



Ayala Corporation

Makati Central PO Box 1444

Makati City 1254 Philippines

Tel (632) 848 643

01 July 2014

Securities and Exchange Commission

SEC Building, Mandaluyong City

Attention: Director Justina F. Callangan
Director, Corporate Governance & Finance Department

Philippine Stock Exchange, Inc.

3/F Tower One and Exchange Plaza
Ayala Triangle, Ayala Ave., Makati City

Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department

Philippine Dealing and Exchange Corporation

37/F Tower 1, The Enterprise Center
6766 Ayala Ave cor. Paseo de Roxas, Makati City

Attention: Ms. Vina Vanessa S. Salonga
Head, Issuer Compliance and Disclosure Department

Gentlemen:

In compliance with SEC Memoranda 1 and 12, Series of 2014, please be advised of the following changes in our Annual Corporate Governance Report with the approval by our Board of Directors of the updated board committee charters and company policies on 26 June 2014.

A. Board Matters

1. Provide for annual review of our mission and vision by our Board of Directors
2. Set a limit on the number of board seats in other companies that our directors may hold simultaneously
3. State the factors to be considered by the Board of Directors in planning the succession of the CEO/Managing Director/President and top key management officials
4. Provide a board diversity policy
5. Elaborate on the definition of "independence" of the board of directors
6. Set a term limit for our independent directors
7. Define the process and criteria for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of our directors

B. Code of Business Conduct and Ethics

1. Enhance our Code of Conduct and Ethics
2. Discuss the implementation and monitoring of compliance with our Code of Conduct and

Ethics, including requiring our directors, officers and employees to report non-compliance with the Code that may come to their knowledge and attention

C. Board Meeting and Attendance

1. Set a minimum quorum requirement for board decisions
2. Set the timeframe for the distribution of board materials to our directors prior to board meetings

D. Board Committees

1. Define the functions, key responsibilities and power of our Risk Management Committee and re-define the same for our Executive Committee, Nomination Committee and Committee of Inspectors of Proxies and Ballots

E. Rights of Stockholders

1. Provide information on the declaration of cash dividend on the common shares
2. Provide explicit policy for the right of minority stockholders to nominate directors
3. Provide rule on voting by mail in cases of amendment of the articles of incorporation
4. Provide for more rules and guidelines on validation of proxies

F. Board, Director, Committee and CEO Appraisal

1. Define the process followed and criteria used in assessing the annual performance of our board and its committees, and our individual directors

Our updated ACGR may be accessed from our website through the following link:
<http://www.ayala.com.ph/governance/page/annual-corporate-governance-report>.

We trust that you will find the above in order.

Thank you.

Very truly yours,



SOLOMON M. HERMOSURA
General Counsel, Corporate Secretary and
Compliance Officer

