn, once again inquired whether any person present at the meeting had any question or point of clarification on matters which are of general concern to the stockholders. As a result, 3 stockholders (Mr. Gregorio R. Fagela, Mr. Robert C. Go, and Mr. Guillermo Gili Jr.) asked several questions which were addressed by the Chairman and some directors.

The demeanor of the Chairman and the directors during the annual general meeting motivates stockholders to attend and actively participate in the meeting. In addition, the time and venue of the annual general meeting are carefully selected to enable the stockholders, both individual and institutional, to attend the meeting with ease, comfort and convenience. The company also publicly discloses, by way of a Current Report on SEC Form 17-C, the details of the annual general meeting as soon as the same are approved by the board of directors. The details are posted in the websites of the company and the Philippine Stock Exchange, Inc., and include the date, time and exact venue of the meeting, as well as the record date for stockholders entitled to attend and vote at the meeting. For the May 13, 2015 annual general meeting, the details were announced as early as February 16, 2015, almost three months prior to the meeting. The early announcement ensures that all stockholders of the company, especially institutional investors, are able to make the necessary preparations to attend the meeting.

(a) Quorum

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

Quorum Required	Pursuant to Article I, Section 5 of the company's By-laws, at all meetings of stockholders, whether annual or special, other than meetings the quorum of which is fixed by law, in order to constitute a quorum, there shall be present either in person or by proxy the stockholders of record constituting at least the majority of the outstanding capital stock entitled to vote.
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(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	Corporate acts are approved by the board of directors.
Description	Under the By-laws, the directors shall only act as a board. A majority of the board shall constitute a quorum for the transaction of business, and every decision of a majority of the quorum shall be valid as a corporate act; but one or more directors present at the time and place for which a meeting shall have been called may adjourn any meeting from time to time until a quorum shall be present.

(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 <u>not</u> in The Corporation Code
Section 50. <i>Regular and special meetings of stockholders or members.</i> Regular meetings of stockholders or members shall be held annually on a date fixed in the by-laws, or if not so fixed, on any date in April of every year as determined by the board of directors or trustees: Provided, That written notice of regular meetings shall be sent to all stockholders or members of record at least two (2) weeks prior to the meeting, unless a different period is required by the by-laws. Special meetings of stockholders or members shall be held at any time deemed necessary or as provided in the by-laws: Provided, however, That at least one (1) week written notice shall be sent to all stockholders or members, unless otherwise provided in the by-laws. Notice of any meeting may be waived, expressly or impliedly, by any stockholder or member. Whenever, for any cause, there is no person authorized to call a meeting, the Secretaries and Exchange Commission, upon petition of a stockholder or member on a showing of good cause therefor, may issue an order to the petitioning stockholder or member directing him to call a meeting of the corporation by giving proper notice required by this Code or by the by-laws. The petitioning stockholder or member shall preside thereat until at least a majority of the stockholders or members present have been chosen one of their number as presiding officer. <i>Section 51. Place and time of meetings of stockholders or members.</i> Stockholders' or members' meetings, whether regular or special, shall be held in the city or municipality where the principal office of the corporation is located, and if practicable in the principal office of the corporation: Provided, That Metro Manila shall, for purposes of this section, be considered a city or municipality. Notice of meetings shall be in writing, and the time and place thereof stated therein. All proceedings had and any business transacted at any meeting of the stockholders or members, if within the powers or authority of the corporation, shall be valid even if the meeting be improperly held or called, provided all the stockholders or members of the corporation are present or duly represented at the meeting <i>Section 52. Quorum in meetings.</i> Unless otherwise provided for in this Code or in the by-laws, a quorum shall consist of the stockholders representing a majority of the outstanding capital stock or a majority of the members in the case of non-stock corporations. (n) <i>Section 53. Regular and special meetings of directors or trustees.</i> Regular meetings of the board of directors or trustees	Article I of the company's By-laws provides: <i>Section 1. Annual Meeting.</i> The Annual Meeting of Stockholders of the Corporation shall be held at the principal office of the Corporation, or such place in Metro Manila, Philippines, as may be fixed by the Board of Directors, or the President, and specified in the notice, on the second Wednesday of May of each and every year if said day is not a legal holiday; if a legal holiday, then on the day following. <i>Section 2. Notice of Annual Meeting.</i> Notice of the time and place of holding such Annual Meeting shall be served either personally or by mail or by telex, telecopy or cable upon such stockholder of record of the Corporation entitled to vote at such meeting not less than ten (10) days before the date fixed in such notice for the meeting; if mailed, it shall be directed, except as otherwise provided by law, to each stockholder to his post office address as it appears on the stock books of the Corporation. <i>Section 3. Special Meetings.</i> Special Meetings of the Stockholders, unless otherwise provided for by law, may be called at any time by the President and Secretary of the Corporation upon orders of the Board of Directors. The Secretary shall call a special meeting of stockholders whenever he is requested in writing to do so by stockholders of record of a majority of the capital stock of the Corporation entitled to vote at such meetings. <i>Section 4. Notice of Special Meetings.</i> Notice of each special meeting, unless otherwise provided by law, may be given as herein provided for giving notice of an annual meeting. <i>Section 5. Quorum.</i> At all meetings of stockholders, annual or special, other than meetings the quorum of which is fixed by law, in order to constitute a quorum there shall be present either in person or by proxy the stockholders of record constituting at least the majority of the outstanding capital stock and entitled to vote. If said quorum is not present, the meeting shall be automatically reconvened on a date at least fifteen (15) days from the date of such meeting, which date shall be indicated in the original notice. In the reconvened meeting, the presence of stockholders holding at least the majority of the outstanding capital stock shall be sufficient to constitute a quorum, except in those cases where greater vote for an act of business is required by law or the By-laws.

of every corporation shall be held monthly, unless the by-laws provide otherwise. Special meetings of the board of directors or trustees may be held at any time upon the call of the president or as provided in the by-laws. Meetings of directors or trustees of corporations may be held anywhere in or outside of the Philippines, unless the by-laws provide otherwise. Notice of regular or special meetings stating the date, time and place of the meeting must be sent to every director or trustee at least one (1) day prior to the scheduled meeting, unless otherwise provided by the by-laws. A director or trustee may waive this requirement, either expressly or impliedly.	
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Dividends

