



Ayala Corporation

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Ayala Avenue Makati City 1226
Philippines

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7 January 2016

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 the SEC Memorandum Circular No. 12, Series of 2014, we hereby submit our Company's Consolidated Changes in the Annual Corporate Governance Report for the year 2015.

Thank you.

Very truly yours,


CHARLENE MAE C. TAPIC-CASTRO
Assistant Corporate Secretary



SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

**CONSOLIDATED CHANGES IN THE ANNUAL CORPORATE GOVERNANCE REPORT
FOR THE YEAR 2015**

- | | |
|--|--|
| 1. Report is Filed for the Year | 2015 |
| 2. Exact Name of Registrant as Specified in its Charter | AYALA CORPORATION |
| 3. 34 th Floor Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City
Address of Principal Office | 1226
Postal Code
 |
| 4. SEC Identification Number 34218 | 5. (SEC Use Only)
Industry Classification Code |
| 6. BIR Tax Identification Number | 000-153-610-000 |
| 7. (632) 908-3000
Issuer's Telephone number, including area code | |
| 8. Not applicable
Former name or former address, if changed from the last report | |

A. BOARD MATTERS

1) Board of Directors

(a) Composition of the Board

Complete the table with information on the Board of Directors:

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

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) ¹	Elected when (Annual /Special Meeting)	No. of years served as director
Jaime Augusto Zobel de Ayala	ED	Mermac, Inc.	Remedios D. Wingco & Mermac, Inc.	May 1987	April 10, 2015	Annual Meeting	28
Fernando Zobel de Ayala	ED	Mermac, Inc.	Remedios D. Wingco & Mermac, Inc.	May 1994	April 10, 2015	Annual Meeting	21
Delfin L. Lazaro	NED	N.A.	Remedios D. Wingco	January 2007	April 10, 2015	Annual Meeting	8
Yoshio Amano	ID*	Mitsubishi Corporation (MC)	Remedios D. Wingco & MC	April 2012	April 10, 2015	Annual Meeting	3
Ramon R. Del Rosario, Jr.	ID	N.A.	Remedios D. Wingco (not related to Mr. Del Rosario)	April 2010	April 10, 2015 (Served as ID for 3 years from April 2012)	Annual Meeting	5
Xavier P. Loinaz	ID	N.A.	Remedios D. Wingco (not related to Mr. Loinaz)	April 2009 (as ID)	April 10, 2015 (Served as ID for 3 years from April 2012)	Annual Meeting	6
Antonio Jose U. Periquet	ID	N.A.	Remedios D. Wingco (not related to Mr. Periquet)	September 2010	April 10, 2015 (Served as ID for 3 years from April 2012)	Annual Meeting	4

*Under the ASEAN Standards

Ms. Remedios D. Wingco is a minority stockholder of the Company.

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

Profiles of our Board of Directors:

Jaime Augusto Zobel de Ayala, Filipino, 55, Director of Ayala Corporation since May 1987. He is the Chairman and CEO of Ayala Corporation since April 2006. He holds the following positions in publicly listed companies: Chairman of Globe Telecom, Inc., Integrated Micro-Electronics, Inc. and Bank of the Philippine Islands; and Vice Chairman of Ayala Land, Inc. and Manila Water Company, Inc. He is also the Co-Chairman of Ayala Foundation, Inc.; Vice Chairman of AC Energy Holdings, Inc.; Chairman of Harvard Business School Asia-Pacific Advisory Board; Vice Chairman of the Makati Business Club, and member of the Harvard Global Advisory Council, Mitsubishi Corporation International Advisory Committee, JP Morgan International Council, Endeavor Philippines and National Competitiveness Council; and a Philippine Representative for APEC Business Advisory Council. He graduated with B.A. in Economics (Cum Laude) at Harvard College in 1981 and took his MBA at the Harvard Graduate School of Business Administration in 1987.

Fernando Zobel de Ayala, Filipino, 54, Director of Ayala Corporation since May 1994. He is the President and Chief Operating Officer of Ayala Corporation since April 2006. He holds the following positions in publicly listed companies: Chairman of Ayala Land, Inc. and Manila Water Company, Inc.; and Director of Bank of The Philippine Islands, Globe Telecom, Inc. and Integrated Micro-Electronics, Inc. He is the Chairman of AC International Finance Ltd., AC Energy Holdings, Inc., and Hero Foundation, Inc.; Co-Chairman of Ayala Foundation, Inc.; Director of Livelt Investments, Ltd., Ayala International Holdings Limited, Honda Cars Philippines, Inc., Isuzu Philippines Corporation, Pilipinas Shell Petroleum Corp., Manila Peninsula and Habitat for Humanity International; Member of the INSEAD East Asia Council, World Presidents' Organization and Habitat for Humanity International; Chairman of Habitat for Humanity's Asia-Pacific Capital Campaign Steering Committee; and Member of the Board of Trustees of Caritas Manila, Pilipinas Shell Foundation, Kapit Bisig para sa Ilog Pasig Advisory Board, National Museum and the foundation of the Roman Catholic Church. He graduated with B.A. Liberal Arts at Harvard College in 1982.

Yoshio Amano, Japanese, 56, Director of Ayala Corporation since April 2012. He is a Senior Vice President of Mitsubishi Corporation and the General Manager of Mitsubishi Corporation-Manila Branch; Chairman of International Elevator & Equipment Inc., and MCPL (Philippines) Inc.; President of MC Diamond Realty Investment Phils., Inc., MC Oranbo Investment, Inc. and Japanese Chamber of Commerce & Industry of the Philippines (JCCIP); Director of Isuzu Philippines Corporation, Imasen Philippines Manufacturing Corp., Kepco Ilijan Corporation, UniCharm Philippines Inc., Trans World Agro-Products Corp., Philippine Resins Industries, Inc., Portico Land Corporation, and The Japanese Association Manila, Inc. He is not a director of any publicly listed company. Mr. Amano graduated from the University of Tokyo with a degree on Faculty Engineering in 1982.

Ramon R. del Rosario, Jr., Filipino, 70, Independent Director of Ayala Corporation since April 2010. He holds the following positions in publicly listed companies: President and Chief Executive Officer of Phinma Corporation; Chairman of Trans-Asia Petroleum Corporation; and Vice Chairman of Trans-Asia Oil and Energy Development Corporation. He is the President and Chief Executive Officer of Philippine Investment Management, Inc.; Chairman of Araullo University, University of Iloilo, University of Pangasinan, Cagayan de Oro College, United Pulp and Paper Co., Inc., Microtel Inns and Suites (Pilipinas), Inc., Microtel Development Corp., Trans-Asia Power Generation Corporation, Trans-Asia Renewable Energy Corp., Trans-Asia Gold and Minerals Development Corp., CIP II Power Corp., Fuld & Co., Inc., Fuld & Co (Philippines), Inc. and Paramount Building Management & Services Corp.; Vice-Chairman of Phinma Foundation; Director of Phinma Property Holdings Corp., Union Galvasteel Corp., and South Luzon Thermal Energy Corp.; Chairman of The National Museum of the Philippines, the Makati Business Club, Philippine Business for Education, the Philippines-US Business Council, and the Integrity Initiative; Vice-Chairman of Caritas Manila; and Trustee of De La Salle University. Mr. del Rosario graduated from De La Salle College in 1967 with a degree in BSC-Accounting and AB Social Sciences Magna cum Laude and from Harvard Business School in 1969 for his Master in Business Administration.

Delfin L. Lazaro, Filipino, 68, Director of Ayala Corporation since January 2007. He holds the following positions in publicly listed companies: Director of Ayala Land, Inc., Integrated Micro-Electronics, Inc., Manila Water Company, Inc., and Globe Telecom, Inc.; and Independent Director of Lafarge Republic, Inc. His other significant positions include: Chairman of Philwater Holdings Company, Inc. and Atlas Fertilizer & Chemicals Inc., Chairman and President of A.C.S.T. Business Holdings, Inc.; Vice Chairman and President of Asiacom Philippines, Inc.; Director of AC Energy Holdings, Inc., AC Infrastructure Holdings Corporation, Ayala International Holdings, Ltd., Bestfull Holdings Limited, Probe Productions, Inc. and Empire Insurance Company; and Trustee of Insular Life Assurance Co., Ltd. He graduated with BS Metallurgical Engineering at the University of the Philippines in 1967

and took his MBA (with Distinction) at Harvard Graduate School of Business in 1971.

Xavier P. Loinaz, Filipino, 71, Independent Director of Ayala Corporation since April 2009. He is also an Independent Director of Bank of the Philippine Islands, a publicly listed company. He also holds the following positions: Independent Director of BPI Family Savings Bank, Inc., BPI Direct Savings Bank, and BPI/MS Insurance Corporation; Trustee of E. Zobel Foundation, BPI Foundation, Inc. and PETA; and Chairman of Alay Kapwa Kilusan Pangkalusugan and XPL Manitou Properties, Inc.; and Vice Chairman of XPL MTJL Properties, Inc. He was formerly the President of the Bank of the Philippine Islands (BPI) from 1982 to 2004. He was also the President of Bankers Association of the Philippines from 1989 to 1991. He graduated with an AB Economics degree at Ateneo de Manila University in 1963 and took his MBA-Finance at Wharton School, University of Pennsylvania in 1965.

Antonio Jose U. Periquet, Filipino, 53, Independent Director of Ayala Corporation since September 2010. He is also an Independent Director of other listed companies namely: ABS-CBN Corporation, ABS-CBN Holdings Corporation, Bank of the Philippine Islands, DMCI Holdings, Inc. Philippine Seven Corporation, and Max's Group, Inc. His other significant positions are: Chairman of Pacific Main Holdings, Inc., Campden Hill Group, Inc., and Campden Hill Advisor, Inc.; Director of The Straits Wine Company; Independent Director of BPI Capital Corporation, and BPI Family Savings Bank, Inc.; and Trustee of Lyceum of the Philippines University. He graduated with an AB Economics degree at Ateneo de Manila University in 1982 and took his Masters of Science in Economics at the Oxford University, UK in 1988 and Masters in Business Administration at University of Virginia, USA in 1990.

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

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

On September 22, 2015, the Board reviewed the mission and vision statements of the Company. As the result of the review, the Company adopted the following new vision statement that has been published in the Company website and appended to the Company's Revised Manual of Corporate Governance.

VISION STATEMENT

We will be the most relevant, innovative, and enduring Philippine-based business group, enabling shared value and prosperity for the many markets and stakeholders we serve.

- (c) Directorship in Other Companies

- (ii) Directorship in Other Listed Companies

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

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

(d) Shareholding in the Company

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

Name of Director	Number of Direct shares*	Number of Indirect shares / Through (name of record owner)*	% of Capital Stock
<i>Jaime Augusto Zobel de Ayala</i>	<i>Common-39,731 Voting Preferred-543,802</i>	<i>Common (through ESOWN subscription)- 39,731 Preferred B (through PCD) – 20,000</i>	<i>0.0810%</i>
<i>Fernando Zobel de Ayala</i>	<i>Common-94,825 Voting Preferred-554,983</i>	<i>Common (through ESOWN subscription)- 43,341</i>	<i>0.0800%</i>
<i>Delfin L. Lazaro</i>	<i>Voting Preferred-258,297</i>	<i>Common (through ESOWN subscription)- 181,039 Common (through PCD Nominee)- 79</i>	<i>0.0507%</i>
<i>Yoshio Amano</i>	<i>Common-1</i>	<i>None</i>	<i>0.0000%</i>
<i>Xavier P. Loinaz</i>	<i>Common-126,614 Voting Preferred-65,517</i>	<i>None</i>	<i>0.0222%</i>
<i>Ramon R. Del Rosario, Jr.</i>	<i>Common-1</i>	<i>None</i>	<i>0.0000%</i>
<i>Antonio Jose U. Periquet</i>	<i>Common-1,200</i>	<i>Preferred B (through PCD) – 400,000</i>	<i>0.0463%</i>
TOTAL	1,684,972	742,894	0.2802%

2) Other Executive, Non-Executive and Independent Directors

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. Mr. Amano, an Independent Director of the Corporation, is the General Manager of Mitsubishi Corporation-Manila Branch. Mitsubishi Corporation is also a holding company. Mr. del Rosario, an Independent Director of the Corporation, has been the President and CEO of Phinma, Corporation, a holding company, for at least ten years.

