

COVER SHEET

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S.E.C. Registration Number

G T C A P I T A L H O L D I N G S , I N C .

(Company's Full Name)

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T I O N A L A Y A L A A V E N U E C O R N E R H . V
D E L A C O S T A S T R E E T M A K A T I C I T Y

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

Atty. Joselito V. Banaag
Contact Person

8 3 6 - 4 5 - 0 0
Company Telephone Number

1 2 3 1
Month Day
Fiscal Year

SEC Form - ACGR

Form Type

Second Monday of May
Regular Meeting

NONE
Secondary License type, if applicable

C F D
Dept. Requiring this Doc.

Amended Articles Number/Section

63 as of May 31, 2013
Total No. of Stockholders

Total amount of Borrowings

Domestic Foreign

To be Accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

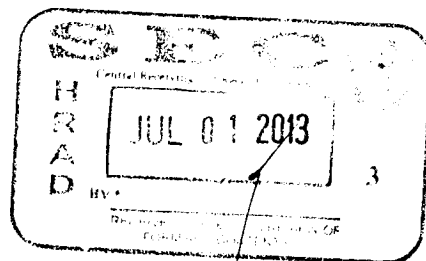
Cashier

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM - ACGR

ANNUAL CORPORATE GOVERNANCE REPORT



1. Report is Filed for the Year 2012
2. Exact name of Registrant as Specified in its Charter GT CAPITAL HOLDINGS, INC.
3. 43/F GT Tower International, 6813 Ayala Avenue, corner H.V. Dela Costa Street
Makati City Postal Code: 1227
Address of principal office:
4. SEC Identification Number CS200711792 5. (SEC Use Only)
Industry Classification Code
6. BIR Tax Identification Number 006-806-867
7. (632) 836-4500
Issuer's Telephone number, including area code
8. N/A
Former name or former address, if changed from the last report

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A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	Nine (9)
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Actual number of Directors for the year	Nine (9)
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(a) Composition of the Board (As of May 15, 2013)

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) ¹	Elected when (Annual/Special Meeting)	No. of years served as director
George S.K. Ty	NED	n.a.	Grand Titan Capital Holdings, Inc.	July 20, 2007	May 14, 2013	Annual Meeting	5.83 years
Arthur Vy Ty	NED	n.a.	Grand Titan Capital Holdings, Inc.	July 20, 2007	May 14, 2013	Annual Meeting	5.83 years
Alfred Vy Ty	NED	n.a.	Grand Titan Capital Holdings, Inc.	July 20, 2007	May 14, 2013	Annual Meeting	5.83 years
Carmelo Maria Luza Bautista	ED	n.a.	Grand Titan Capital Holdings, Inc.	August 5, 2011	May 14, 2013	Annual Meeting	1.83 years
Solomon S. Cua	NED	n.a.	Grand Titan Capital Holdings, Inc.	June 3, 2011	May 14, 2013	Annual Meeting	1.92 years
Roderico V. Puno	NED	n.a.	Grand Titan Capital Holdings, Inc.	August 5, 2011	May 14, 2013	Annual Meeting	1.83 years
Jaime Miguel G. Belmonte	ID	n.a.	First Metro Asset Management, Inc. (no relationship to nominator)	December 2, 2011	May 14, 2013	Annual Meeting	1.38 years
Christopher P. Beshouri	ID	n.a.	First Metro Asset Management, Inc. (no relationship to nominator)	May 14, 2013	May 14, 2013	Annual Meeting	0 (Newly elected)

¹ Reckoned from the election immediately following January 2, 2012

Wilfredo Paras	A.	ID	n.a.	First Metro Asset Management, Inc. (no relationship to nominator)	May 14, 2013	May 14, 2013	Annual Meeting	0 (Newly elected)
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(b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities.

The corporate governance policies adopted by the board of directors of the Corporation are found in the Corporation's Manual on Corporate Governance (the "Manual"). The Manual contains sections on Shareholders' Benefit, Disclosures, and Board Responsibilities.

The section on Shareholders' Benefit expounds on the following rights of investors, which include minority, retail and institutional shareholders:

- Right to Attend and Participate in the Annual Stockholders' Meeting
- Voting Right
- Pre-emptive Right
- Power of Inspection
- Right to Information
- Right to Dividends
- Appraisal Right
- Right to fair and equal treatment

Disclosure policies under the Manual include disclosure of material information to the general public as well as other disclosures, including corporate governance related disclosures.