Declaration Date	Record Date	Payment Date
November 26, 2015	December 23, 2015	January 25, 2016
July 22, 2015	August 5, 2015	August 20, 2015
June 15, 2015	July 1, 2015	July 27, 2015
November 13, 2014	January 5, 2015	January 26, 2015
October 1, 2014	October 16, 2014	October 30, 2014
June 16, 2014	July 1, 2014	July 25, 2014
November 21, 2013	January 2, 2014	January 27, 2014
July 10, 2013	July 25, 2013	August 19, 2013
June 19, 2013	July 3, 2013	July 25, 2013
November 21, 2012	January 2, 2013	January 25, 2013
June 15, 2012	June 29, 2012	July 25, 2012
December 15, 2011	January 6, 2012	January 25, 2012
July 5, 2011	July 19, 2011	July 25, 2011
January 26, 2011	February 9, 2011	March 7, 2011
March 8 and May 12, 2010 (stock dividend)	-	June 2, 2010 (notice of declaration of stock dividend submitted to the SEC)
October 5 and November 20, 2009 (stock dividend)	-	November 26, 2009 (approved by the SEC)
October 5 and November 20, 2009 (property dividend)	November 20, 2009	November 26, 2009 (approved by the SEC)
March 30 and May 13, 2009 (stock dividend)	September 11, 2009	October 7, 2009
March 30 and May 13, 2009 (property dividend)	May 13, 2009	September 23, 2009 (approved by the SEC)
August 15, 2007	September 7, 2007	September 15, 2007

(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
Although the company is not soliciting proxies, it provides, in the Information Statement, a draft general proxy form for stockholders who may wish to appoint a proxy for the meeting. This facilitates stockholder participation in stockholders' meetings.	Each stockholder is furnished a hard copy of the Information Statement at least 25 business days before the stockholders' meeting. A notice of meeting is attached to the Information Statement. The notice clearly indicates that "The Corporation is not soliciting proxies; however, a draft general proxy form is hereto attached solely for the convenience of stockholders who may wish to appoint a proxy for the meeting." In addition, the draft general proxy form is attached to the Information Statement to further facilitate stockholder participation by proxy.
During the question and answer portion of stockholders' meetings, the Chairman of the meeting directly asks the stockholders whether they have any question or point of clarification on any matter pertaining to the company. The Chairman encourages such inquiries from the stockholders and allows an adequate period of time to pass before going to the next item in the agenda in order to enable stockholders to formulate their questions.	A stockholder who wishes to ask a question of any director or even any member of management may directly pose the question during the question and answer portion of a stockholders' meeting. The company ensures that there are microphones located near the stockholders. Further, the Chairman of the meeting encourages the stockholders to ask questions, and such questions are thoroughly answered by the relevant director or member of management for the benefit of all stockholders, as well as other stakeholders, present at the meeting. During the May 8, 2013 annual general meeting, the Chairman accommodated stockholders who asked questions even after the question and answer portion had already lapsed. Their concerns were addressed by the directors and management of the company. The demeanor of the Chairman and the directors during the annual general meeting motivates stockholders, including institutional investors, to personally attend and actively participate in the meeting.
Details of the annual general meeting	The time and venue of the annual general meeting are carefully selected to enable the stockholders, both individual and institutional, to attend the meeting with ease, comfort and convenience. The company also publicly discloses, by way of a Current Report on SEC Form 17-C, the details of the annual general meeting as soon as the same are approved by the board of directors. The details are posted in the websites of the company and the Philippine Stock Exchange, Inc., and include the date, time and exact venue of the meeting, as well as the record date for stockholders entitled to attend and vote at the meeting. For the May 13, 2015 annual general meeting, the details were announced as early as February 16, 2015, almost three months prior to the meeting. The early announcement ensures that all stockholders of the company, especially institutional investors, are able to make the necessary preparations to attend the meeting.

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

Under the company's Manual on Corporate Governance, the board recognizes and respects the rights of stockholders under the law, the Articles of Incorporation and By-laws, specifically the stockholders' rights 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 rights.

Any amendment to the company's Articles of Incorporation, including the authorization for the increase in the company's authorized capital stock, and sale of all or substantially all of the company's assets, are submitted to the board for approval, and to the stockholders for ratification, under Sections 16, 38, and 40 of the Corporation Code.

A stockholder's appraisal rights are also embodied in Section 81 of the Corporation Code which gives a stockholder the right to dissent and demand payment of the fair value of his shares in the following instances: (i) in case of any amendment to the articles of incorporation which has the effect of changing or restricting the rights of any stockholder or class of shares; or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence; (ii) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets; and (iii) in case of merger or consolidation.

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?

Yes. The notice of meeting (and preliminary information statement) is filed with the PSE and SEC, and uploaded in the company and PSE's websites, at least 25 business days prior to the date of the stockholders' meeting.

- a. Date of sending out notices:
- b. Date of the Annual/Special Stockholders' Meeting:

Following are the dates of filing of the notices of meeting (with preliminary information statement) for stockholders' meetings:

- April 6, 2015 for the May 13, 2015 Annual General Meeting
- April 1, 2014 for the May 12, 2014 Annual General Meeting
- March 27, 2013 for the May 8, 2013 Annual General Meeting
- April 2, 2012 for the May 16, 2012 Annual General Meeting
- December 13, 2011 for the January 25, 2012 Special Stockholders' Meeting
- April 1, 2011 for the May 11, 2011 Annual General Meeting
- March 30, 2010 for the May 12, 2010 Annual General Meeting
- October 5, 2009 for the November 20, 2009 Special Stockholders' Meeting
- April 1, 2009 for the May 13, 2009 Annual General Meeting

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

Questions and answers during stockholders' meetings are duly indicated in the minutes of stockholders' meetings. The following questions were asked and answered during the May 13, 2015 annual general meeting:

STOCKHOLDER	QUESTION	ANSWER
Gregorio R. Fagela	- inquired on the possible revival of the Bataan nuclear power plant in light of today's power problems. He advised that he was able to discuss this issue with	The Chairman explained that back in the late 80's, prior to the company's construction of the Santa Rita and San Lorenzo natural gas-fired power plants in Batangas City, there were numerous proposals to convert the Bataan plant to natural gas. However, it

	a Meralco engineer a few years back and was told that the power plant can indeed be revived.	immediately became apparent that the conversion cost will be much more than the cost to construct a new power plant. He added that there was also a very strong environmental sentiment at that time against nuclear power. As to whether First Gen, as developer, has considered going into nuclear power, the Chairman said that several relevant factors have been duly considered. One, there are very few nuclear plants in the world, and only a small number of students getting into the field of nuclear power studies, with most of them already retired and no longer available for employment. Two, containment vessels for nuclear power plants are produced by very few entities worldwide. For this reason the costs of building and operating a nuclear power plant have gone up considerably. Historically, nuclear power plants have encountered cost overruns, and the leverage is clearly on the suppliers of equipment for such plants. Three, the Philippines is located in the Pacific Ring of Fire where there are lots of volcanic activity and earthquakes. He cited the Fukushima catastrophe, which occurred despite very advanced Japanese technology. Last, the Chairman noted that the First Gen group has already, through its subsidiaries, taken over several government plants which were shown to be in a very poor state, and thus necessitated major repairs and huge expenses. For all of these reasons, the Chairman said that the company is not looking at nuclear power at the moment.
Robert C. Go	- asked about the latest geo-hazard maps of the government	The Chairman said that the company has been conducting geo-hazard studies in plant sites. Director Richard Tantoco, the President and Chief Operating Officer of Energy Development Corporation (“EDC”), advised that EDC undertakes geo-hazard studies in areas which the company has identified to have a high risk in terms of population and location of company assets. These are the areas which EDC focuses on. Mr. Go suggested that the company include, in its next annual report under corporate social responsibility, such geo-hazard maps. Director Tantoco thanked him for his proposal.
Mr. Guillermo Gili Jr.	-proposed that, should the company opt to go into nuclear power, the plant should be located in the southern part of the country, or, as an alternative, in the Calayan Island which is part of the Batanes group of islands	The Chairman took note of and thanked Mr. Gili for his suggestion.

5. Results of 2015 Annual General Meeting

Resolution	Approving	Dissenting	Abstaining
Approval of the minutes of the May 1, 2014 Annual General Meeting	4,273,139,411	0	369,000
Approval of the	4,268,928,611	0	4,579,800

annual report and audited consolidated financial statements				
Ratification of the acts and resolutions adopted by the board of directors and management since the May 12, 2014 annual general meeting up to May 13, 2015	4,268,928,611	0	4,579,800	
Election of directors for 2015-2016	(see tabulation of votes below for each of the directors)			
		Approving	Dissenting	Abstaining
	Oscar M. Lopez	4,192,568,268 81.73%	80,571,143 1.5707%	369,000
	Federico R. Lopez	4,145,092,814 80.80%	128,046,597 2.4963%	369,000
	Francis Giles B. Puno	4,254,679,844 82.94%	18,459,567 0.3599%	369,000
	Richard B. Tantoco	3,986,202,197 77.71%	286,937,214 5.59%	369,000
	Peter D. Garrucho, Jr.	4,201,386,539 81.90%	71,752,872 1.39%	369,000
	Elpidio L. Ibanez	4,163,980,468 81.17%	109,158,943 2.12%	369,000
	Eugenio L. Lopez III	4,152,843,138 80.96%	120,296,273 2.34%	369,000
	Tony Tan Caktiong	4,188,957,810 81.66%	84,181,601 1.64%	369,000
	Jaime I. Ayala	4,273,139,411 83.30%	0	369,000
Election of external auditors for 2015-2016	4,268,928,611	4,210,800	369,000	
Amendment to the 7 th Article of the Amended Articles of Incorporation to increase the authorized capital stock from Php8.6 billion to Php10.2 billion by creating 160 million Series “H” preferred shares with a par value of Php10.00 per share	4,375,889,861	0	369,000	

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

The results of votes taken during the 2013, 2014 and 2015 Annual General Meetings were immediately made known to the stockholders present at the meetings by an announcement of the votes for, against, and abstaining from, each agenda item as such item was discussed. Resolutions approved by the stockholders were duly disclosed on the same day as the stockholders' meetings by way of a Current Report on SEC Form 17-C filed with the PSE, and later uploaded to the company's website.

(e) Modifications

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

No such modifications were made during the most recent Annual General Meeting.

Modifications	Reason for Modification
None	--

(f) Stockholders' Attendance

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

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	Directors Present: • Oscar M. Lopez • Federico R. Lopez (Chairman and CEO) • Francis Giles B. Puno • Richard B. Tantoco • Peter D. Garrucho Jr. • Elpidio L. Ibanez • Tony Tan Caktiong (Independent Director) • Jaime I. Ayala (Independent Director)	May 13, 2015	By proxy and show of hands; As no stockholder, present or represented at the meeting, demanded that voting be by ballot, the votes were counted under the supervision of the Corporate Secretary who counted the votes based on the number of shares entitled to vote owned by stockholders present or represented at the meeting, with the assistance of the company's stock transfer agent.	0.43%	81.6%	82.03%
Annual	Directors Present: • Oscar M. Lopez • Federico R. Lopez (Chairman and CEO) • Francis Giles B. Puno • Peter D. Garrucho Jr. • Elpidio L. Ibanez • Eugenio L. Lopez III • Jaime I. Ayala (Independent Director)	May 12, 2014	By proxy and show of hands; As no stockholder, present or represented at the meeting, demanded that voting be by ballot, the votes were counted under the supervision of the Corporate Secretary who counted the votes based on the number of shares entitled to vote owned by stockholders present	0.46%	83.09%	83.55%

			or represented at the meeting, with the assistance of the company's stock transfer agent.			
Annual	Directors Present: • Oscar M. Lopez • Federico R. Lopez (Chairman and CEO) • Francis Giles B. Puno • Richard B. Tantoco • Peter D. Garrucho Jr. • Elpidio L. Ibañez • Tony Tan Caktiong (Independent Director)	May 8, 2013	By proxy and show of hands; As no stockholder, present or represented at the meeting, demanded that voting be by ballot, the votes were counted under the supervision of the Corporate Secretary who counted the votes based on the number of shares entitled to vote owned by stockholders present or represented at the meeting, with the assistance of the company's stock transfer agent.	0.54%	85.62%	86.0%
Special	Directors Present: • Oscar M. Lopez • Federico R. Lopez (Chairman and CEO) • Francis Giles B. Puno • Richard B. Tantoco • Peter D. Garrucho Jr. • Elpidio L. Ibañez • Eugenio L. Lopez III	January 25, 2012	By proxy and show of hands; As no stockholder, present or represented at the meeting, demanded that voting be by ballot, the votes were counted under the supervision of the Corporate Secretary who counted the votes based on the number of shares entitled to vote owned by stockholders present or represented at the meeting, with the assistance of the company's stock transfer agent.	0.45%	82.54%	83.0%

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

Yes. Votes shall be counted under the supervision and control of the Corporate Secretary with the assistance of the company's stock transfer agent Securities Transfer Services, Inc., and the company's external auditors SyCip Gorres Velayo & Co.