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

Voting Result of the last Annual General Meeting

Name of Director	Votes Received (in favor)*
<i>Jaime Augusto Zobel de Ayala</i>	<i>620,331,407 (93.40%)</i>
<i>Fernando Zobel de Ayala</i>	<i>620,045,688 (93.36%)</i>
<i>Delfin L. Lazaro</i>	<i>620,190,375 (93.38%)</i>
<i>Yoshio Amano</i>	<i>619,108,485 (93.21%)</i>

<i>Xavier P. Loinaz</i>	<i>626,321,226 (94.30%)</i>
<i>Ramon R. Del Rosario, Jr.</i>	<i>622,893,401 (93.78%)</i>
<i>Antonio Jose U. Periquet</i>	<i>623,167,531 (93.83%)</i>

**Percentage out of the registered voting shares*

4) Orientation and Education Program

(a) State any in-house training and external courses attended by Directors and Senior Management² for the past three (3) years:

- *Ayala-LEAP (Ayala Leadership Acceleration Program)*
- *EAGLE (Emerging Ayala Group Leaders Program)*
- *The Leadership Circle (integrated within Ayala-LEAP and EAGLE)*
- *LEAP Alumni Learning Series (presentations by visiting professors and practitioners in the fields of customer centricity, strategy, leadership, etc.)*
- *Executive Coaching*
- *Ayala Group Corporate Governance Summit*
- *Corporate Governance and Risk Management for Banks*
- *Corporate Governance Orientation Program by the Institute of Corporate Directors (ICD)*
- *Corporate Governance Seminar by SyCip Gorres Velayo & Co. (SGV) on July 2014*
- *Ayala Group Sustainability Summit*
- *Ayala Group Corporate Governance and Risk Management Summit held on 4 February 2014*
- *Ayala Group Corporate Governance Summit held on February 18, 2015*
- *Corporate Governance Seminar by SGV on December 8, 2015*

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

Name of Director/Officer	Date of Training	Program	Name of Training Institution
<i>Jaime Augusto Zobel de Ayala</i>	<i>February 18, 2015</i>	<i>Ayala Group Corporate Governance Summit</i>	<i>Institute of Corporate Directors, Inc.</i>
<i>Fernando Zobel de Ayala</i>			
<i>Yoshio Amano (ID)</i>			
<i>Delfin L. Lazaro (NED)</i>			
<i>Xavier P. Loinaz (ID)</i>			
<i>Ramon R. del Rosario (ID)</i>			
<i>Antonio Jose U. Periquet (ID)</i>			

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

² Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

B. CODE OF BUSINESS CONDUCT & ETHICS

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

2) 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.

The Company's Related Party Transactions (RPT) policy was revised, approved and was in effect in December 2014.

It is the policy of Ayala Corporation that related party transactions between the Corporation and related parties shall be subject to review and approval to ensure that they are at "arm's length", the terms are fair, and they will inure to the best interest of the Corporation and its shareholders.

Related party transactions shall be disclosed, reviewed and approved in accordance with the policy consistent with the principles of transparency and fairness.

The policy also defines related party as a person or entity that is related to the entity that is preparing its financial statements, also referred to as the reporting entity.

- *A person or a close member of that person's family is related to a reporting entity if that person has control or joint control over the reporting entity; has significant influence over the reporting entity; or is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.*
- *An entity is related to a reporting entity if any of the following conditions applies:*
 - *The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others)*
 - *One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member)*
 - *Both entities are joint ventures of the same third party.*
 - *One entity is a joint venture of a third entity and the other entity is an associate of the third party*
 - *The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.*
 - *The entity is controlled or jointly controlled by a person of the reporting entity*
 - *A person of the reporting entity has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).*
 - *The entity, or any member of a group of which it is a part, provides key management personnel service to the reporting entity or to the parent of the reporting entity.*

Material/significant related party transactions shall be reviewed by the Risk Management and Related Party Transactions Committee and endorsed to the Board of Directors for approval. Material/significant related party transactions are those transactions involving Php50 million and over.

The Board shall approve a material/significant RPT before its commencement. If not identified beforehand, the material/significant RPT must be subsequently reviewed by the Committee and ratified by the Board or the same may be discontinued, rescinded or modified to make it acceptable for ratification.

The Committee considers the following factors in the review of the RPTs:

- *The terms of the transaction;*
- *The aggregate value of the transaction;*
- *Whether the terms of the transaction are no less favorable than those generally available to non-*

- related parties under the same or similar circumstances;
- The extent of Related Party's interest in the transaction;
- Purpose and timing of the transaction;
- Whether the transaction would present an improper conflict of interest or special risks or contingencies for the Corporation, or the related party taking into account the size of the transaction and the overall financial position of the Related Party; and
- Any material information or other factors the Committee deems relevant.

The Group Risk Management Unit monitors RPTs for approval of the Risk Management and Related Party Transactions Committee while the Controllership Unit ensures that RPTs are properly disclosed in the Corporation's financial statements, and other applicable filings in accordance with the relevant rules and issuances of the Securities and Exchange Commission and other regulatory bodies.

Related Party Transactions	Policies and Procedures
(1) Parent Company	All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables. An assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	Annual disclosure of business interests and adherence to AC's Insider Trading Policy to uphold transparency and practice corporate governance.
(7) Directors including spouse/children/siblings/parents	
(8) Interlocking director relationship of Board of Directors	

C. BOARD MEETINGS & ATTENDANCE

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

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

January 14, 2015
 March 10, 2015
 April 10, 2015
 June 25, 2015
 September 22, 2015 and
 December 3, 2015

- 2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year*	No. of Meetings Attended*	%
Chairman	Jaime Augusto Zobel de Ayala	April 10, 2015	6	6	100%
Member	Fernando Zobel de Ayala	April 10, 2015	6	6	100%
Member	Delfin L. Lazaro	April 10, 2015	6	6	100%
Independent	Yoshio Amano	April 10, 2015	6	6	100%
Independent	Xavier P. Loinaz	April 10, 2015	6	6	100%

Independent	Ramon R. Del Rosario, Jr.	April 10, 2015	6	6	100%
Independent	Antonio Jose U. Periquet	April 10, 2015	6	6	100%

*Meetings in 2014 and during the incumbency of the director.

- 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 Non-Executive and Independent Directors of the Company held a meeting without the presence of any Executive on April 10, 2015.

D. REMUNERATION MATTERS

- 1) Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued during the most recent year:

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	<i>The Executive Directors do not receive remuneration as directors.</i>	₱2,400,000.00	₱3,600,000.00
(b) Variable Remuneration		none	none
(c) Per diem Allowance		₱3,350,000.00	₱4,900,000.00
(d) Bonuses		none	none
(e) Stock Options and/or other financial instruments		none	none
(f) Others (Specify)		none	none
Total		₱ 5,700,000.00	₱ 8,500,000.00

- 2) Stock Rights, Options and Warrants

- (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:

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock
Delfin L. Lazaro*	46,826	None	46,826	0.0078%
Fernando Zobel de Ayala	140,559	None	140,559	0.0234%
Jaime Augusto Zobel de Ayala	140,559	None	140,559	0.0234%

*Grants given during his employment in the Company.

No rights and warrants were given to directors with their position as director of the company. Non-executive and Independent Directors do not receive any compensation as director other than the retainer fee and per diem as set forth above.

- 3) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the

total remuneration received during the financial year:

Name of Officer/Position	Total Remuneration
<i>John Eric T. Francia</i>	₱176M
<i>Delfin C. Gonzalez, Jr.</i>	
<i>Solomon M. Hermosura</i>	
<i>Paolo Maximo F. Borromeo</i>	
<i>John Philip S. Orbeta</i>	

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

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

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	2	0	1	Yes	<p><i>The Committee, in accordance with the authority granted by the Board, or during the absence of the Board, shall act by majority vote of all its members on such specific matters within the competence of the Board of Directors as may from time to time be delegated to the Executive Committee in accordance with Corporation's By-Laws, except with respect to:</i></p> <ol style="list-style-type: none"> <i>1. Approval of any action for which shareholders' approval is also required;</i> <i>2. Filling of vacancies on the Board or in the Executive Committee;</i> <i>3. Amendment or repeal of By-Laws or the adoption of new By-Laws;</i> <i>4. Amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable;</i> <i>5. Distribution of cash dividends; and</i> <i>6. Exercise of powers delegated by the Board exclusively to other committees, if any.</i> 		
Audit	0	0	3	Yes	<p><i>Assists the Board of Directors in fulfilling its responsibility for oversight of the organization's corporate governance processes, with the following particular duties:</i></p> <ol style="list-style-type: none"> <i>1. Regularly reports to the Board on the results of the audits conducted by the independent and internal auditors, the integrity of the company's financial statements, the appropriateness and effectiveness of the systems of internal</i> 		

					<p>controls, risk management, and governance processes.</p> <ol style="list-style-type: none"> 2. Recommends the appointment or re-appointment of the independent auditors; reviews and approves all audit, audit-related, and permissible non-audit services provided by the independent auditors to Ayala and the related fees to ensure that their independence is not compromised. 3. Reviews and approves the Internal Audit Charter to ensure the independence and effectiveness of the internal audit function; ensures that the internal audit function is adequately resourced and all its activities are performed in accordance with the International Standards for the Professional Practice of Internal Auditing. 4. Reviews and approves the overall scope and plans for the respective audits of the company's internal auditors and independent auditors, and the results of their assessment of the company's internal controls and overall quality of the financial reporting process. 5. Reviews the quarterly and annual financial statements and all related disclosures with Management and the independent auditors. 6. Reviews and assesses the adequacy of the Audit Committee Charter at least annually, requesting Board approval for proposed changes. 7. Conducts self-assessment to evaluate the effectiveness of their performance as against the requirements of its Charter and in accordance with the SEC Memorandum Circular Number 4, Series of 2012. <p>Reports annually to the Board of Directors describing the committee's composition, responsibilities and how they were discharged, and any other information required by law; confirms annually that all responsibilities outlined in its charter have been carried out.</p>
Risk Management and Related Party Transactions	0	0	3	Yes	<p>The Risk Management and Related Party Transactions Committee of the Board of Directors is established by the Board to provide assistance in fulfilling the Board's oversight responsibilities in relation to risk governance. The assistance includes ensuring that Management maintains a sound risk management framework and internal control system, and identifies and</p>