The Duties and Functions of the Board of Directors may be found in Sections 2.1.1, 2.1.2, include:

- fostering the long-term success of the Corporation and secure its sustained growth and competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Corporation, its shareholders and other stakeholders.
- formulating the corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance.
- Implementing a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies.
- Appointment of competent, professional, honest and highly-motivated management officers.

- Adopting an effective succession planning program for Management.
- Providing sound strategic policies and guidelines to the corporation on major investments and capital expenditures.
- Establishing programs that can sustain its long-term viability and strength.
- Periodically evaluating and monitoring the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance.
- Ensuring the corporation's faithful compliance with all applicable laws, regulations and best business practices.
- Establishing and maintain an investor relations program that will keep the stockholders informed of important developments in the corporation. If feasible, the CEO or CFO shall exercise oversight responsibility over this program.
- Identifying the sectors in the community in which the corporation operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them.
- Adopting a system of check and balance with the Board. A regular review of the effectiveness of such system should be conducted to ensure the integrity of the decision-making and reporting processes at all times. There should be a continuing review of the corporation's internal control system in order to maintain its adequacy and effectiveness.
- Identifying key risk areas and performance indicators and monitoring these factors with due diligence to enable the corporation to anticipate and prepare for possible threats to its operational and financial viability.
- Formulating and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships by members of the Board.
- Establishing and maintaining an alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.
- Meet at such times or frequency as may be needed. The minutes of such meetings should be duly recorded. Independent views during Board meetings should be encouraged and given due consideration.
- Keep the activities and decisions of the Board within its authority under the articles of incorporation and by-laws, and in accordance with existing laws, rules and regulations.
- Perform such other responsibilities as may be required under relevant rules and regulations.

The Manual also contains the duties and responsibilities of Corporate Officers such as the Chairman, Corporate Secretary, Compliance Officer, External Auditor, Internal Auditor, and Investor Relations.

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

The Manual requires the Corporate Governance Committee to conduct an annual review of the Manual, including the Corporate Governance Committee Charter and the vision and mission of the Corporation.

(d) Directorship in Other Companies

(i) Directorship in the Company's Group²

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman
George S.K. Ty	Toyota Motor Philippines	Non-Executive
Arthur Vy Ty	Metropolitan Bank & Trust Company	Non-Executive (Chairman)
Alfred Vy Ty	Toyota Motor Philippines	Non-Executive
	Federal Land, Inc.	Executive
	Global Business Power Corporation	Non-Executive
Carmelo Maria Luza Bautista	Global Business Power Corporation	Non-Executive
	Federal Land, Inc.	Non-Executive
	Toyota Motor Philippines	Non-Executive
Roderico V. Puno	Global Business Power Corporation	Non-Executive
Solomon S. Cua	Philippine AXA Life Insurance Corporation	Non-Executive (Chairman)

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

		director is also the Chairman
Alfred Vy Ty	Philippine Long Distance Telephone Company	Non-Executive
Solomon S. Cua	Philippine Racing Club, Inc.	Non-Executive
	Philippine Savings Bank	Non-Executive
Wilfredo A. Paras	Philex Mining Corporation	Independent

(iii) Relationship with the Company and its Group

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

Director's Name	Name of the Significant Shareholder	Description of the relationship
George S.K. Ty	Grand Titan Capital Holdings, Inc.	Grand Titan Capital Holdings, Inc. is owned by the Ty Family
Arthur Vy Ty		
Alfred Vy Ty		

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

	Guidelines	Maximum Number of Directorships in other companies
Executive Directors	The Chief Executive Officer and other executive directors shall submit themselves to a low indicative limit on membership in other corporate Boards, other than in its subsidiaries or affiliates. The same low limit shall apply to independent, non-executive directors who serve as full-time executives in other corporations. In any case, the capacity of directors to serve with diligence shall not be compromised. <i>(Section 2.2.1.1, Manual on Corporate Governance)</i>	"low indicative limit"
Non-Executive Director		
CEO		

(e) Shareholding in the Company

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

Name of Director	Number of Direct shares	Number of Indirect shares/ Through name of record owner)	% of Capital Stock