(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. Holders of common shares are entitled to 1 vote for each share of stock. Holders of Series "B" and "E" voting preferred shares are likewise entitled to 1 vote for each share of stock. Series "F" and "G" preferred shares are non-voting shares and its holders are thus entitled to vote only on specific items

provided under the Corporation Code.

(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	Article I Section 6 of the company's By-laws provides that, except as otherwise provided by law, each stockholder of record shall be entitled at every meeting of the stockholders to one vote for each share of stock standing in his name in the stock and transfer books of the Corporation, which vote may be given personally or by written proxy. The written proxy to act shall be given to the Corporate Secretary not less than 6 business days prior to the date of the stockholders' meeting, and the validation thereof should be not later than 5 business days prior to the date of the stockholders' meeting. The Corporation does not solicit proxies. In the Information Statement, it is indicated that "WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED TO NOT SEND US A PROXY"; however, a draft general proxy form is attached to the Information Statement solely for the convenience of stockholders who may wish to appoint a proxy for the meeting.
Notary	There is no requirement for a notarized proxy.
Submission of Proxy	Under the company's By-laws, the written proxy should be submitted to the Corporate Secretary not less than 6 business days prior to the date of the stockholders' meeting.
Several Proxies	When more than 1 proxy is submitted by a stockholder, the one that bears the latest date shall be considered.
Validity of Proxy	Unless otherwise provided in the proxy, it shall be valid only for the meeting for which it was intended.
Proxies executed abroad	Proxies executed abroad shall be duly authenticated by the Philippine Embassy or Consular Office.
Invalidated Proxy	An invalidated proxy shall not be counted.
Validation of Proxy	Under the company's By-laws, the proxy shall be validated not later than 5 business days prior to the date of the stockholders' meeting.
Violation of Proxy	Proxies which violate the above-mentioned requirements shall not be counted.

(h) Sending of Notices

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

Policies	Procedure
Preliminary copies of the notice of meeting and information statement (and attachments) shall be filed with the PSE and SEC, and uploaded in the company and PSE's websites, at least 10 business days prior to the date definitive copies thereof are first sent or given to security holders.	Preliminary copies of the notice of meeting and information statement (and attachments) are filed by the company personally with the SEC and through the PSE online disclosure system (PSE Edge). Upon the PSE's approval of the disclosure, the company uploads the same in its website. The PSE likewise uploads the report in its own website.
Definitive copies of the notice of meeting and information statement (and attachments) shall be filed with the PSE and SEC, and uploaded in the company	Upon receipt of the PSE's comments on the notice of meeting and preliminary information statement (and attachments), the company makes the necessary

and PSE's websites, at least 15 business days prior to the date of the stockholders' meeting. Within the same period, copies shall be distributed to stockholders entitled to notice of, and vote at, the said stockholders' meeting.	revisions and files definitive copies thereof personally with the SEC and through PSE Edge. Upon the PSE's approval of the definitive information statement, the company proceeds to distribute the same to its stockholders entitled to notice of, and vote at, the stockholders' meeting. Definitive copies are likewise uploaded in the company and PSE's websites.
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(i) Definitive Information Statements and Management Report

(For the May 13, 2015 Annual General Meeting)

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	There were approximately 825 stockholders who were entitled to receive copies of the definitive information statement and its attachments.
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	The definitive information statement (with attachments) was uploaded in the company and PSE's websites on April 14. Distribution to market participants / certain beneficial owners commenced on April 17.
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	The definitive information statement (with attachments) was uploaded in the company and PSE's websites on April 14. Distribution to stockholders commenced on April 17.
State whether CD format or hard copies were distributed	Yes. The information statements were distributed in CD format. The company included a statement in the CD sleeve that hard copies of the information statement would be provided upon request of a stockholder.
If yes, indicate whether requesting stockholders were provided hard copies	The company has not received any request for hard copies of the information statement .

(For the May 12, 2014 Annual General Meeting)

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	There were approximately 825 stockholders who were entitled to receive copies of the definitive information statement and its attachments.
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	The definitive information statement (with attachments) was uploaded in the company and PSE's websites on April 10. Distribution to market participants / certain beneficial owners commenced on April 14.
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	The definitive information statement (with attachments) was uploaded in the company and PSE's websites on April 10. Distribution to stockholders commenced on April 14.
State whether CD format or hard copies were distributed	Yes. The information statements were distributed in CD format. The company included a statement in the CD sleeve that hard copies of the information statement would be provided upon request of a stockholder.
If yes, indicate whether requesting stockholders were provided hard copies	The company has not received any request for hard copies of the information statement .

(For the May 8, 2013 Annual General Meeting)

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	There were approximately 630 stockholders who were entitled to receive copies of the definitive information statement and its attachments.
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	The definitive information statement (with attachments) was uploaded in the company and PSE's websites on April 5. Distribution of hard copies to market participants / certain beneficial owners commenced on April 12.
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	The definitive information statement (with attachments) was uploaded in the company and PSE's websites on April 5. Distribution of hard copies to stockholders commenced on April 12.
State whether CD format or hard copies were distributed	Yes. Hard copies were distributed to stockholders entitled to notice of, and vote at, the Annual General Meeting.
If yes, indicate whether requesting stockholders were provided hard copies	Hard copies were distributed to stockholders entitled to notice of, and vote at, the Annual General Meeting.