					<p><i>assesses material risk exposures, In addition, the Committee:</i></p> <ol style="list-style-type: none"> <i>1. Promotes an open discussion regarding risks faced by the Corporation, as well as risks faced by its subsidiaries that may have potential impact on the Corporation's operations, and ensures that risk awareness culture is pervasive throughout the organization.</i> <i>2. Reviews and discusses with Management the Corporation's risk governance structure and adequacy of policies and processes for risk identification, assessment and mitigation.</i> <i>3. Reviews and recommends to the Management the Corporation's levels of risk appetite and risk tolerance, and risk exposure allocation for approval by the Board of Directors.</i> <i>4. Reviews the Corporation's risk profile on an ongoing basis and re-evaluate the likelihood of occurrence, severity of impact of risk exposures, and any mitigating measures affecting those risks.</i> <i>5. Monitors the implementation of the Corporation's risk mitigation plans and other risk management activities with the assistance of the risk management function.</i> <i>6. Reviews and discusses risk management-related reports and issues raised by the Management, internal auditors, external auditors, legal counsel and regulators that impact the Corporation's risk management framework.</i> <i>7. Reviews disclosures regarding risk contained in the Corporation's Annual Report and other publicly-issued statements.</i> <i>8. Reviews the objectivity, effectiveness and efficiency of the Corporation's risk management function in the context of the Corporation's size, scale, complexity and scope of operations.</i> <i>9. Secures independent expert advice on risk management matters where considered necessary or desirable.</i> <i>10. In coordination with the Audit Committee, ensures that the Corporation's internal audit work plan is aligned with risk management activities and that the internal control system considers all risks identified in the risk assessment process.</i>
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					<p>11. Determines the advisability of, and review and evaluate the terms and conditions of any material or significant related party transactions and their required reporting disclosures.</p> <p>12. Performs other activities related to this Charter as requested by the Board.</p>
Nomination	1	0	2	Yes	<p>1. Review and monitor the structure, size and composition of the Board and make recommendations to ensure compliance with applicable laws, rules and regulations as well as the Corporation's By-laws and Manual of Corporate Governance</p> <p>2. Encourage the selection of a mix of competent directors, each of whom can add value and contribute independent judgment to the formulation of sound corporate strategies and policies;</p> <p>3. Ensure that all nominations to the Board are fair and transparent, and that all nominees are qualified in accordance with the By-laws, Manual of Corporate Governance and relevant laws, rules and regulations;</p> <p>4. Review and evaluate the qualifications of persons nominated to positions which require appointment by the Board, and provide guidance and advice as necessary for appointments by the Chairman or President to positions below Managing Director;</p> <p>5. Review succession plans for members of the Board and senior executives (from group heads to the Chief Executive Officer);</p> <p>6. Assess the effectiveness of the Board's processes and procedures in the election or replacement of Board members and in appointing officers or advisors, and develop, update and recommend to the Board policies for considering nominees for directors, officers or advisors; and</p> <p>7. Perform such other duties and responsibilities that may be delegated to the Committee by the Board from time to time.</p>
Personnel and Compensation	0	1	2	Yes	<p>1. Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation's culture, strategy and control environment;</p>

					<p>2. Designate the amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the Corporation successfully;</p> <p>3. Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which among others compel all officers to declare under the penalty of perjury all their existing business interest or shareholdings that may directly or indirectly conflict in their performance of duties once hired;</p> <p>4. Disallow any director to decide his own remuneration during his incumbent term;</p> <p>5. Provide in the Corporation's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and the ensuring year;</p> <p>6. Review the existing Human Resources Development or Personnel Handbook, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts;</p> <p>7. In the absence of a Personnel Handbook, cause the development of such covering the same parameters of governance stated above.</p>
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* Officers of the company who are not members of the company's Board of Directors.

2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ED)	Jaime Augusto Zobel de Ayala	May 10, 1996	None	N.A.	N.A.	19
Member (ED)	Fernando Zobel de Ayala	May 10, 1996		N.A.	N.A.	19
Member (ID)	Yoshio Amano	April 30, 2012		N.A.	N.A.	3

The actions of the Executive Committee may also be taken by written consent (in physical, electronic or digital format) by majority of the members when deemed necessary or desirable by the Committee or its Chairman.

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings	No. of Meetings Attended*	%	Length of Service in
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			Held*			the Committee
Chairman (ID)	<i>Xavier P. Loinaz</i>	<i>April 3, 2009</i>	5	5	100%	6
Member (ID)	<i>Yoshio Amano</i>	<i>April 20, 2012</i>		5	100%	3
Member (ID)	<i>Ramon R. Del Rosario, Jr.</i>	<i>April 16, 2010</i>		5	100%	5

* In 2014

Disclose the profile or qualifications of the Audit Committee members.

Xavier P. Loinaz, Filipino, 71, Independent Director of Ayala Corporation since April 2009. He is also an Independent Director of Bank of the Philippine Islands, a publicly listed company. He also holds the following positions: Independent Director of BPI Family Savings Bank, Inc., BPI Direct Savings Bank, and BPI/MS Insurance Corporation; Trustee of E. Zobel Foundation, BPI Foundation, Inc. and PETA; and Chairman of Alay Kapwa Kilusan Pangkalusugan and XPL Manitou Properties, Inc.; and Vice Chairman of XPL MTJL Properties, Inc. He was formerly the President of the Bank of the Philippine Islands (BPI) from 1982 to 2004. He was also the President of Bankers Association of the Philippines from 1989 to 1991. He graduated with an AB Economics degree at Ateneo de Manila University in 1963 and took his MBA-Finance at Wharton School, University of Pennsylvania in 1965.

Yoshio Amano, Japanese, 56, Independent Director of Ayala Corporation since April 2012. He is a Senior Vice President of Mitsubishi Corporation and the General Manager of Mitsubishi Corporation-Manila Branch; Chairman of International Elevator & Equipment Inc., and MCPL (Philippines) Inc.; President of MC Diamond Realty Investment Phils., Inc., MC Oranbo Investment, Inc. and Japanese Chamber of Commerce & Industry of the Philippines (JCCPI); Director of Isuzu Philippines Corporation, Imasen Philippines Manufacturing Corp., Kepco Ilijan Corporation, UniCharm Philippines Inc., Trans World Agro-Products Corp., Philippine Resins Industries, Inc., Portico Land Corporation, and The Japanese Association Manila, Inc. He is not a director of any publicly listed company. Mr. Amano graduated from the University of Tokyo with a degree on Faculty Engineering in 1982.

Ramon R. del Rosario, Jr., Filipino, 70, Independent Director of Ayala Corporation since April 2010. He holds the following positions in publicly listed companies: President and Chief Executive Officer of Phinma Corporation; Chairman of Trans-Asia Petroleum Corporation; and Vice Chairman of Trans-Asia Oil and Energy Development Corporation. He is the President and Chief Executive Officer of Philippine Investment Management, Inc.; Chairman of Araullo University, University of Iloilo, University of Pangasinan, Cagayan de Oro College, United Pulp and Paper Co., Inc., Microtel Inns and Suites (Pilipinas), Inc., Microtel Development Corp., Trans-Asia Power Generation Corporation, Trans-Asia Renewable Energy Corp., Trans-Asia Gold and Minerals Development Corp., CIP II Power Corp., Fuld & Co., Inc., Fuld & Co (Philippines), Inc. and Paramount Building Management & Services Corp.; Vice-Chairman of Phinma Foundation; Director of Phinma Property Holdings Corp., Union Galvasteel Corp., and South Luzon Thermal Energy Corp.; Chairman of The National Museum of the Philippines, the Makati Business Club, Philippine Business for Education, the Philippines-US Business Council, and the Integrity Initiative; Vice-Chairman of Caritas Manila; and Trustee of De La Salle University. Mr. del Rosario graduated from De La Salle College in 1967 with a degree in BSC-Accounting and AB Social Sciences Magna cum Laude and from Harvard Business School in 1969 for his Master in Business Administration.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held*	No. of Meetings Attended *	%	Length of Service in the Committee
Chairman (ID)	<i>Ramon R. Del Rosario, Jr.</i>	<i>April 18, 2011</i>	4	4	100%	4
Member (ED)	<i>Jaime Augusto Zobel de Ayala**</i>	<i>April 4, 2008</i>		4	100%	7
Member (ED)	<i>Fernando Zobel de Ayala</i>	<i>March 26, 2004</i>		4	100%	11
Member (ID)	<i>Antonio Jose U. Periquet</i>	<i>April 20, 2012</i>		4	100%	3

*In 2014

**Stepped down in April 2015 to limit the members of the committee to three in accordance with the Company's Charter of the Nomination Committee

(d) Personnel and Compensation Committee

Office	Name	Date of Appointment	No. of Meetings Held*	No. of Meetings Attended*	%	Length of Service in the Committee
Chairman (ID)	Ramon R. del Rosario, Jr.	April 16, 2010	2	2	100%	5
Member (NED)	Delfin L. Lazaro	March 30, 2007		2	100%	8
Member (ID)	Yoshio Amano	April 20, 2012		2	100%	3

* In 2014

(e) Others

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

Finance Committee

Office	Name	Date of Appointment	No. of Meetings Held*	No. of Meetings Attended*	%	Length of Service in the Committee
Chairman (NED)	Delfin L. Lazaro	April 16, 2010	5	5	100%	5
Member (ED)	Jaime Augusto Zobel de Ayala	May 29, 2012		5	100%	3
Member (ID)	Antonio Jose U. Periquet	April 18, 2011		5	100%	4

* In 2014

Committee of Inspectors of Proxies and Ballots

Office	Name	Date of Appointment	No. of Meetings Held*	No. of Meetings Attended*	%	Length of Service in the Committee
Chairman	Solomon M. Hermosura	April 16, 2010	1	1	100%	4
Member	Catherine H. Ang	April 11, 2014		1	100%	1
Member	Josephine G. De Asis	April 19, 2013		1	100%	2

* In 2014

Risk Management and Related Party Transactions Committee

Office	Name	Date of Appointment	No. of Meetings Held*	No. of Meetings Attended*	%	Length of Service in the Committee
Chairman (ID)	Antonio Jose U. Periquet	September 1, 2014	1	1	100%	0
Member (ID)	Ramon R. del Rosario, Jr.	September 1, 2014		1	100%	0
Member (ID)	Yoshio Amano	September 1,		1	100%	0

		2014				
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3) Changes in Committee Members

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

Name of Committee	Name	Reason
Executive	None	
Audit	None	
Nomination	Jaime Augusto Zobel de Ayala	Stepped down in April 2015 to limit the members of the committee to three in accordance with the Company's Charter of the Nomination Committee
Remuneration	None	
Finance Committee	None	
Committee of Inspectors of Proxies and Ballots	None	
Risk Management and Related Party Transactions Committee	Chairman: Mr. Antonio Jose U. Periquet Members: Mr. Ramon R. Del Rosario, Jr. and Mr. Yoshio Amano	Newly established committee in 2014

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	<ol style="list-style-type: none"> 1. Donations and disposals of Properties; 2. Additional cash infusions and advances to wholly-owned subsidiaries of the Company; 3. Participation in BPI Stock Rights Offer; 4. Investment in GN Power Mariveles under subsidiary AC Energy Holdings, Inc.; 5. Divestment in Stream Global Services, Inc., a BPO associate under subsidiary AIVPL/ Livelt; 6. Drawdown of US\$ 345M loan facility and issuance of US\$ 300M exchangeable bonds thru subsidiary AYC Finance Ltd.; 7. Participation of AC Infrastructure Holdings, Inc. in the bidding of LRT 1 Extension and CALA Expressway Projects; 8. Re-issuance of 10B to 15B Class "B" Series 2 Preferred Shares; 9. Approval of 3B and 17B term loan facilities with Metropolitan Bank and Trust Company, and Bank of the Philippine Islands, respectively; 10. Placement and subscription of the Company's 22M common shares to certain qualified third party buyers or investors; and 11. Approval of short-term credit facilities from Security Bank Corporation and UnionBank of the Philippines. 	
Audit	<ol style="list-style-type: none"> 1. Reviewed and approved the quarterly unaudited consolidated financial statements and the annual audited consolidated financial statements of Ayala Corporation and Subsidiaries, and the annual Parent Company Financial Statements, including the Management's Discussion 	Integrity of the Company's financial statements, the financial reporting process; and the systems of internal controls.