George S.K. Ty	200,000	0	Direct: 0.115% Indirect: 0.00% Total: 0.115%
Arthur Vy Ty	100,000	1,500	Direct: 0.058% Indirect: 0.00% Total: 0.058%
Alfred Vy Ty	100,000	1,500	Direct: 0.058% Indirect: 0.00% Total: 0.058%
Carmelo Maria Luza Bautista	1,000	11,000 (through PCD Nominee)	Direct: 0.000% Indirect: 0.006% Total: 0.006%
Solomon S. Cua	1,000	21,000 (through PCD Nominee)	Direct: 0.00% Indirect: 0.012% Total: 0.012%
Roderico V. Puno	1,000	1,000	Direct: 0.00% Indirect: 0.00% Total: 0.00%
Jaime Miguel G. Belmonte	1,000	0	Direct: 0.00% Indirect: 0.00% Total: 0.00%
Christopher P. Beshouri	0	3,000 (through PCD Nominee)	Direct: 0.00% Indirect: 0.00% Total: 0.00%
Wilfredo A. Paras	0	1,000 (through PCD Nominee)	Direct: 0.00% Indirect: 0.00% Total: 0.00%
TOTAL	404,000	40,000	Direct: 0.23% Indirect: 0.02% Total: 0.25%

2) Chairman and CEO

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

Yes No

Identify the Chairman and CEO

Chairman of the Board	Arthur Vy Ty
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(b) Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role, accountabilities and Deliverables	<ul style="list-style-type: none"> • Ensure that the meetings of the Board are held in accordance with the by-laws or as he may deem necessary. • Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management and the directors. • Maintain qualitative and timely lines of communication and information between the Board and Management. • Listen to and address satisfactorily any governance-related issues that non-executive independent directors may raise. • Ensure that the Board exercises strong oversight over the company and its management such that the prospect of any corporate scandals is minimized if not totally eliminated. <p><i>(Section 2.4.1, Manual on Corporate Governance)</i></p>	<ul style="list-style-type: none"> • Plans, develops and implements organization policies and goals. <i>Expectation: Organization operates at peak productivity and profitability.</i> • Directs and coordinates promotion of products or services performed to develop new markets, increase share of market, and obtain competitive position in industry. <i>Expectation: Product or service promotions are effective, complete, and timely.</i> • Analyzes budgets to identify areas in which reductions can be made, and allocates operating budget. <i>Expectation: Operating budgets are cost effective and accurate.</i> • Confers with administrative personnel and reviews activity, operating, and sales reports to determine changes in programs or operations required. <i>Expectation: Suggested changes are beneficial, accurate, and timely.</i> • Facilitates monthly meeting with Comptroller to evaluate job costing and project management billable hours. <i>Expectation: Meetings are productive, thorough, and timely.</i> • Directs preparation of directives to division heads outlining policy, program, or operations changes to be implemented. <i>Expectation: Directives are complete, clear, and beneficial.</i> • Promotes organization in industry,

		<p>markets, and general public. <i>Expectation: Promotional efforts are professional and productive.</i></p> <ul style="list-style-type: none"> • Maintains a commitment to the company vision and the "spirit" of the organization. <i>Expectation: Company commitment is consistent and positive.</i> • Presides over all company-wide employee meetings and formal meeting of directors and managers. <i>Expectation: Meetings are conducted in an efficient, productive, and timely manner.</i> • Reviews activity reports and financial statements to determine progress and status in attaining objectives, and revises objectives and plans in accordance with current conditions. <i>Expectation: Analysis and plans are thorough, accurate, clear, and beneficial.</i> • Interfaces with the Chairman to revise objectives and plans in accordance with current conditions. <i>Expectation: Plans are thorough, accurate, clear, and beneficial.</i> • Maintains full and final signature authority for the corporation and its bank accounts. <i>Expectation: Signature authority is utilized in an accurate and ethical manner at all times.</i> • Plans and develops industrial, labor and public relations policies designed to improve company image and relations with customers, employees, and public. <i>Expectation: Policies yield productive and profitable results.</i> • Communicates clearly and directly with employees concerning performance expectations, productivity, and accountability. <i>Expectation: Communication is ongoing, clear, concise, and</i>
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		<p><i>complete.</i></p> <ul style="list-style-type: none"> • Develops employees for future advancement when possible. <i>Expectation: Employee development is accessible.</i> <p><i>(Job Description of the Corporation's President)</i></p>
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3) Explain how the board of directors plan for the succession of the CEO/Managing Director/President and the top key management positions?

Having been listed only in April of the previous year, the Corporation has, at present, no specific written policy for the succession of the President and the top key management positions. However, the Corporation intends to establish a written policy for the succession of management within the next twelve months.