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

Each resolution to be taken up deals with only one item.	Yes. The agenda for the May 13, 2015 meeting is provided below; in addition, the notice of meeting includes a detailed explanation for each agenda item for the stockholders' ease of reference and better understanding of the matters to be discussed during the annual general meeting: 1. Call to Order 2. Determination of Quorum 3. Approval of the Minutes of the May 12, 2014 Annual General Meeting 4. Annual Report and Audited Consolidated Financial Statements 5. Ratification of the Acts and Resolutions Adopted by the Board of Directors and Management during the Preceding Year 6. Election of Directors (including Independent Directors) for 2015-2016 7. Election of External Auditors 8. Amendment of the 7th Article of the Amended Articles of Incorporation to Increase the Authorized Capital Stock from Php8.6 billion to Php10.2 billion by Creating 160 million Series "H" preferred shares with a par value of Php10.00 per share 9. Consideration of Such Other Business as May Properly Come Before the Meeting 10. Adjournment
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 20-IS includes the complete profiles of the directors nominated for re-election – indicated are the month and year of appointment, experience, and directorships in other listed companies.
The auditors to be appointed or re-appointed.	Yes. The 2015 notice of meeting includes the following provision: SyCip Gorres Velayo & Co. (SGV) has acted as the Corporation's external auditors since the company's incorporation in December 1998. SGV is in compliance with Rule 68, paragraph 3(b)(iv) of the SRC which requires the rotation of the handling partner every five (5) consecutive years. The engagement partner who conducted the audit for calendar year 2014 is Mr. Ladislao Z. Avila; he replaced Mr. Martin C. Guantes who was the handling partner from 2009-2012. SGV is being recommended for re-appointment as the Corporation's external auditors for the current year. For the past five (5) years, the Corporation has not had any disagreements with SGV on accounting principles and practices, financial statement disclosures, or auditing scope or procedures. Reports of the external auditors are reviewed by the Corporation's Audit Committee which is composed of Independent Director Jaime I. Ayala as chairman, with Director Elpidio L. Ibañez, Independent Director Tony Tan Caktiong, and Director Peter D. Garrucho Jr. as members. Representatives from SGV are expected to be present and respond to appropriate questions during the Annual General Meeting. They will have the opportunity to make

	a statement if they so desire.
An explanation of the dividend policy, if any dividend is to be declared.	Yes. The dividend policy is explained in Exhibit A (Management Report) of the Notice of Meeting. The dividend policy is as follows: First Gen has a dividend policy to declare, subject to certain conditions, an annual cash dividend on its common shares equivalent to 30% of the prior year's recurring net income. Any such declaration of cash dividend is conditional upon the recommendation of the board of directors, after taking into consideration factors such as, but not limited to, debt service requirements, the implementation of business plans, operating expenses, budgets, funding for new investments, appropriate reserves, and working capital. Further, the declaration of a cash dividend is subject to the preferential dividend rights of the voting preferred shares and perpetual preferred shares. This dividend policy may be revised by the board of directors for whatever reason it deems necessary, reasonable, or convenient.
The amount payable for final dividends.	Yes. The amount payable for final dividends is indicated in Schedule K of Exhibit C (SRC Rule 68, as amended) of the Notice of Meeting.
Documents required for proxy vote.	Yes. A statement in bold at the top of the page of the information statement states: "WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED TO NOT SEND US A PROXY." Nevertheless, a draft general proxy form is attached to the Notice of Meeting solely for the convenience of stockholders who may wish to appoint a proxy.

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

1) Treatment of Minority Stockholders

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

Policies	Implementation
Under the Manual on Corporate Governance, specifically Section 12 on Shareholders' Benefit – Investors' Rights and Protection, the board recognizes and shall respect the rights of the stockholders under the law, the Articles of Incorporation and By-Laws, specifically the stockholders' rights 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 rights. The board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the Corporation. It is further provided that it is the duty of the board to promote the rights of 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 board should take 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 arrive at a sound judgment pertaining to matters brought to their attention for consideration or approval. Although all stockholders should be treated equally and without discrimination, the board should consider granting minority stockholders the right to propose the holding of meetings as may be proper under the circumstances and the items for discussion in the agenda that relate directly to the business of the company.	All stockholders are encouraged and are given an opportunity to ask questions regarding the company during the annual stockholders' meeting. Even after the termination of the question and answer portion, the Chairman accommodates stockholders who wish to pose a question. Stockholders' questions and concerns are addressed by directors and members of management.

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

Yes, minority stockholders have the right to nominate candidates for election to the board of directors. There is nothing in the Manual on Corporate Governance or in any corporate charter, rule, policy or procedure which prohibits minority stockholders from nominating persons for election to the board of directors.

K. INVESTORS RELATIONS PROGRAM

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

The company's communications policies are embodied in the Quality Management System Manual, which are periodically reviewed by Quality, Environment, Safety and Health Department in line with the requirements of ISO 9001: 2008 Standard. These are reviewed and audited regularly. Certification to the new version, ISO 9001:2015, is planned within the 3-year transition period since its publication in September 2015.

The Investor Relations, Corporate Communications, and the Legal and Regulatory Departments of the company jointly work together to draft and review major company announcements that are approved by Senior Management prior to release.

Internal and external communications may be provided in any of the forms below:

- Meetings with existing and potential shareholders
- Annual Reports
- Public disclosures
- Company Website
- Investor Conferences and Roadshows, local and international
- E-mails
- Speeches
- Presentations
- Press Releases/Press Materials
- Advertisements

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

	Details
(1) Objectives	The objectives of the company's Investor Relations program are to: • define the company's corporate message, strategy and objectives; • establish a consistent message; • provide timely information and updates to the company's stakeholders; • provide an avenue by which stakeholders can make known their complaints and concerns; and • build relationships of trust with the stakeholders.
(2) Principles	• Commitment to deliver targets • Consistent provision of timely and relevant information • Honesty and transparency
(3) Modes of Communications	• Shareholder Meetings • Annual Reports • Public disclosures • Company Website

	• Investor Conferences and Roadshows, local and international • E-mails • Speeches • Presentations • Press Releases
(4) Investors Relations Officer	For concerns and complaints, stakeholders can contact First Gen's Vice President and Investor Relations Officer: Valerie Gloriane Y. Dy Sun vydysun@firstgen.com.ph (632) 449-6247

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

The acquisition and sale of corporate assets are jointly undertaken by the Finance and Business Development Departments of the company. Transactions are evaluated on the basis of the company's required rates of returns and are subjected to stress-testing/scenario analysis by the project proponents.

The company's strategy is dictated by its mission and vision statements. Moreover, its registered list of business activities, as well as certain loan covenants, requires that it evaluate certain transactions within the parameters of its allowed business activities.

Extraordinary transactions such as mergers and dispositions of substantial assets are submitted for approval to the company's board of directors, and thereafter, for ratification by the stockholders, under Sections 77 and 40 of the Corporation Code.

It is the company's policy under Section 13 of the Manual on Corporate Governance that all material information about the Corporation, such as acquisition and disposition of assets, are publicly and timely disclosed through the appropriate mechanisms of the Philippine Stock Exchange and periodic submissions to the Securities and Exchange Commission.