	<p><i>and Analysis of Financial Condition and Results of Operations, with management, internal auditors, and external auditors, SGV & Co.;</i></p> <ol style="list-style-type: none"> <i>2. Discussed with external auditors the matters required by applicable Auditing Standard and required communication with the Audit Committee;</i> <i>3. Discussed and approved the overall scope and plans for the respective audits of the Company's internal auditors and external auditors, and the results of their assessment of the Company's internal controls and overall quality of the financial reporting process;</i> <i>4. Discussed the reports and updates of the internal auditors to ensure adequacy of its resource and all its activities are performed in accordance with the International Standards for the Professional Practice of Internal Auditing;</i> <i>5. Discussed and approved the appointment of the Internal Audit Head given the scheduled retirement of the previous Internal Audit Head;</i> <i>6. Reviewed the reports of the Chief Risk Officer and the periodic updates regarding the Company's enterprise risk management procedures and processes, the business risks and the mitigating steps to address such risks;</i> <i>7. Reviewed and approved all audit, audit-related, and permissible non-audit services provided by the external auditor to Ayala Corporation and the related fees, and concluded that the non-audit fees are not significant to impair their independence;</i> <i>8. Recommended the appointment of SGV as the Company's external auditor for the year 2014 and the approval of the audit fees of SGV based on their performance and qualifications;</i> <i>9. Recommended the inclusion of the audited consolidated financial statements in the Annual Report for the year ended</i> 	<p><i>Performance of the Company's internal audit function and independent auditors</i></p> <p><i>Quality and integrity of the risk management process</i></p> <p><i>Independence and performance of external auditors</i></p> <p><i>Governance and disclosure</i></p>
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	<p><i>December 31, 2014 for filing with the Securities and Exchange Commission and the Philippine Stock Exchange;</i></p> <p>10. <i>Reviewed the existing Committee Charter; and</i></p> <p>11. <i>Conducted a self-assessment to evaluate the effectiveness of their performance as against the requirements of its Charter and in accordance with the SEC Memorandum Circular Number 4, Series of 2012.</i></p>	<i>Effectiveness and performance of the Committee</i>
Nomination	<p>1. <i>Reviewed the qualifications of all persons nominated to positions requiring appointment by the Board; and</i></p> <p>2. <i>Approved the final list of nominees for directors for election at the 2014 annual stockholders' meeting after ensuring that all nominees to the Board have met all the qualifications and none of the disqualifications as set forth in the Corporation's By-Laws, Revised Manual of Corporate Governance and the rules of the SEC.</i></p>	
Remuneration	<p>1. <i>Approved the performance bonus, merit increase of the employees of the Corporation; and</i></p> <p>2. <i>Approved the 2014 Employee Stock Ownership Plan (ESOWN).</i></p>	
Finance Committee	<p>1. <i>Approved the final terms of the US\$300 Million AYC Finance Limited Exchangeable Bonds; and</i></p> <p>2. <i>Approved the LRT1 and Cavite-Laguna Expressway Project Bid</i></p>	
Risk Management and Related Party Transactions Committee	<p>1. <i>Ensured that Management maintained a sound risk management framework and internal control system and identified material risk exposures and their impact to the Company's objectives.</i></p> <p>2. <i>Reviewed the objectivity, effectiveness and efficiency of the Company's risk management function as evidenced by:</i></p> <p style="padding-left: 20px;">i. <i>The Chief Risk Officer, as supported by the Group Risk Management Unit, led the overall review of the Company's risk management framework which resulted to the adoption of the ISO 31000 Risk Management Framework, introduction of the Black Swans workshop as a tool in improving its risk-sensing capability, redefinition of the risk tolerance matrix, and updating of key risks register to promote and support the active management of important risks. The key risk register provides further clarity around ownership, accountability, and mitigation strategies.</i></p> <p style="padding-left: 20px;">ii. <i>The Management showed a great deal of support with all Managing Directors making themselves available to discuss their respective risk management plans and to answer any question raised by the Committee.</i></p> <p>3. <i>Noted the other programs by the Group Risk Management Unit designed to create risk awareness and to promote good risk management processes achieving appropriate risk and reward in the Company's businesses.</i></p> <p>4. <i>Determined the advisability of, and reviewed and evaluated the terms and conditions of any material or significant related party transactions and their required reporting disclosures. The Chief Finance Officer, through the Controllershship Unit, reported and disclosed any related party transactions.</i></p> <p>5. <i>Revisited the Risk Management Committee Charter to ensure that proper coordination with Audit Committee existed and that the output of the enterprise risk management process was an input to the annual risk-based planning of the Internal Audit Unit.</i></p>	

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
Risk Management and Related Party Transactions	<p><i>To carry out its Board Oversight responsibilities in relation to risk governance and related party transactions approval, the Committee:</i></p> <ol style="list-style-type: none"> <i>1. Promotes an open discussion regarding risks faced by the Corporation, as well as risk faced by its subsidiaries that may have potential impact on the Corporation's operations, and ensures that risk awareness culture is pervasive throughout the organization</i> <i>2. Reviews and discusses with Management the Corporation's risk governance structure and adequacy of policies and processes for risk identification, assessment and mitigation</i> <i>3. Reviews and recommends to the Management the Corporation's level of risk appetite and risk tolerance, and risk exposure allocation for approval by the Board of Directors</i> <i>4. Reviews the Corporation's risk profile on an ongoing basis and re-evaluate the likelihood of occurrence, severity of impact of risk exposures, and any mitigating measures affecting those risks</i> <i>5. Monitors the implementation of the Corporation's risk mitigation plans and other risk management activities with the assistance of the risk management function</i> <i>6. Reviews and discusses risk management-related reports and issues raised by the Management, internal auditors, external auditors, legal counsel and regulators that impact the Corporation's risk management framework</i> <i>7. Reviews disclosures regarding risk contained in the Corporation's Annual Report and other publicly-issued statements</i> <i>8. Reviews the objectivity, effectiveness and efficiency of the Corporation's risk management function in the context of the Corporation's size, scale, complexity and scope of operations</i> <i>9. Secures independent expert advice on risk management matters where considered necessary or desirable</i> <i>10. In coordination with the Audit Committee, ensures that the Corporation's internal audit work plan is aligned with the risk management activities and that the internal control system considers all risks identified during the risk assessment process.</i> <i>11. Determines the advisability of, and reviews and evaluated the terms and conditions of any material or significant related party transactions and their required reporting disclosures</i> <i>12. Performs other activities related to the Charter as requested by the Board</i> <i>13. Regularly reports to the Board updates in all actions initiated by the Committee</i> <i>14. Reviews the Charter annually</i> <i>15. Conducts annual self-assessment with respect to the fulfillment of its functions and responsibilities as mandated in this Charter.</i> 	

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

- (a) Overall risk management philosophy of the company

Risk Management: An Act of Balancing Risk and Reward

Risk lies in every sector of our businesses and presents both positive and negative opportunities. Hence an effective risk management system is necessary to explore and maximize positive opportunities and mitigate adverse outcomes of the negatives ones in order to secure long-term value for our stakeholders.

Institutionalized in 2002, the Company has adopted an integrated enterprise risk management (ERM) framework that is continuously being enhanced and improved as conventional risk management may not be enough to achieve the Corporation's objectives.

An appropriate organizational structure is put in place that promotes good governance, ownership and accountability for risk taking. Our risk governance structure is applied throughout all operational levels within the Company and within the Group.

- The Board retains the overall responsibility for setting the Company's risk appetite and risk tolerance and for reviewing the Company's risk management process.*
- The Risk Management Committee, constituted by the Board in June 2014 to assist in discharging this responsibility, focuses on the robustness of the risk management process and reviews the appropriateness of risk appetite and risk tolerance in pursuit of business objectives.*
- The Management Committee is the principal executive forum that reviews enterprise, project and investment risks and is responsible for the assurance of the risk management framework approved by the Board.*
- The Chief Risk officer advocates the enterprise risk management for the company and for the group. He oversees the entire risk management function thru the Group Risk Management Unit that implements programs and activities designed to improve the risk taking capability of the company and the group.*
- Internal Audit Unit assists the Audit Committee by conducting internal reviews of the Company's operations, in particular, the review of material controls in the areas identified as critical risks. The Unit also looks into the effectiveness and adequacy of the risk management process.*
- Business Units ensure compliance with risk management policies, and monitor and report risk profiles and implement actions. They embed risk management in their day-to-day activities.*

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

As set forth in its Charter approved by the Board of Directors, the Risk Management and Related Party Transactions Committee has reviewed and assessed the adequacy and the effectiveness of the Corporation's enterprise risk management process. Although the Committee, which was constituted in June 2014, had only one meeting in 2014:

- The Committee had reviewed the enterprise risk management policy, risk governance structure, and risk appetite of the Corporation.*
- Thru the Chief Risk Officer, as supported by the Group Risk Management Unit, the Committee had ascertained that an effective risk management process was in place. The Corporation had adopted the ISO 31000 framework, improved its risk sensing capability thru the Black Swans workshop facilitated by experts, and implemented other activities designed to increase risk awareness within the Corporation and across the group.*
- The Committee had also noted the Management's support as the Managing Directors made themselves available to discuss their risk strategies and to respond to queries raised by the Committee.*

(c) Period covered by the review -

For the year ended December 31, 2014

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

In addition to the regular reports of the CRO thru the Group Risk Management Unit, an annual self-assessment

of the Corporation's risk management maturity, based on the criteria listed below, is completed:

- Governance and organization
- Risk Management Strategy
- Reporting and Communication
- Tools and technology
- Culture and Capability

The planned external assurance of risk management process was not carried out due to a limited number of local service providers that could meet our requirements.

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

Not Applicable.

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
Portfolio Management	<i>The Corporation's diversification and portfolio management strategy is sufficient to maximize profitability and shield the Corporation from undue risk.</i>	<i>To continue the long-term value creation process for the Corporation's stakeholders.</i>
Governance and Control; Brand and Reputation	<i>The Corporation's reputation of high integrity and strong governance makes it a company of choice for:</i> <ul style="list-style-type: none"> a) <i>Partner/investors</i> b) <i>Talent</i> c) <i>Customers</i> d) <i>Capital Markets</i> 	<i>To maintain and improve the strong AYALA brand, identified as its core value.</i>
Capital Market	<i>The Corporation will hold up well in the event of significant Philippine and global economic disruption. .</i>	<i>To ensure that the Corporation's financial assets and liabilities will not be affected by market factors including foreign exchange, interest rates and others, as well as credit events, which may result in actual cash losses and volatility in Profit and Loss.</i>

(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:

Since the Corporation is one of the most diversified conglomerates in the country with leadership positions in real estate, financial services, telecommunications, and a broad range of investments in water, electronics manufacturing, automotive, business process outsourcing, education, power generation and transport infrastructure, the following are the common risks across the Group:

Risk Exposure	Risk Management Policy	Objective
Regulatory and Political	<i>The regulatory landscape, while challenging, will not seriously impact the Group's ongoing profitable growth or ongoing viability. Future changes in the Philippine political landscape will not seriously threaten the Group's ongoing viability.</i>	<i>To improve the Group's ability to anticipate regulatory and political changes which may impact the Group's business models.</i>
Competition	<i>Market share growth will be protected at all times.</i>	<i>To continue the long-term value creation for the Group' stakeholders.</i>
Talent	<i>The Group has sufficient, qualified, fresh and diverse talent pool which ensures operational excellence and which brings debate and new ideas.</i>	<ul style="list-style-type: none"> • <i>To continue our talent management program from recruitment, development, succession planning, and until resignation/retirement of our employees.</i> • <i>To continue to be the employer of choice.</i>