4) Other Executive, Non-Executive and Independent Directors

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

Yes. The Manual states that the Corporation values, promotes and observes a policy on diversity in the Composition of its Board (*Section 2.2.1.1*). The Nomination Committee is responsible for the proper profiling of the skills and competencies of the currently serving directors, the gaps in skills and competencies identified, and the search for candidates to fill the gaps (*Nominations Committee Charter – Manual on Corporate Governance*).

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain.

Yes. The Manual provides that in considering candidates, the Nominations committee shall take into consideration that at least one of the non-executive directors should have prior working experience in the sector or broad industry group to which the Corporation belongs. (*Section 2.2.1.1, Manual on Corporate Governance*)

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

The roles, accountabilities and deliverables of the Board of Directors are enumerated in the following sections of the Manual:

2.1.1 General Responsibility

It shall be the Board's responsibility to foster the long-term success of the Corporation and secure its sustained growth and competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Corporation, its shareholders and other stakeholders.

The Board should formulate the corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance.

2.1.2 Specific Duties and Functions

To ensure a high standard of best practice for the corporation and its stockholders, the Board should conduct itself with honesty and integrity in the performance of, among others, the following duties and functions:

- Implement a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. Appoint competent, professional, honest and highly-motivated management officers. Adopt an effective succession planning program for Management.
- Provide sound strategic policies and guidelines to the corporation on major investments and capital expenditures. Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance.
- Ensure the corporation's faithful compliance with all applicable laws, regulations and best business practices.
- Establish and maintain an investor relations program that will keep the stockholders informed of important developments in the corporation. If feasible, the CEO or CFO shall exercise oversight responsibility over this program.
- Identify the sectors in the community in which the corporation operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them.
- Adopt a system of check and balance with the Board. A regular review of the effectiveness of such system should be conducted to ensure the integrity of the decision-making and reporting processes at all times. There should be a continuing review of the corporation's internal control system in order to maintain its adequacy and effectiveness.

- Identify key risk areas and performance indicators and monitor these factors with due diligence to enable the corporation to anticipate and prepare for possible threats to its operational and financial viability.
- Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships by members of the Board.
- Establish and maintain an alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.
- Meet at such times or frequency as may be needed. The minutes of such meetings should be duly recorded. Independent views during Board meetings should be encouraged and given due consideration.
- Keep the activities and decisions of the Board within its authority under the articles of incorporation and by-laws, and in accordance with existing laws, rules and regulations.
- Perform such other responsibilities as may be required under relevant rules and regulations

2.1.3 Specific Duties and Responsibilities of a Director

A director's office is one of trust and confidence. A director should act in the best interest of the corporation in a manner characterized by transparency, accountability and fairness. He should also exercise leadership, prudence and integrity in directing the corporation towards sustained progress.

A director should observe the following norms of conduct:

- Conduct fair business transactions with the corporation and ensure that his personal interest does not conflict with the interests of the corporation.

The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process. A director who has a

continuing material conflict of interest should seriously consider resigning from his position.

A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the corporation, or stands to acquire or gain financial advantage at the expense of the corporation.

- Devote the time and attention necessary to properly and effectively perform his duties and responsibilities.

A director should be physically present at 50% of the meetings of the Board. If arrangements are made for electronic presence, directors should be present at 75% of all meetings of the Board.

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

- Act judiciously.

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

- Exercise independent judgment.

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

- Observe confidentiality.

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

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

The Corporation abides by the definition of independence as stated in SEC Memorandum Circular No. 16, Series of 2002, which defines an independent director as “a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director...” To that end, the Corporation’s independent directors are independent of management and major/substantial shareholders (2012 Annual Report).

Does the company have a term limit of five consecutive years for independent directors? If, after two years, the company wishes to bring back an independent director who has served for five years, does it limit the term for no more than four additional years? Please explain.