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

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiative	Beneficiary
Education First Gen aims to improve the quality of education in the host public schools and make it accessible to the student populace through its various education projects. It has provided school and teaching supplies to 41,424 students and 632 teachers from 50 host schools from 2013 up to the present. The Group has also been participating in the Department of Education's annual Brigada Eskwela in its host schools. First Gen has been providing elementary students with an education incentive for them to complete their primary education. A total of 452 students were provided with this incentive since 2013. First Gen conducts Preventive Dental Health Care for 579 Grade 1 students of its host schools in Batangas to reduce absenteeism due to tooth decay. According to the Department of Education, 9 out of 10 public school students suffer from tooth decay, the number 1 cause of absenteeism among students. In partnership with Asian Eye Institute, 101 students were also provided with glasses.	Sta. Rita Aplaya Elementary School (ES) and Sta. Rita Karsada E S, Batangas City Kalayaan ES, Pantabangan West Central School, Sampaloc ES, Masiway ES, Lower Tuli School, Pantabangan East Central School, Liberty ES, Salvacion Primary School, Villanueva ES, Napon-Napon ES, Cambitala ES, Tanawan Central School, Ganduz ES, Cadaclan ES, Marikit ES, San Juan ES, Conversion ES, and

First Gen facilitated the National Achievement Test Review for 266 Grade 6 students in partnership with Batangas State University (BSU). Also in partnership with BSU, First Gen implemented the Teachers' Education for Students Thrust (TEST) program in 2013 which aims to enhance the proficiency of the teachers and in turn, to improve the mean percentage score of the pupils. First Gen through FGHPG has been training teachers of its host schools on K+12 since 2014. Twenty seven teachers have been given the training. In 2013, FGHPG installed Knowledge Channel, an educational television program, to Masiway Elementary School and Kalayaan Elementary School – in addition to the four schools provided in the previous years. Since 2014, FGEN Puyo, FGEN Cabadbaran and FGEN Bubunawan installed Knowledge Channel packages in its 8 host schools in Agusan del Norte and Bukidnon. Vital to ensuring the access to education of the student population of the host communities in each subsidiary is ensuring that the students receive proper nutrition. First Gen conducts in-school feeding program in Batangas and Pantabangan for malnourished students in the host communities. A total of 1,709 malnourished children from 13 host schools were nourished through the "Gatas ay Biyaya at Yaman", milk feeding program in Batangas and the meal feeding of FGHPG in partnership with the Parents Teachers Association in each host school.	Pamalyan Cultural Minority School, Nueva Ecija San Juan ES and Galintuja ES, Ma. Aurora, Aurora Marikit East ES, Lublub Central School, Balintugon ES, Abuyo ES, Galintuja ES, Alfonso Castañeda, Nueva Vizcaya Imbatug ES, Liboran ES, Kili-og ES, Agusan Canyon Day Care, Balanban Day Care, Menzi Day Care, PCH Day care, Damilag Day Care, Miranda Day Care, Bukidnon Bangonay ES, Bangonay National High School, Cuyago ES, Cuyago National High School, Tagbuaya ES, Baleguian ES, Maraiging ES, Zapanta Valley Primary School, Alternative Learning System School, Agusan del Norte
<u>Livelihood</u> First Gen provides skills training to qualified residents of the community to increase their employment opportunity. One hundred fifteen individuals completed training on shielded metal arc welding and electrical installation and maintenance through the "Tulong Upang Lumawak Angking Yaman (TULAY)" Program of First Gas and skills training of FGEN Puyo. Meanwhile, 62 women graduated from the Basic Cosmetology Training while ten graduated from Level 2 Cosmetology through the "Ganda Mo, Hanapbuhay Ko" in partnership with Ang Hortaleza Foundation. Graduates of both programs were provided with Values Formation Seminar. First Gen also assisted in the formation of the United Sta. Rita Cooperative (UNISCO) a joint cooperative of its 2 host communities. Through UNISCO, unskilled members of the cooperative are hired for maintenance work such as grass-cutting, janitorial and pantry services. FGHPG meanwhile provides 265 farmer association members with labor contracts. Association Since 2014, the 4 FAs were given a total contract amounting to Php 11,624,979. Six high school graduates from Pantabangan, Nueva Ecija graduated from the Energy Development Corporation's (EDC) Kananga-EDC Institute of Technology (KEITECH). FGEN Puyo, on the other hand, provided 11 individuals with training on Shielded Metal Arc Welding and 9 individuals with Electrical Installation and Maintenance. Four of the graduates are members of the Mamanwa and Manobo tribes. The skills training are part of our commitment to the Hydropower Service Contract with the Department Of Energy. Under the Center of the Center Program, two Bantay Dagat Groups were provided with livelihood support. The Samahang Bantay Dagat ng Mabini was provided with 1 unit diesel 4DR5 boat engine for its ecotourism boat business while the Nagkakaisang Bantay Dagat ng Tingloy was provided with equipment and initial	Barangay Sta. Rita Aplaya and Barangay Sta. Rita Karsada, Batangas City Pantabangan, Nueva Ecija Agusan del Norte Mabini, Tingloy and Lobo, Batangas