(c) Minority Shareholders

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

Risk to Minority Shareholders
<i>The Company's Related Party Transactions policy that took effect last December 2014 ensures that the rights of the minority shareholders are protected. The Corporation established a mechanism to ensure that related party transactions are at arms-length, the terms are fair, and that they inure to the best interest of the Corporation and all of its shareholders. The Corporation strictly monitored, reported, and disclosed related party transactions as well as inter-company transactions.</i>

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)
Strategic	<ul style="list-style-type: none"> ▪ <i>Structured and periodic strategic planning process and portfolio strategy review</i> ▪ <i>Monitoring of achievement of strategic targets</i> ▪ <i>Continuous monitoring of existing, as well as of new and emerging, risks through the business unit risk management champions and the office of the CRO</i> 	<ul style="list-style-type: none"> ▪ <i>Investment in processes and technologies are made to support the requirements of new businesses</i> ▪ <i>Rigorous portfolio analytics and reviews including resource allocation and strategy</i> ▪ <i>Portfolio and strategic initiatives visibility and discussions at various governance committees</i> ▪ <i>Development of formal policies and processes</i>
Operational	<ul style="list-style-type: none"> ▪ <i>Business planning and budgeting</i> ▪ <i>Monitoring of actual results</i> 	<ul style="list-style-type: none"> ▪ <i>Regular review of financial and operations metrics and reporting to senior</i>

	<p><i>vs. objectives</i></p> <ul style="list-style-type: none"> ▪ <i>Identified key risk indicators and metrics to measure the effectiveness of the risk mitigation strategies</i> 	<p><i>management, and management and board committees</i></p> <ul style="list-style-type: none"> ▪ <i>Monthly and annual portfolio analysis/review</i> ▪ <i>Policies are regularly reviewed and updated to remain relevant</i>
Talent/Knowledge Management	<ul style="list-style-type: none"> • <i>Regular discussions among the Strategic HR Groups on initiatives and staffing needs including timing</i> • <i>Regular talent reviews</i> 	<ul style="list-style-type: none"> • <i>Organizational structure, leadership and talent management, and development programs are reviewed regularly to respond to the changing needs, new business models and strategies</i> • <i>Development of succession planning</i>
Governance and Internal Controls	<ul style="list-style-type: none"> • <i>Annual risk assessment and regular reporting to the Audit Committee and Risk Management and Related Party Transactions Committee</i> • <i>Periodic review of internal controls</i> 	<ul style="list-style-type: none"> • <i>Compliance with the mandates of the Company's Manual on Corporate Governance for the Board of Directors to ensure the presence of organizational and procedural controls supported by an effective management information system and risk management reporting system.</i> • <i>Compliance with laws and regulations</i> • <i>Regular benchmarking with industry best practices and development of continuous improvement program to strengthen the Company's practices and policies</i>

(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)
Strategic	<ul style="list-style-type: none"> ▪ <i>Structured strategic planning process</i> ▪ <i>Discussions on new business development, strategy execution, and synergy initiatives happen at various levels in the organization including at Management and Board oversight committees.</i> 	<ul style="list-style-type: none"> ▪ <i>Adopt a disciplined approach in investment evaluation and decision process</i> ▪ <i>Continue to evaluate the risks and opportunities in relation to both the company's business portfolio and the integration to existing business operations</i> ▪ <i>Formal/institutionalized process and improving discipline in investment and divestment decisions</i>
Operational	<ul style="list-style-type: none"> ▪ <i>Business planning and budgeting</i> ▪ <i>Regular management meetings and performance review process</i> 	<ul style="list-style-type: none"> ▪ <i>Regular review of financial and operations metrics and reporting to senior management, and management and board committees</i> ▪ <i>Monitoring of actual results vs.</i>

		<i>objectives</i>
Talent/Knowledge Management	<ul style="list-style-type: none"> • <i>Regular discussions among the Strategic HR Groups on initiatives and staffing needs including timing</i> • <i>Monitoring attrition rates in the group</i> • <i>Results of employee satisfaction surveys</i> 	<ul style="list-style-type: none"> • <i>Annual talent review process for all subsidiaries</i> • <i>Development of a succession plan</i> • <i>Implementation of service level agreements (SLAs) on hiring</i> • <i>Implementation of employee engagement and retention programs</i>

(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 <u>and Related Party Transactions</u> Committee	<ul style="list-style-type: none"> • <i>Risk Governance</i> • <i>Related Part Transactions Review</i> 	<ul style="list-style-type: none"> • <i>Ensure that Management maintains a sound risk management framework and internal controls system and identifies material risk exposures and their impact in achieving the Corporation's objectives.</i> • <i>Determine the advisability of, and review and evaluate the terms and conditions of any material/significant related party transactions and their required reporting disclosures.</i>

G. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' welfare	<p><i>We take innovative approaches to increase customer value and enhance customer experience; empower more customers including those with limited access to essential goods and services.</i></p> <p><i>Our product and services are designed in such a way that customers and the general public's health and safety are improved and safeguarded.</i></p> <p><i>Our businesses put customers first, providing superior end-to-end customer experience within a corporate culture of genuine service</i></p>	<p>Our stakeholder engagements are designed and implemented to understand our customers well. We offer our customers sustainable lifestyle as we design our products and services. We also provide customer touch points to ensure that their feedback and concerns are monitored and acted upon. We do an annual customer satisfaction survey so we can improve the overall customer experience.</p> <p><i>For Water: Our water and wastewater</i></p>

	<p><i>and care. Feedback are regularly analyzed and addressed to continually raise the bar of customer service and engagement.</i></p> <p><i>For Water:</i> Our water and wastewater business ensures that water quality always complies with the Philippine National Standard for Drinking Water.</p>	<p><i>business implements a Water Safety Plan developed in 2009 to minimize and/or eliminate contamination at each stage-from source to production, storage and conveyance to customers. It reports no major water contamination since beginning operations in 1997, at testament to its commitment to secure safe and potable water supply for its customers.</i></p> <p><i>For Real Estate</i></p> <p><i>Our real estate business ensures that its products and services do not pose a risk to health and safety. Moreover, by advancing sustainable design, it restores the environment and improves quality of life.</i></p>
Anti-corruption programmes and procedures?	<p><i>Ayala adopts a zero tolerance policy towards bribery and corruption. Thus, all directors, officers and employees of the Corporation are obliged to strictly observe the following guidelines:</i></p> <p><i>1. Directors, officers and employees shall not offer, promise or give bribes to obtain, retain or “facilitate” business or any transactions of the Corporation;</i></p> <p><i>2. Directors, officers and employees shall not request, agree to accept or take bribes from any person or organization.</i></p> <p><i>The foregoing applies even if made through another person.</i></p>	<p><i>The Anti-Bribery and Anti-Corruption Policy must be strictly observed in all transactions and dealings of the directors, officers and employees of Ayala with the customers, suppliers and business partners of the Corporation as well as with the government,</i></p> <p><i>The Offices of the Internal Audit, Controller, SHR, the Finance Group, Compliance Officer and General Counsel, subject to the approval of the President and CEO, shall provide for the Implementing Rules of this Policy.</i></p> <p><i>Among the other guidelines on anti-corruption, the Company sets guidelines for dealing with business gifts and gratuities to protect the integrity of its employees and its business interests.</i></p>
Safeguarding creditors' rights	<p><i>The Company shall protect the rights of all creditors as an integral stakeholder.</i></p> <p><i>The Company shall comply with all positive, affirmative and negative debt covenants for so long as the obligations are outstanding.</i></p>	<p><i>The Company shall ensure that all covenants for all obligations are identified, monitored and complied with. The Company regularly tracks and complies with deadlines of reports related to covenants that need to be submitted.</i></p>

	<p><i>In the event of a default, the Company will abide with the relevant provisions of the agreement pertaining to defaults, remedies, and penalties for all outstanding obligations.</i></p> <p><i>The Company shall regularly furnish all creditors information that will enable the lenders to evaluate the Company.</i></p> <p><i>The Company shall embed Creditor's protection in its internal Treasury Performance Management Systems.</i></p>	<p><i>The Company shall endeavor that no event of default will occur. All events that are considered events of default are identified, monitored and complied with to prevent any event from occurring. In the unlikely event of a default, the Company will immediately notify all creditors, abide with the provisions pertaining to default, including remedies and pay the penalties if needed.</i></p> <p><i>The Company shall identify all information and frequency of submission that lenders are to be provided for in accordance with the loan agreements. The company endeavors to submit these information, including audited annual financial statements, unaudited semi-annual reports, and verification of no-default on or before due date.</i></p> <p><i>Internally, the Company has a specific section in Treasury tasked with Debt Management. The objectives of the Debt Management Section are:</i></p> <ol style="list-style-type: none"> <i>1. To maintain a healthy debt mix at a level aligned with strategic and operational requirements at a minimum borrowing/interest costs possible.</i> <i>2. To ensure timely and accurate payments of interest and principal as they become due.</i> <i>3. To ensure compliance to covenants as stipulated in loan agreements.</i>
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2) Performance-enhancing mechanisms for employee participation.

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

Programs	
<i>Gym Membership</i>	<i>48% of the population availed of the free membership</i>
<i>Sports Club & Interest Club</i>	<i>Golf, Badminton, Volleyball, Bowling tournaments are in place as well as Yoga sessions</i> <i>Dance Crew/Club was established in 2014.</i>

	<i>Dedicated Coaches are hired to provide training and monitor development of each player and team. A defined training program is in place and continuing/regular practices are implemented.</i>
<i>Annual Physical Exams / Executive Check-ups</i>	<i>Majority of the employees and their dependents avail of the services</i>
<i>Vaccination Program</i>	<i>48% availed of the free vaccination</i>

- 3) 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.

To ensure the protection of a Whistleblower against any possible retaliation, the Company observes the following:

- 1. Appropriate reporting channels are provided so that Reports can be communicated by the Whistleblower without disclosing his identity and unnecessarily exposing himself to possible retaliation;*
- 2. All Reports are treated in confidence, including the identity of the Whistleblower (if he so prefers); and*
- 3. Any harassment or retaliatory action is subject to disciplinary or legal action under applicable law.*

G. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent*	Beneficial Owner
<i>Mermac, Inc.</i>	<i>Common-303,689,196 Voting Preferred- 159,577,460</i>	<i>56.5270%</i>	<i>Mermac, Inc.</i>
<i>PCD Nominee Corporation (Non-Filipino)</i>	<i>Common-160,446,419</i>	<i>19.5774%</i>	<i>PCD Participants acting for themselves or for their customers</i>
<i>Mitsubishi Corporation</i>	<i>Common-63,077,540 Voting Preferred- 32,640,492</i>	<i>11.6794%</i>	<i>Mitsubishi Corporation</i>
<i>PCD Nominee Corporation (Filipino)</i>	<i>Common-56,357,357</i>	<i>6.8766%</i>	<i>PCD Participants acting for themselves or for their customers</i>

**of outstanding voting shares*

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
<i>Jaime Augusto Zobel de Ayala</i>	<i>Common-39,731 Voting Preferred-543,802</i>	<i>Common (through ESOWN subscription)-98,435 Preferred B (through PCD) – 20,000</i>	<i>0.0810%</i>
<i>Fernando Zobel de Ayala</i>	<i>Common-94,825 Voting Preferred-554,983</i>	<i>Common (through ESOWN subscription)-43,341</i>	<i>0.0800%</i>
<i>Gerardo C. Ablaza, Jr.</i>	<i>Common-270,086</i>	<i>Common (through ESOWN subscription)-201,724 Common (through PCD Nominee)-60,023 Preferred B (through PCD) – 10,000</i>	<i>0.0625%</i>