A requirement to be considered as an independent director under the Manual is that he/she should not have served as independent director of the company for five consecutive terms; provided that, an independent director of the company may thereafter be re-nominated as such after a period of two years; provided further that, the Company shall not allow any further re-nomination as independent director of an individual who has served as such for a second set of five consecutive years; provided finally that, in the event that the Company makes an exception to the rule on limits for continuous service of independent directors, the Company shall justify and disclose it. (Section 2.1.4, Manual on Corporate Governance)

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

(a) Resignation/Death/Removal

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

Name	Position	Date of Cessation	Reason
Manuel Q. Bengson	Director	May 14, 2013	End of term
Renato C. Valencia	Director	May 14, 2013	End of term

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

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

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive		

<p>Directors</p> <p>(ii) Non-Executive Directors</p>	<p>The Directors of the Company are elected at the annual stockholders' meeting to hold office until the next succeeding annual meeting and until their respective successors have been appointed or elected and qualified. The same set of directors will be nominated in the coming regular annual stockholders' meeting. The Directors possess all the qualifications and none of the disqualifications provided for in the SRC and its Implementing Rules and Regulations as well as the Company's By-laws.</p> <p><i>(2013 Information Statement)</i></p>	<ul style="list-style-type: none"> • Holder of at least one thousand (1,000) shares of stock of the Corporation, which shares shall stand in his name in the books of the corporation. • He shall be at least twenty-five (25) years of age at the time of his election or appointment; • He shall be at least a college graduate or have at least five (5) years experience in business; • He must have attended a special seminar for board of directors conducted or accredited by the regulatory bodies; and • He must be fit and proper for the position of director. In determining whether a person is fit and proper for the position of director, the following matters must be considered: <ul style="list-style-type: none"> - integrity/probity; - competence; - education; - diligence; and - experience/training. <p>The foregoing qualifications for directors shall be in addition to those required under existing applicable laws and regulations.</p> <p><i>(Section 2.2.1.2, Manual on Corporate Governance)</i></p>
<p>(iii) Independent Directors</p>	<p>Nomination of Independent Directors shall be conducted by the Nomination Committee prior to the stockholders' meeting. The Nomination Committee shall prepare a Final List of Candidates from those who have passed the Guidelines, Screening Policies and Parameters for nomination of independent directors and which list shall contain all the information about these</p>	<p>An independent director shall have the qualifications and none of the disqualifications as embodied in relevant SEC regulations and in the By-laws of the corporation. In addition, an independent director shall also meet the following qualifications:</p> <ul style="list-style-type: none"> • Should not be related within the second degree of consanguinity or affinity with significant stockholders, the CEO, or any member of the

	<p>nominees. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Director. No other nomination shall be entertained or allowed on the floor during the actual annual stockholders' meeting. In case of resignation, disqualification or cessation of independent directorship and only after notice has been made with the Commission within five (5) days from such resignation, disqualification or cessation, the vacancy shall be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum, upon the nomination of the Nomination Committee; otherwise, said vacancies shall be filled by stockholders in a regular or special meeting called for that purpose. An Independent Director so elected to fill a vacancy shall serve only for the unexpired term of his or her predecessor in office. (2013 General Information Statement.)</p>	<p>Company's Management.</p> <ul style="list-style-type: none"> • Should not have served the Company as an officer or a significant service provider, unless two years have lapsed since the termination of the said service. • Should not have served as independent director of the company for five consecutive terms; provided that, an independent director of the company may thereafter be re-nominated as such after a period of two years; provided further that, the Company shall not allow any further re-nomination as independent director of an individual who has served as such for a second set of five consecutive years; provided finally that, in the event that the Company makes an exception to the rule on limits for continuous service of independent directors, the Company shall justify and disclose it. <p>(Section 2.1.4 GT Capital Holdings, Inc. Manual on Corporate Governance)</p>
b. Re-appointment		
(i) Executive Directors	<p>The Nominations Committee shall adhere to the policy of submitting all directors for election or re-election once a year. (Nominations Committee Charter, Manual on Corporate Governance)</p>	<p>Same as above.</p>
(ii) Non-Executive Directors		
(iii) Independent Directors		
c. Permanent Disqualification		
(i) Executive Directors	<p>Directors/ Officers elected or appointed without possessing the qualifications or possessing any of the disqualifications as enumerated herein, or in the By-laws of the corporation, shall vacate their respective positions immediately.</p>	<ul style="list-style-type: none"> • Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the SRC; (b) arises out of the person's conduct as
(ii) Non-Executive Directors		
(iii) Independent Directors		