ingredients for its shing-a-ling and miki noodles business.	
<u>Environment</u> First Gen takes care of both of its marine and terrestrial environment through various conservation programs. First Gen conducts monthly coastal clean ups in its shoreline in Barangays Sta. Rita Aplaya, Danglayan, and Sta. Clara in Batangas in partnership with community volunteers. FG Bukidnon Power also conducts regular clean-ups of the 200 meter creek near the Poblacion at the Municipality of Manolo Fortich. First Gen continues to support the conservation of the Verde Island Passage through the Center of Center Program. Through the Program, First Gen provides operational support to the Bantay Dagat of the Municipalities of Mabini, Tingloy and Lobo. The operational support enables them to conduct regular patrolling operations to drive away illegal and commercial fishers. The Program also supports the environmental program of the Province of Batangas through provision of accident insurance to the 364 members of the Batangas Bantay Dagat Network. The program also supported the Operational and Planning Workshop of the Batangas Environment Response Team (BERT) and the Batangas Recognition Awards for Verde Outstanding Marine Protected Areas (BRAVO) Awards in partnership with the Provincial Government – Environment and Natural Resources Office (PG-ENRO). First Gen has planted 3,700 tree seedlings since 2013 in support of the National Greening Program. First Gen and FG Bukidnon meanwhile participated in the TreeVolution: Greening MinadaNOW in support of the National Greening Program of DENR. The TreeVolution was officially recognized as having the most number of trees planted in multiple locations by the Guinness World Records. FGHPC continues to maintain 542 hectares of BINHI sites under the Tree for Food and Tree for Life module of EDC. FGHPC also conducts Self-Awareness Seminar and trainings on patrolling and manning of watch towers, firefighting and control, basic accounting and bookkeeping for the four Farmers Association (FAs) contracted under BINHI. The FAs are the Cadaclan Farmers Association, Maluyon Indigenous Christian Farmers Association, Villanueva Farmers Association and the Liberty Farmers and Fisherfolks . Under the BINHI Program indigenous forest tree and fruit tree species are planted including Narra, Molave, Kalumpit, Manga and Guyabano. FGHPC also continues to conduct a Biodiversity Study of the flora, fauna and aquatic component of the Pantabangan Carranglan Watershed. The result will be used in crafting the Management Plan of the Pantabangan Carranglan Watershed Forest Reserve. First Gen also supports a similar study in Mt Makiling in partnership with the Diliman Science Research Foundation, Inc. and the Makiling Center for Mountain Ecosystem. The study entitled “Biodiversity Resource Assessment, Monitoring and Evaluation of Mt. Makiling Subwatersheds for Adaptive Management”.	
<u>Community Health and Safety</u> First Gen also provides the residents of its host communities with access to basic health care through the provision of community clinic and medical missions, which has benefited 19,281 individuals since 2013 The Group also conducts health missions including dental and optical missions in the host communities. The health missions have benefited 23,092 individuals from 2013 to present. FGHPC also trains the Barangay Health Workers (BHWs) in their host barangays to equip them with the necessary skills as primary health responders.	Batangas, Pantabangan, Nueva Ecija, Ma. Aurora, Aurora, Alfonso Castañeda, Nueva Vizcaya, Libona, Bukidnon Baungon, Bukidnon Jabonga, Agusan del Norte

FGHPC also constructed a Home for the Aged in Pantabangan, Nueva Ecija. The Home for the Aged will provide rest and recreation for the elderly. It will also provide them with basic medical assistance/ attention like BP monitoring.	
Arts and Culture First Gen provides an institutional support to the Lopez Museum through the Eugenio Lopez Foundation, Inc. for the promotion, education and conservation of materials significant to our cultural heritage. The group also provides sponsorship for provincial and barangay cultural celebrations significant to its host communities.	Lopez Museum, Batangas Province, Pantabangan, Nueva Ecija, Ma. Aurora, Aurora, Alfonso Castañeda, Nueva Vizcaya, and Agusan del Norte and Bukidnon
Disaster Response and Relief First Gen responded to the victims of Typhoons Lando and Nona in 2015 through provision of relief assistance. A total of 2,790 relief packs were distributed to the Provinces of Nueva Ecija, Nueva Vizcaya and Aurora.	Province of Nueva Ecija, Nueva Vizcaya and Aurora
Employee Volunteerism First Gen promotes volunteerism among its employees through its employee volunteering program which has benefited 2 colleges, 3 elementary schools, 5 college scholars, 21 elderly, 23 institutions, 30 youth, 70 children, 475 Aeta students, and 2,030 families through 3,852 volunteer hours rendered by employees.	

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 board of directors is requested to answer an assessment survey form which evaluates the performance of the board as a whole and of the individual directors. If they so choose, the directors may answer the survey anonymously. Results of the survey shall be collated by the Corporate Secretary. The services of an external consultant may be secured in evaluating the board's performance. The Nomination and Governance Committee deliberates on the qualifications and performance of the members of the board. The company's Compliance Officer monitors whether the directors are compliant with the Manual on Corporate Governance, the policies on Insider Trading and Conflict of Interest, the applicable rules and regulations of regulatory agencies, and the principles and policies of good corporate governance. If any violation is found, he is tasked to report the matter to the board and recommend the imposition of appropriate disciplinary actions on the responsible parties and the adoption of	The performance of the board is evaluated based on: whether the board monitors corporate performance against strategic and business plans and financial objectives and operating plans/targets; whether the board has a sustained program of corporate social responsibility; whether the board members possess sufficient knowledge and information regarding the industry and its attendant risks; whether the board has provided direction to management to help ensure that the company is properly managed; and other criteria similar to the foregoing.

	measures to prevent the repetition of the violation. The Compliance Officer reports directly to the Chairman of the board.	
Board Committees	The board of directors is requested to answer an assessment survey form which evaluates the performance of the board committees. If they so choose, the directors may answer the survey anonymously. Results of the survey shall be collated by the Corporate Secretary. The members of the Audit Committee fill up an annual self-assessment of its performance and effectiveness.	Audit Committee structure and operations – size and independence of the committee; qualifications of the Chair and members; frequency of meetings; availability of resources including access to outside advisors Oversight on financial reporting and disclosures - extent of understanding of the company's business and industry in which it operates; compliance with financial reporting regulations; assessment of financial reports; review of unusual or complex transactions including related party transactions; fair and balanced review of financial reports; appropriateness of accounting policies adopted by management; identification of material errors and fraud, and sufficiency of risk controls; reasonableness of estimates, assumptions and judgments used in the preparation of financial statements; determination of impact of new accounting standards and interpretations; actions or measures in case of finding of error or fraud in financial reporting; communication of members with legal counsel; and assessment of correspondence between the company and regulators Oversight on internal controls - state of internal controls; assessment of control environment; deliberation on findings of weakness in controls and reporting process; evaluation of internal control issues; and framework for fraud prevention and detection including whistle-blower program Oversight on management of internal audit - evaluation of compliance with the Code of Conduct for management; qualifications of an Internal