<i>Cezar P. Consing</i>	<i>None</i>	<i>Common (through ESOWN subscription)-18,594</i>	<i>0.0021%</i>
<i>Bernard Vincent O. Dy</i>	<i>None</i>	<i>None</i>	<i>-</i>
<i>Arthur R. Tan</i>	<i>Common-80,754</i>	<i>Common (through ESOWN subscription)-135,864 Common (through PCD Nominee)-59,842</i>	<i>0.0319%</i>
<i>Alfredo I. Ayala</i>	<i>Common-25,760</i>	<i>Common (through ESOWN subscription)-113,907</i>	<i>0.0161%</i>
<i>John Eric T. Francia</i>	<i>None</i>	<i>Common (through ESOWN subscription)-83,375 Common (through PCD Nominee)-1</i>	<i>0.0096%</i>
<i>Delfin C. Gonzalez*</i>	<i>Common-50,750</i>	<i>Common (through ESOWN subscription)-101,947 Common (through PCD Nominee)-18,944 Preferred B (through PCD) – 10,000</i>	<i>0.0210%</i>
<i>Solomon M. Hermosura</i>	<i>Voting Preferred Shares – 53,583</i>	<i>Common (through ESOWN subscription)-58,124 Common (through PCD Nominee)-15,707</i>	<i>0.0147%</i>
<i>Jose Teodoro K. Limcaoco*</i>	<i>None</i>	<i>Common (through ESOWN subscription)-125,665 Common (through PCD Nominee)-7,342</i>	<i>0.0153%</i>
<i>Ruel T. Maranan</i>	<i>None</i>	<i>None</i>	<i>-</i>
<i>John Philip S. Orbeta</i>	<i>None</i>	<i>Common (through ESOWN subscription)-370,462 Common (through PCD Nominee) – 65,685</i>	<i>0.0503%</i>
<i>Paolo Maximo F. Borromeo</i>	<i>None</i>	<i>Common (through ESOWN subscription)-12,189</i>	<i>0.0014%</i>
<i>Ma. Cecilia T. Cruzabra</i>	<i>Common-240</i>	<i>Common (through ESOWN subscription)-5,104</i>	<i>0.0006%</i>
<i>Josephine G. De Asis</i>	<i>None</i>	<i>Common (through ESOWN subscription)-1,000</i>	<i>0.0001%</i>
<i>Catherine H. Ang</i>	<i>None</i>	<i>Voting Preferred Shares – 5,290</i>	<i>0.0006%</i>
<i>Dodjie D. Lagazo</i>	<i>None</i>	<i>None</i>	<i>-</i>
<i>Charlene Mae C. Tapic-Castro</i>	<i>None</i>	<i>None</i>	<i>-</i>
TOTAL	1,714,514	1,642,565	0.3874%

**Mr. Limcaoco was appointed as CFO and Finance Group Head effective April 10, 2015 replacing Mr. Gonzalez*

All directors and officers from Managing Directors and above, and the Controllers, Chief Internal Auditor, Chief Risk Officer, Treasurer, Corporate Secretary and Assistant Corporate Secretary, shall report their trades to the Office of the Compliance Officer within three (3) business days from dealing with such securities. All other officers and employees shall likewise report to the Office of the Compliance Officer within ten (10) days from the end of each quarter their trades with Ayala securities during such quarter.

2) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
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Sycip, Gorres, Velayo & Co.	P4.12million	P1.97million
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3) Date of release of audited financial report: March 17, 2015

4) **Disclosure of RPT**

Below are the details of the Company's Related Party Transactions which formed part of the Company's December 2014 audited financial statements:

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates. Related parties may be individuals or corporate entities.

The Group, in its regular conduct of business, has entered into transactions with associates, joint ventures and other related parties principally consisting of advances, loans and reimbursement of expenses, purchase and sale of real estate properties, various guarantees, construction contracts, and development, management, underwriting, marketing and administrative service agreements. Sales and purchases of goods and services as well as other income and expense to and from related parties are made at normal commercial prices and terms.

There has not been any material transaction during the last two years, or proposed transaction, to which the Group was or is to be a party, in which any of its directors or executive officers, any nominee for election as a director or any security holder identified in this condensed financial information had or is to have a direct or indirect material interest.

The transactions and balances of accounts with related parties follow:

a. Transactions with BPI, an associate

- i. As of December 31, 2014 and 2013, the Group maintains current and savings account, money market placements and other short-term investments with BPI broken down as follows (amounts in thousands):

	2014	2013
Cash in bank	₱14,878,169	₱14,403,016
Cash equivalents	36,759,229	24,141,865
Financial assets at FVPL	6,264,569	12,794,654
Other non-current asset (Note 17)	8,273,200	-

From the Group's placements and short-term investments with BPI, the Group has accrued interest receivable amounting to ₱79.4 million and ₱8.1 million as of December 31, 2014 and 2013, respectively. Interest income earned amounted to ₱586.5 million in 2014, ₱648.7 million in 2013 and ₱1,166.7 million in 2012.

- ii. The Group also has short-term and long-term debt payable to BPI amounting to ₱38.0 billion and ₱23.2 billion as of December 31, 2014 and 2013, respectively. These short-term and long-term debts are interest bearing with varying rates, have various maturities starting 2015 and varying schedules of payments for interest. The Group has accrued interest payable pertaining to the outstanding balance of the short-term and long-term debt amounting to ₱190.6 million and ₱32.2 million as of December 31, 2014 and 2013, respectively. Interest expense incurred from the debt amounted to ₱402.7 million in 2014, ₱145.2 million in 2013 and ₱131.1 million in 2012.

b. Outstanding balances of related party transaction follow (amounts in thousands):

	Receivables		Payables	
	2014	2013	2014	2013
Associates:				
BPI	₱435,123	₱276,659	₱257,238	₱104,911

	Receivables		Payables	
	2014	2013	2014	2013
First Gen Northern Energy (FGNEC)	5,531	5,531	–	–
Bonifacio Land Corp. (BLC)	374	–	212,696	212,696
Stream	–	246,488	–	–
Ayala System Technology (ASTI)	–	15,741	–	90
Naraya Development Co. Ltd.	–	4,877	–	–
	441,028	549,296	469,934	317,697
Joint ventures:				
Integreon	543,836	488,221	–	–
Globe	165,419	141,939	2,409	2,005
ADHI	10,883	–	–	–
Asiacom	–	–	13,617	13,581
	720,138	630,160	16,026	15,586
Other related parties:				
Columbus Holdings, Inc. (Columbus)	888,953	888,815	1,156,308	1,156,308
Fort Bonifacio Development Corporation (FBDC)	394,026	274,645	403,297	2,154,003
Honda Cars Philippines, Inc. (HCP)	112,522	72,650	152,457	170,298
myAyala.com, Inc.	2,097	2,098	–	–
Lagoon Development Corporation (Lagoon)	828	5,964	–	–
Isuzu Philippines Corporation (IPC)	–	25,452	193,537	48,695
GN Power Kauswagan (GNPK)	–	69,936	–	–
Fort Bonifacio Holdings Corp.	–	3,085	–	–
Sonoma Services Inc.	–	867	33,617	–
Others	149,853	622,504	33,641	244,422
	1,548,279	1,966,016	1,972,857	3,773,726
	₱2,709,445	₱3,145,472	₱2,458,817	₱4,107,009

- i. Receivable from BPI includes trade receivables on vehicles sold by AAHC and accrued interest receivables on short-term placements by the Group.
- ii. Receivable from Stream in 2013 represents a convertible promissory note entered into on April 27, 2012 for the principal sum of US\$4.7 million, plus interest at the rate of 10% per annum maturing on April 29, 2013. To the extent the outstanding balance is not repaid in full on or prior to the maturity date, AIVPL Group may elect at any time after the maturity date, upon delivery of conversion notice to Stream, to convert the note into a number of units of membership interests. On April 19, 2013, Stream and AIVPL Group amended the maturity date of the loan to April 29, 2014. Interest income earned in 2014 and 2013 amounted to nil and ₱21.7 million, respectively.
- iii. Receivables from ASTI and FGNEC are advances made for working capital requirements which are non-interest bearing and demandable.
- iv. Receivable from Integreon represents a convertible promissory note entered into on February 2010 with a principal of US\$7.30 million and bear interest of 14% per annum. The lender has a conversion option for a period of 30 days beginning on the final maturity date at a stipulated price per share. Subsequent amendments were made to the convertible note on February 15, 2011, July 15, 2012 and on March 4, 2014 which include, among others, extension of the final maturity date and optional conversion period and change in interest rate. The latest amendment extended the final maturity date from February 15, 2014 to February 15, 2016 and the optional conversion period from February 15, 2014 to March 14, 2017. The convertible note bears interest of 12% per annum. Interest income earned amounted to ₱38.9 million, ₱37.2 million and ₱54.6 million in 2014, 2013 and 2012, respectively.
- v. Receivable from GNPK by ACEHI in 2013 represents an advance for development costs, non-interest bearing and shall be paid in full within 30 days from financial closing of the project. GNPK is a project company of ACEHI and Power Partners Ltd. Co. for the development of 3X135MW coal-fired power plant in Kauswagan Lanao del Norte
- vi. Receivable from Columbus represents non-interest bearing advance for future acquisition of shares in BLC.
- vii. Receivable from FBDC largely pertains to management fees which are included under "Other income."
- viii. Other outstanding balances of receivable from related parties at year-end pertain mostly to advances and reimbursement of operating expenses. These are unsecured, interest free, will be settled in cash and are due and demandable.
- ix. Payable to Columbus and BLC represent non-interest bearing advances for stock redemption.
- x. Payable to IPC and HCP consist of purchased parts and accessories and vehicles that are trade in nature, interest-free, unsecured and are payable within 15 to 30 days.
- xi. Payable to BPI includes interest payable on Group's borrowings payable at various payments terms like monthly or quarterly and insurance premiums payable which are due in 30-60 days.

- xii. The other outstanding balances of payable to related parties at year-end are unsecured, interest-free, will be settled in cash and are due and demandable.
- xiii. Allowance for doubtful accounts on amounts due from related parties amounted to ₱135.4 million and ₱145.6 million as of December 31, 2014 and 2013, respectively. Provision for doubtful accounts amounted to ₱0.3 million, ₱0.8 million and ₱15.9 million in 2014, 2013 and 2012, respectively.
- xiv. On November 26, 2014, Alveo Land Corporation, a wholly owned subsidiary of ALI, acquired a 6,986 sq. m. property located along Valero St., Salcedo Vill., Makati City. The property was purchased from BPI for ₱1,590.0 million, resulting into a gain of ₱700.0 million.
- c. Receivables from officers and employees pertain to housing, car, salary and other loans granted to the Group's officers and employees which are collectible through salary deduction, are interest bearing ranging from 6.0% to 13.5% per annum and have various maturity dates ranging from 2015 to 2026.
- d. The fair value of the Group's total investment in the BPI Fund amounted ₱5.6 billion and ₱12.8 billion, as of December 31, 2014 and 2013, respectively.
- e. Revenue and expenses from related parties follow:

	Revenue			Expenses		
	2014	2013	2012	2014	2013	2012
(In Thousands)						
Associates:						
BPI	₱558,814	₱702,699	₱1,166,696	₱427,263	₱143,582	₱131,004
PPI	60	417	339	–	–	–
Stream	–	21,715	11,859	–	–	–
ASTI	–	826	1,101	–	–	–
	558,874	725,657	1,179,995	427,263	143,582	131,004
Jointly controlled entities:						
Globe	101,381	71,913	16,642	124,563	115,809	32,071
Integreon	38,973	37,226	54,682	–	–	–
Asiacom	613	1,154	6,998	–	–	–
Northwind Power Development Corp.	–	–	4,410	–	–	–
BPI Globe Banko	–	–	222	–	–	–
	140,967	110,293	82,954	124,563	115,809	32,071

(Forward)

	Revenue			Expenses		
	2014	2013	2012	2014	2013	2012
(In Thousands)						
Other related parties:						
FBDC	₱176,194	₱221,483	₱113,471	₱155,099	₱129,175	₱16,959
Lagoon	49,135	41,143	–	1,315	–	–
6750 Ayala Avenue	17,697	46,511	–	–	–	–
Others	25,921	27,405	9,258	–	28,351	3,575
	268,947	336,542	122,729	156,414	157,526	20,534
	₱968,788	₱1,172,492	₱1,385,678	₱708,240	₱416,917	₱183,609

Revenue recognized from related parties includes:

- Leasing and developmental projects services rendered by ALI group.
- Water and sewerage services rendered by MWC.
- Automotive sales and repair services rendered by AAHC group.
- Interest income from cash deposits and money market placements in BPI.