	<p><i>(Section 2.2.1.2, Manual on Corporate Governance)</i></p>	<p>an underwriter, broker, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank quasi-bank, trust company, investment house or as an affiliated person of any of them;</p> <ul style="list-style-type: none"> • Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities. • The disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or any regulatory body, or under any rule or regulation issued by the Commission, or has otherwise
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		<p>been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;</p> <ul style="list-style-type: none"> • Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts; • Any person who has been adjudged by final judgment or order of the Commission, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law administered by the Commission, or any of its rule, regulation or order; • Any person judicially declared to be insolvent; • Any person finally found guilty by a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in sub-paragraphs above; • Conviction by final judgment of an offense punishable by
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		<p>imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment.</p> <ul style="list-style-type: none"> • Any former partner or employee of the Company's external auditor, unless two years have elapsed since the relationship with such auditing firm has been terminated. • Possession of disqualifications under the By-Laws <p><i>(Section 2.2.1.2, Manual on Corporate Governance)</i></p>
d. Temporary Disqualification		
(i) Executive Directors	Any of the following shall be a ground for the temporary disqualification of a director:	
(ii) Non-Executive Directors	<ul style="list-style-type: none"> • Refusal to comply with the disclosure requirements of the SRC and its IRR. This disqualification shall be effective as long as the refusal persists. • Absence in more than fifty percent (50%) of all regular and special meetings of the Board of directors during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. This disqualification applies for purposes of the succeeding election. • Dismissal or termination for cause as director of any corporation covered by Code. The disqualification shall be in effect until he has cleared himself of any involvement in the cause that gave rise to his dismissal or termination. • If the beneficial equity ownership of an independent director in the corporation or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with. • If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final. 	
(iii) Independent Directors		

	the disqualification shall become permanent. <i>(Section 2.2.1.2, Manual on Corporate Governance)</i>	
e. Removal		
(i) Executive Directors	The Corporate Governance Committee shall be responsible for reporting violation/s after due notice and hearing and shall recommend to the Chairman of the Board the imposable penalty for such violation, for further review and approval of the Board. <i>(Section 8.3, Manual on Corporate Governance)</i>	A director may be removed from office for a third violation of any provision of the Manual. <i>(Section 8.1, Manual on Corporate Governance)</i>
(ii) Non-Executive Directors		
(iii) Independent Directors		
f. Re-instatement		
(i) Executive Directors	As stated in Section 2.2.1.2 of the Manual, in cases of temporary disqualification, the temporary disqualified director shall, within sixty (60) business days from such disqualification, take appropriate action to remedy or correct the disqualification in order for re-instatement to take place. Otherwise, the disqualification shall become permanent.	
(ii) Non-Executive Directors		
(iii) Independent Directors		
g. Suspension		
(i) Executive Directors	The Corporate Governance Committee shall be responsible for reporting violation/s after due notice and hearing and shall recommend to the Chairman of the Board the imposable penalty for such violation, for further review and approval of the Board. <i>(Section 8.3, Manual on Corporate Governance)</i>	Directors may be suspended from office for committing a second violation of any provision of the Manual. The duration of the suspension shall depend on the gravity of the violation. <i>(Section 8.1, Manual on Corporate Governance)</i>
(ii) Non-Executive Directors		
(iii) Independent Directors		

Voting Results of the last Annual General Meeting (May 14, 2013)

Name of Director	Votes Received					
	For	%	Abstain	%	Against	%
George S.K. Ty	148,632,180	85.27%	0	0.00%	3,717,25	2.13%
Arthur Vy Ty	151,718,220	87.04%	0	0.00%	631,185	0.36%
Alfred Vy Ty	145,556,040	84.66%	0	0.00%	4,793,365	2.75%
Carmelo Maria Luza Bautista	148,229,035	85.04%	0	0.00%	4,120,370	2.37%
Solomon S. Cua	147,005,830	84.34%	0	0.00%	1,707,325	0.98%
Roderico V. Puno	151,718,220	87.04%	0	0.00%	631,185	0.36%

Jaime Miguel G. Belmonte	152,349,405	87.41%	0	0.00%	0	0.00%
Christopher P. Beshouri	103,368,110	59.30%	0	0.00%	0	0.00%
Wilfredo A. Paras	103,368,110	59.30%	0	0.00%	0	0.00%

6) Orientation and Education Program

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

The Corporation conducts an orientation program for new directors, which includes its vision, mission and corporate values, organizational structure, executive officers and directors, history and milestones of GT Capital, component companies and Metrobank Group.

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

The Vice President and Head of Legal and Compliance also attended the required Mandatory Continuing Legal Education as well as the Annual Listing & Disclosure Rules Seminar in 2012.

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

The Corporation's President has attended Breakfast Roundtables arranged by the Institute of Corporate Directors. Moving forward, the Corporation shall arrange for guest speakers to give quarterly lectures to directors, as well as for directors to attend the Breakfast Roundtables attended by the President.