		Auditor; in-house or outsource internal audit function; communication with management and internal auditor; assessment of adequacy of resources and independence of Internal Auditor; compliance with International Standards on the Professional Practice of Internal Auditor The self-assessment shall be based on the completeness of the charter as to its compliance with regulatory requirements and actual implementation.
Individual Directors	The board of directors is requested to answer an assessment survey form which evaluates the performance of the individual directors. If they so choose, the directors may answer the survey anonymously. Results of the survey shall be collated by the Corporate Secretary. The Nomination and Governance Committee deliberates on the qualifications and performance of the individual directors. The committee may utilize the services of an external consultant to assist it in evaluating a director's performance. The company's Compliance Officer monitors whether a member of the board is compliant with the Manual on Corporate Governance, the policies on Insider Trading and Conflict of Interest, the applicable rules and regulations of regulatory agencies, and the principles and policies of good corporate governance. If any violation is found, he is tasked to report the matter to the board and recommend the imposition of appropriate disciplinary actions on the responsible parties and the adoption of measures to prevent the repetition of the violation. The Compliance Officer reports directly to the Chairman of the board.	The performance of a director is evaluated based on: the director's attendance in board and committee meetings; the director's participation in discussions and deliberations during board and committee meetings; the director's compliance with the policies of the company; the director's transactions and business relationships; and other standards related to the foregoing.
CEO/President	The board of directors is requested to answer an assessment survey form which evaluates the performance of the Chairman / CEO and President / COO. If they so choose, the directors may answer the survey anonymously. Results of the survey shall be collated by the Corporate Secretary.	The performance of the Chairman/CEO and President/COO are evaluated based on: whether the expression of independent views are allowed or encouraged during meetings; whether all members of the board are provided sufficient information to enable them to decide on matters brought before the board; whether full and complete reports are rendered on the company's operations; and other factors related to the overall performance of duties and responsibilities pertaining to the general management and administration of the company.

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
A violation of any provision of the Manual on Corporate Governance by directors, management and employees of the company	Under the manual, the Compliance Officer shall monitor compliance with the provisions of the manual and the rules and regulations of regulatory agencies and, if violations are found, report the matter to the board and recommend the imposition of appropriate disciplinary actions on the responsible parties and the adoption of measures to prevent a repetition of the violation.
A violation of any provision of the Manual on Corporate Governance by directors, management and employees of the company	For non-compliance with the manual, the board of directors may impose appropriate sanctions or corrective actions, after notice and hearing. Sanctions may include censure, suspension and removal from office depending on the gravity of the offense and frequency of the violation.
A violation of any provision of the Manual on Corporate Governance by directors, management and employees of the company	A violation of any provision of the manual by a member of the board of directors shall be a sufficient cause for removal from directorship.

[SIGNATURE PAGE FOLLOWS]

Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of _____ on _____, 2013.

SIGNATURES

FEDERICO R. LOPEZ
Chairman of the Board

FEDERICO R. LOPEZ
Chief Executive Officer

TONY TAN CAKTIONG
Independent Director

JAIME I. AYALA
Independent Director

VICTOR B. SANTOS JR.
Compliance Officer

SUBSCRIBED AND SWORN to before me this _____ day of May 2013, affiants exhibiting to me their Tax Identification Nos. as follows:

Name
Federico R. Lopez
Tony Tan Caktiong
Jaime I. Ayala
Victor B. Santos Jr.

Tax Identification No.
102-829-522
111-391-738
204-153-026
123-365-320

NOTARY PUBLIC

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 2013.



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SEC Registration No. A199818260
Company Name FIRST GEN CORPORATION
Industry Classification Financial Holding Company Activities
Company Type Stock Corporation

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A 1 9 9 8 1 8 2 6 0
S.E.C. Registration Number

F I R S T G E N C O R P O R A T I O N

(Company's Full Name)

3 F B e n p r e s B l d g ., E x c h a n g e R o a d
P a s i g C i t y

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

Rachel R. Hernandez
Contact Person

4 4 9 6 2 8 1
Company telephone Number

1 2
Month

3 1
Day

Fiscal Year

Letter
FORM TYPE

2nd Wed of May
Month Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC Personal concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes



January 11, 2016

SECURITIES AND EXCHANGE COMMISSION

Corporate Governance and Finance Department

SEC Building, EDSA

Greenhills, Mandaluyong City

Attention: **Atty. Justina F. Callangan**
Director, Corporate Governance and Finance Department

Gentlemen:

Please be advised that First Gen Corporation has updated its Annual Corporate Governance Report for the period ended December 31, 2015 to reflect the following:

A. Board Matters

- Updated table of information on the board of directors to indicate that the nomination of the Corporation's regular directors during the May 13, 2015 annual general meeting was made through parent company First Philippine Holdings Corp. ("FPH")'s then President and Chief Operating Officer Elpidio L. Ibañez. Mr. Ibañez is no longer the President and COO of FPH, having retired effective September 30, 2015;
- Indicated the most recent date of strategic board update (September 14, 2015) during which the Corporation's vision and mission were reviewed by the board of directors;
- Indicated additional companies where certain of the Corporation's directors sit as board members;
- Indicated the new position of Director Francis Giles B. Puno in FPH (President and COO);
- Updated shareholdings in the company of the board of directors (as of December 31, 2015);
- Provided further explanation on the criteria on selection/appointment/re-election of the members of the board of directors;
- Updated table of information on orientation and education programs attended by the members of the board of directors.

B. Code of Business Conduct and Ethics

C. Board Meetings and Attendance

- Indicated date and type of meetings of the board of directors for 2015;
- Provided the record of attendance of the directors for 2015;
- Indicated the date of meeting (November 26, 2015) of the non-executive directors during which no executive director was present.

D. Remuneration Matters

- Updated the table of information on aggregate remuneration for 2015;
- Updated remuneration of management for 2015.

E. Board Committees

- Indicated number of meetings held by each committee;
- Provided the record of attendance of the members of the committees;
- Updated issues addressed by the Risk Management Committee.

F. Risk Management System

G. Internal Audit and Control

- Updated information on internal control systems;
- Updated table of information on resignation of internal audit staff;
- Updated the table of information on progress against plans;
- Updated the table of information on audit control policies and procedures;
- Updated statement of compliance with the principles and practices of good corporate governance by the Corporation's directors, officers and employees.

H. Role of Stakeholders

- Provided additional details on activities implementing the Corporation's various policies;
- Updated information on sick leaves availed by employees;
- Updated the table on environmental safety and health programs;
- Updated the table on training and development programs.

I. Disclosure and Transparency

- 1) Updated ownership structure as of December 2015;
- 2) Included information on the appointment of officers and demise of an officer.

J. Rights of Stockholders

- Updated the table of dividends declared by the Corporation.

K. Investor Relations Program

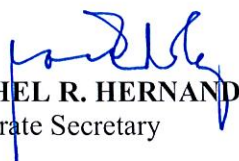
- Indicated the Corporation's intention to secure certification to the new ISO standard.

L. Corporate Social Responsibility Initiatives

M. Board, Director, Committee and CEO Appraisal

N. Internal Breaches and Sanctions

Very truly yours,


RACHEL R. HERNANDEZ
Corporate Secretary