Expenses recognized from related parties include:

- Interest expense from short-term and long-term debt payable to BPI.
- Purchases of communications software and billings for mobile phone charges and internet connections with Globe.
- Building rental, leased lines, internet connections and ATM connections with Innove, subsidiary of Globe.

f. The Group's Compensation of key management personnel by benefit type follows:

	2014	2013	2012
		(In Thousands)	
Short-term employee benefits	P1,369,942	P1,242,543	P1,401,840
Post-employment benefits (Note 27)	69,079	139,933	77,177
Share-based payments (Note 28)	37,957	63,571	158,131
	P1,476,978	P1,446,047	P1,637,148

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

The Company and its subsidiaries observe the following:

- Each business unit which may be a related party has corporate governance policy that ensures propriety of business conduct. The representation of minority stakeholders and other stakeholders in the Board of Directors and various Board Committees form part of the corporate governance. The Board of Directors and committees review the critical and key operating areas.
- Each business unit which may be a related party has its own set of management team responsible in achieving their respective overall operating goals.
- All transactions with related parties are on arms-length basis, the terms are fair and they will inure to the benefit of the Corporation and all of its shareholders.

H. RIGHTS OF STOCKHOLDERS

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

(a) Stockholders' Rights

Dividends

Cash Dividend on Common Shares

Declaration Date	Record Date	Payment Date
June 26, 2014	July 10, 2014	July 25, 2014
December 4, 2014	December 18, 2014	January 3, 2015
June 25, 2015	July 9, 2015	July 24, 2015
December 3, 2015	December 17, 2015	January 2, 2016

Cash Dividend on Preferred B Series 1 Shares

Declaration Date	Record Date	Payment Date
December 4, 2014	January 21, 2015	February 15, 2015
December 4, 2014	April 20, 2015	May 15, 2015
December 4, 2014	July 22, 2015	August 15, 2015
December 4, 2014	October 21, 2015	November 15, 2015

Declaration Date	Record Date	Payment Date
December 3, 2015	January 19, 2016	February 15, 2016
December 3, 2015	April 19, 2016	May 15, 2016
December 3, 2015	July 20, 2016	August 15, 2016
December 3, 2015	October 21, 2016	November 15, 2016

Cash Dividend on Preferred B Series 2 Shares

Declaration Date	Record Date	Payment Date
<i>December 4, 2014</i>	<i>January 12, 2015</i>	<i>February 5, 2015</i>
<i>December 4, 2014</i>	<i>April 7, 2015</i>	<i>May 5, 2015</i>
<i>December 4, 2014</i>	<i>July 10, 2015</i>	<i>August 5, 2015</i>
<i>December 4, 2014</i>	<i>October 12, 2015</i>	<i>November 5, 2015</i>

Declaration Date	Record Date	Payment Date
<i>December 3, 2015</i>	<i>January 12, 2016</i>	<i>February 5, 2016</i>
<i>December 3, 2015</i>	<i>April 11, 2016</i>	<i>May 5, 2016</i>
<i>December 3, 2015</i>	<i>July 12, 2016</i>	<i>August 5, 2016</i>
<i>December 3, 2015</i>	<i>October 10, 2016</i>	<i>November 5, 2016</i>

Cash Dividend on Voting Preferred Shares

Declaration Date	Record Date	Payment Date
<i>December 4, 2014</i>	<i>April 23, 2015</i>	<i>May 20, 2015</i>
<i>December 3, 2015</i>	<i>April 26, 2016</i>	<i>May 20, 2016</i>

(b) Stockholders' Participation

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

Below is the list of questions and answers during the 2015 Annual Stockholders' Meeting:

Q & A No. 1

Question: A stockholder inquired about the Corporation's appropriated retained earnings and the dividend policy.

Answer: The Chairman responded that as the Corporation is a holding company, not all the net income reflected in its balance sheet is available for dividends. Its reported net income reflects those of its subsidiaries, each of which has its own investors and partners in business, and sets aside a part of its retained earnings for investments and expansion projects. The Chief Finance Officer of the Corporation further explained that the Corporation does not require its subsidiaries to declare all their net income as dividends. Thus, in case of ALI, it only declares 50% of its net income as cash dividends and reinvests the remaining on other projects.

Q & A No. 2

Question: As a follow on Question No. 1, the Stockholder opined that companies are allowed to accumulate earnings only if they have definite projects in the pipeline.

Answer: The Chairman stated that for the last ten (10) years, the compounded annual growth rate in total cash dividends is at 13% which is reasonable. The Corporation continues to reinvest, which in turn contributes to its further growth. The Chairman gave assurance that the Corporation will always find ways to pass these benefits to the stockholders.

Q & A No. 3

Question: A stockholder asked why the Corporation chooses to retain in its portfolio IMI and the automotive business, noting that while IMI has a "dramatic improvement or performance" in 2014, its 5-year average return on equity (ROE) is 5.4% which is lower than the average 12% to 18% ROE of the other business units. In the case

of the automotive business, he noted that the return in 2014 is PhP2 million, which dropped by 99% from above PhP200 million in 2010.

Answer: The Chairman replied that IMI is a global business and in fact is the only Filipino company with a global footprint in the electronics industry, and that the downturn in the world economy in the last couple of years may account for IMI's past performance. However, now that the world economy has turned around, the 13% ROE in 2014 may be expected to remain consistent.

Q & A No. 4

Question: A stockholder suggested for the Corporation to consider investing in the health sector.

Answer: The Chairman responded that healthcare is already part of the portfolio of ALI with its QualiMed healthcare business. He added that the Corporation is also studying the different aspects of the healthcare industry to determine which segments the Corporations should be involved in, and that healthcare may form part of the Corporation's portfolio in the future and could be a major growth area.

Q& A No. 5

Question: A stockholder inquired whether the Corporation has budget to work on additional public-private partnership (PPP) projects.

Answer: The Chairman answered that the Corporation is already committed in a number of PPP projects, including a possible participation in a PPP project in Bulacan. The President added that the Corporation, through ALI, has also formed a consortium with SM, Megaworld and Aboitiz Group to participate in a large reclamation project in Taguig area.

Q& A No. 6

Question: As a follow up for question no. 5, the stockholder asked if these projects could affect the Corporation's working capital and dividend payments.

Answer: The Chairman responded that the Corporation intends to keep the dividend payments consistent and to limit the capital risks.

Q& A No. 7

Question: A stockholder cited the case of Canada's SNC-Lavalin which was awarded a contract to partially finance, build, operate and maintain the LRT project, but said project was later terminated. The stockholder inquired of the possibility that the same could happen to the LRT Line 1 Cavite Extension Project which was awarded to Light Rail Manila Consortium, the joint venture project company of the Corporation and Metro Pacific Investments Corporation.

Answer: The Chairman answered that the attendant circumstances of the case involving Canadian company are different. Mr. John Eric Francia, the President and CEO of AC Infrastructure, further explained the details of the LRT extension project.

Q& A No. 8

Question: A stockholder inquired whether the Corporation would like to consider changing its external auditor.

Answer: Mr. Loinaz, the Chairman of the Audit Committee, answered that the Corporation has considered doing so but ended up deciding to engage the services of SGV for the following reasons: 1) using the Corporation's evaluation and performance matrices the Company found SGV's performance to be consistent and satisfactory; 2) The Corporation values the continuity of working with a trusted company; and 3) the Corporation is in compliance with the SEC rule which only requires that the handling partner, not the audit firm itself, be changed every five years.

Q& A No. 9

Question: A stockholder asked whether there is conflict of interest on the part of SGV as it is also engaged by the Corporation to render other services such as management services, and whether this impairs its independence.

Answer: Mr. Loinaz answered that the non-audit services being rendered by SGB is not significant as to affect

its independence as the Corporation's external auditor.

Q& A No. 10

Question: A stockholder inquired as to the quality of concrete foundation of the wind turbine towers of the windmill project of AC Energy Holding, Inc..

Answer: The Chairman answered that the Corporation has the best German engineers and assured that the wind turbine towers have strong foundations and won't easily collapse.

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

Resolution	Approving	Dissenting	Abstaining
Resolution No. S-01-15: "RESOLVED, to approve the minutes of the annual stockholders' meeting held on April 11, 2014."	626,714,725 shares or 94.36%	0	0
Resolution No. S-02-15: "RESOLVED, to note the Corporation's Annual Report, which consists of the Chairman's Message, the President's Report, and the audio-visual presentation to the stockholders, and to approve the consolidated audited financial statements of the Corporation and its subsidiaries as of December 31, 2014, as audited by the Corporation's external auditor SyCip Gorres Velayo & Co."	626,713,702 shares or 94.36%	1,007 shares or 0.00015%	0
Resolution No. S-03-15: "RESOLVED, to approve, confirm, and ratify all resolutions of the Board of Directors and the Executive Committee, and other Board Committees, as well as all acts of Management taken or adopted since the annual stockholders' meeting on April 11, 2014 until today, as reported by the Corporate Secretary."	626,331,407 shares or 94.30%	1,007 or 0.0015%	378,714 shares or 0.06%

<p><i>Resolution No. S-04-15: “RESOLVED, to elect the following as directors of the Corporation to serve as such beginning today until their successors are elected and qualified: Jaime Augusto Zobel de Ayala</i></p>	<p><i>620,350,710 shares or 93.40%</i></p>	<p><i>3,943,204 shares or 0.59%</i></p>	<p><i>2,040,170 shares or 0.1%</i></p>
<p><i>Fernando Zobel de Ayala</i></p>	<p><i>620,045,688 shares or 93.36%</i></p>	<p><i>6,268,530 shares or 0.94%</i></p>	<p><i>19,840 shares or 0.003%</i></p>
<p><i>Delfin L. Lazaro</i></p>	<p><i>620,190,375 shares or 93.38%</i></p>	<p><i>6,130,960 shares or 0.92%</i></p>	<p>-</p>
<p><i>Xavier P. Loinaz</i></p>	<p><i>626,321,226 shares or 94.30%</i></p>	<p><i>110 shares or 0.00002%</i></p>	<p>-</p>
<p><i>Ramon R. Del Rosario, Jr.</i></p>	<p><i>622,893,401 shares or 93.78%</i></p>	<p><i>3,309,834 shares or 0.50%</i></p>	<p><i>118,100 shares or 0.012%</i></p>
<p><i>Yoshio Amano</i></p>	<p><i>619,108,485 shares or 93.21%</i></p>	<p><i>7,212,50 shares or 1.09%</i></p>	<p>-</p>
<p><i>Antonio Jose U. Periquet”</i></p>	<p><i>619,108,485 shares or 93.21%</i></p>	<p><i>3,133,864 shares or 0.47%</i></p>	<p><i>19,840 shares or 0.003%</i></p>
<p><i>Resolution No. S-05-15: “RESOLVED, as endorsed by the Board of Directors, to approve the re-election of SyCip Gorres Velayo & Company as the external auditor of the Corporation for the year 2015 for an audit fee of Php5 Million, inclusive of value-added tax.”</i></p>	<p><i>624,151,249 shares or 93.97%</i></p>	<p><i>1,861,100 shares or 0.28%</i></p>	<p><i>702,376 shares or 0.11%</i></p>

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

April 11, 2015 or the following business day after the annual stockholders’ meeting.

(a) Stockholders’ Attendance

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

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
<i>Annual</i>	<i>Jaime Augusto Zobel de Ayala, Fernando Zobel de Ayala, Delfin L. Lazaro, Yoshio Amano, Xavier P. Loinaz, Antonio Jose U. Periquet and Ramon R. Del Rosario, Jr.,</i>	<i>April 10, 2015</i>	<i>By poll</i>	<i>67.35%</i>	<i>9.44%</i>	<i>76.79%</i>

	<i>and all other members of the Senior Leadership Team</i>					
<i>Special</i>	<i>Not Applicable</i>					

I. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiative	Beneficiary
<p>EDUCATION</p> <p><i>Center of Excellence in Public Elementary Education in two public elementary schools (Tondo, Manila, and Bauan, Batangas), implemented in partnership with the Department of Education and the City Government of Manila and the Provincial Government of Batangas.</i></p>	<p><i>The bright children of economically disadvantaged families in Manila and Batangas.</i></p> <p><i>For school year 2014 – 2015, both CENTEX schools had a total enrollment of 1,005. The students registered a functional literacy rate of 100 percent (vs. 86 percent national average) and a 96 percent promotion rate to the next grade level.</i></p>
<p>EDUCATION</p> <p><i>Text2Teach, a partnership program with the Department of Education, Globe, and local government units.</i></p>	<p><i>Public elementary school students (grade 5 and 6), teachers, and principals.</i></p> <p><i>In 2014 Text2Teach celebrated its 10th anniversary and the completion of its fourth phase, where it reached 831 schools, and provided training for 2,600 teachers and reached 31,920 students.</i></p> <p><i>Plans are now underway to mainstream Text2Teach into the public elementary school system, where it can potentially reach 22,000 schools.</i></p>
<p>EDUCATION</p> <p><i>Training Institute, conducted in partnership with the Department of Education, local government units, and private donors</i></p>	<p><i>Teachers and principals from various schools across the country</i></p> <p><i>In 2014 the Training Institute was brought to four schools and provided training and mentorship for 565 teachers.</i></p>
<p>YOUTH LEADERSHIP</p> <p><i>Ayala Young Leaders Congress (AYLC), the flagship youth leadership program of the Ayala group of companies.</i></p>	<p><i>Top student leaders from universities and colleges nationwide.</i></p> <p><i>In 2014, 81 student leaders from around the country participated in the 16th year of the AYLC. The Ayala Young Leaders Alumni Association, now an SEC-recognized organization, currently has 22 chapters all over the country.</i></p>

<p>YOUTH LEADERSHIP</p> <p><i>Leadership Communities, empowers youth organizations to help address pressing needs and issues in their local community through projects they themselves propose, plan, and implement.</i></p>	<p><i>Community-based young leaders committed to bringing positive change in their respective communities.</i></p> <p><i>In 2014 LeadCom was brought to five areas, where 47 youth-led community change projects are currently being implemented.</i></p>
<p>YOUTH LEADERSHIP</p> <p><i>Careers for Street Youth, a mentorship program for out-of-school youth, implemented in partnership with various private partners</i></p>	<p><i>Out-of-school youth in Metro Manila</i></p> <p><i>The project, which ran for a year, provided mentorship and training for 68 youth, and placed 42 of its trainees in corporate internship programs</i></p>
<p>SUSTAINABLE LIVELIHOOD</p> <p><i>Iraya-Mangyan Project, implemented with the support of the Ayala group of companies and the Sisters of Charity of St. Anne</i></p>	<p><i>Members of the indigenous Iraya-Mangyan community in Talipanan, Oriental Mindoro.</i></p> <p><i>Traditional woven goods made by Iraya-Mangyans are now carried by three stores. Aside from this, Ayala Foundation provides educational assistance for 74 Iraya-Mangyan students, a feeding program for 150 Mangyan children. AFI also assisted 31 Mangyans to find employment, 45 Mangyans to undergo training in preparation for employment, and 55 Mangyans who are engaged in enterprises.</i></p>
<p>SUSTAINABLE LIVELIHOOD</p> <p><i>Calauan, Laguna Project focuses on Southville 7 in Calauan, Laguna, a 107 hectare relocation site for families displaced by Typhoon Ondoy and the Pasig River rehabilitation. AFI is implementing sustainable livelihood projects for the families in the area in partnership with the Municipal Government of Calauan, Salesians of Don Bosco, Franciscan Sisters of Sacred Heart, and the Ayala Group of Companies.</i></p>	<p><i>Residents of Southville 7, Calauan, Laguna.</i></p> <p><i>Through various livelihood and employment programs, Ayala Foundation helped six individuals undergo training in preparation for employment, 36 individuals to find employment through job fairs, 26 individuals to engage in enterprise, and 327 individuals to participate in a cash-for-work program</i></p>
<p>SUSTAINABLE LIVELIHOOD</p> <p><i>El Nido Project works closely with the local communities in their efforts towards gaining employment or diversified sources of income and developing and strengthening local industries such as weaving, cashew production, local tourism and others.</i></p>	<p><i>Residents of barangay Sibaltan in El Nido, Palawan</i></p> <p><i>The El Nido Project reached 80 weaving families. The weaving families who are part of a partnership project with The Leather Collection experienced a 300-percent increase in income. The woven products from the El Nido community had cumulative sales of P2.35 million during the year.</i></p>
<p>ARTS AND CULTURE</p> <p><i>Ayala Museum</i></p>	<p><i>Filipinos and foreigners interested in Filipino art, history, and culture.</i></p> <p><i>The Ayala Museum mounted 19 museum-based exhibitions, went to 17 sites for its traveling exhibits. Its Inspire Every Day campaign launched in July attracted over 3,000 guests on the opening day alone, and gained over 1.1 million impressions</i></p>

	<i>through its online presence.</i>
<p>ARTS AND CULTURE</p> <p><i>Filipinas Heritage Library (FHL)</i></p>	<p><i>Students and researchers interested in Philippine art, history, and culture</i></p> <p><i>The library had a visitorship of 1,628, while it also gained a wider audience with the launch of Filipiniana Online, an online resource of Filipiniana materials.</i></p>
<p>DISASTER RECOVERY AND REHABILITATION</p> <p><i>Post-Yolanda recovery and rehabilitation in Sagay and Cadiz, Negros Occidental; Tacloban and Javier, Leyte; Estancia and Carles, Iloilo; and Samar</i></p> <p><i>The program is implemented in partnership with private donors, local government units, the Negrense Volunteers for Change (Negros Occidental and Iloilo) and Hapinoy (Leyte)</i></p>	<p><i>Residents affected by Typhoon Yolanda</i></p> <p><i>The foundation invested P32 million in Yolanda-related support from 2012 to 2014. The construction of two disaster-resilient school buildings was completed in 2014. There were also 20 recipients of Hapinoy stores, 50 recipients of pedicabs, and 107 boats. Over 275 hectares of farms received agricultural input.</i></p>
<p>DISASTER RECOVERY AND REHABILITATION</p> <p><i>Reconstruction of the Dauis watchtower in Dauis, Bohol, which was severely damaged by the 2013 earthquake</i></p> <p><i>The project is implemented in partnership with the Diocese of Tagbilaran, the local government unit, and Escuela Taller de Filipinas Foundation</i></p>	<p><i>Out of school youth were trained to become skilled artisans for the reconstruction and repair of heritage structures, and the Dauis watch tower was their first project.</i></p>



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REPUBLIC OF THE PHILIPPINES)
 CITY OF MAKATI) SS.

SECRETARY’S CERTIFICATE

I, **CHARLENE MAE C. TAPIC-CASTRO**, of legal age, being the duly elected, qualified, and incumbent Assistant Corporate Secretary of **AYALA CORPORATION** (the “Corporation”), a corporation duly organized and existing under the laws of the Republic of the Philippines, after having been duly sworn in accordance with law, do hereby certify that the following updates and changes in the Corporation’s Annual Corporate Governance Report for the calendar year 2015 were presented to and noted by the Board of Directors at its meeting held on 3 December 2015:

Reason for Update	Update
To comply with SEC MC No. 20, Series of 2013	Attendance of the directors and senior management in a corporate governance seminar conducted by a SEC-accredited training provider.
To provide information on the 2015 Annual Stockholders’ Meeting	Stockholders’ attendance
	Question and answers during the meeting
	Voting results of the meeting
To update information on the Board of Directors	Directors’ profile
	Date of last election, name of nominator and years in service of the directors
	Directors’ attendance in board meetings
	Directorships in other listed companies
	Directors’ shareholdings in the Corporation
	Directors’ compensation
	Classification of Mr. Yoshio Amano as independent director of the Corporation under the ASEAN standards.
	Date of meeting of non-executive directors without the presence of any executive of the Corporation
To provide information on the Board Committees	Board committee members
	Work done and issues addressed by the board committees
	Length of service of the directors in the committees
	Change in name of Risk Management Committee to Risk Management and Related Party Transactions Committee
To redefine the overall risk management philosophy of the Corporation	Function, key responsibilities and power of the Risk Management and Related Party Transactions Committee
	Planned program of the Risk Management Related Party Transactions Committee
	Risk Management Policy for the Corporation, the group and minority shareholders
	Policies and procedures on related party transactions
	Procedure on directors’ review of the risk management policy of the Corporation

To redefine/provide policies relating to safeguarding of stakeholders' rights	Policies and activities relating to customer's welfare
	Anti-corruption programs and procedures
	Policy on employees' protection from retaliation in relation to the whistleblowing procedures
	Detailed policy and activities relative to safeguarding creditors' rights
To provide information on the review by the Board of the mission and vision statements of the Corporation	Date of Board's review and approval of the mission and vision statements of the Corporation
	Updated vision statement
Annual update of information	Dividend declarations
	Corporate social responsibility initiatives of the Corporation
	Updated programs for health, safety and welfare of employees
	Schedule of Board of Directors' meetings in 2015
	Key officers' compensation
	Key officers' shareholdings in the Corporation
	Shares owned by stockholders with 5% or more shareholdings in the Corporation
	External audit fees in 2014
	Related party transactions in 2014
	Date of release of the 2014 Audited Financial Statements

IN WITNESS WHEREOF, I have issued this Certificate this JAN 04 2016 at Makati City.


CHARLENE MAE C. TAPIC-CASTRO
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this JAN 04 2016 at Makati City, the affiant exhibited to me, as competent evidence of identity her Driver's License with No. N25-10-033491 expiring on 24 March 2016 and issued at LTO- East Ave., Quezon City.

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 Page No.: 15 ;
 Book No.: XV ;
 Series of 2016.




ROBERTO T. ONGSIAKO
 Notary Public - Makati City
 Appt. No. 392 until 31 December 2016
 Attorney's Roll No. 37041
 PTR No. 4748092MC; 01/05/2015; Makati City
 IBP Lifetime Roll No. 02163
 MCLE Compliance No. V-0009579; 07/22/2015
 3rd Floor, Tower One & Exchange Plaza
 Ayala Triangle, Ayala Avenue
 Makati City, Philippines

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