B. CODE OF BUSINESS CONDUCT & ETHICS

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

The Corporation's policies on ethical conduct of directors are contained in the Manual on Corporate Governance. These include procedures and principles adopted in cases of conflicts of interest and related party transactions.

Policies on ethics and discipline of the Corporation's senior management and employees are contained in the Policies and Procedures Manual of the Human Resources Division, which is to be approved by the Board of Directors.

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

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

The Manual on Corporate Governance is made available to all employees, including senior management, and is also posted on the Corporation’s website. The Policies and Procedures Manual of the Human Resources Division will be made available to all employees and directors after it has been approved by the Board of Directors.

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

The Manual on Corporate Governance contains provisions on sanctions to be imposed in case of its violation. Procedures for implementation and monitoring of the ethics and conduct of employees are included under the Code of Discipline under the Policies and Procedures Manual of the Human Resources Division, which is to be approved by the Board of Directors. The Code of Discipline includes the Categories of Offenses and Disciplinary Actions, the List of Offenses and Respective Disciplinary Actions, the Methods of Disciplinary Actions and the Proceeding and Administration of Disciplinary Actions,

4) Related Party Transactions

(a) Policies and Procedures

Describe the company’s policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

Related Party Transactions	Policies and Procedures
(1) Parent Company	One of the responsibilities of the Board of Directors is to “formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships by members of the Board.” <i>(Section 2.1.2 Manual on Corporate Governance)</i>
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	
(7) Directors including spouse/children/siblings/parents	
(8) Interlocking director relationship of Board of Directors	

	<p>The Corporate Governance Committee shall act as a Related Party Transactions Committee when necessary. To this end, it shall pass upon and provide clearance for related party transactions with material significance, after assessing whether the transaction is for the best interest of the corporation. <i>(Section 2.2.4.4, Manual on Corporate Governance)</i></p> <p>When passing upon related party transactions, the non-independent members of the Committee shall inhibit themselves from voting on the matter at hand. <i>(Article III, Section 2, Corporate Governance Committee Charter, Manual on Corporate Governance)</i></p> <p>Loans or Assistance to a related party shall be prohibited, except when the following conditions are present:</p> <ul style="list-style-type: none"> - Management has, based on the judgment of the Board, sufficiently justified the loan or assistance to the related party - The loan or assistance shall be provided on an arms' length basis - The terms and conditions of the loan do not deviate substantially from market terms and conditions and do not jeopardize the best interest of the company. <p><i>Article III, Section 3, Corporate Governance Committee Charter, Manual on Corporate Governance)</i></p> <p>Financial assistance shall not be granted to entities other than wholly owned subsidiaries of the Corporation. <i>(Article III, Section 4, Corporate Governance Committee Charter, Manual on Corporate Governance)</i></p>
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(b) Conflict of Interest

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

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

The Corporation has had no instance of actual conflict of interest because in compliance with the Manual on Corporate Governance, if an actual or potential conflict of interest arises on the part of a director or officer, he fully and immediately discloses it and abstains from participating in the decision-making process. To the best of our knowledge, there is no actual or potential conflict involving a shareholder owning at least 5% interest in the Corporation.

	Details of Probable Conflict of Interest
George S.K. Ty	Director of Toyota Motor Philippines
Arthur Vy Ty	Chairman of Metropolitan Bank & Trust Company
Alfred Vy Ty	Vice-Chairman of Toyota Motor Philippines President/Director of Federal Land, Inc. Director of Global Business Power Corporation
Carmelo Maria Luza Bautista	Director of Global Business Power Corporation Director of Federal Land, Inc. Director of Toyota Motor Philippines
Solomon S. Cua	Chairman of Philippine AXA Life Insurance Corporation
Roderico V. Puno	Director of Global Business Power Corporation.

(ii) Mechanism

	Directors/Officers/Significant Shareholders
Company Group	<p>The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process. A director who has a continuing material conflict of interest should seriously consider resigning from his position.</p> <p>A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the corporation, or stands to acquire or gain financial advantage at the expense of the corporation.</p> <p><i>(Section 2.1.3, Manual on Corporate Governance)</i></p>

5) Family, Commercial and Contractual Relations

- (a) Indicate, if applicable, any relation of a family⁴, commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
Grand Titan Capital Holdings, Inc.	Family/commercial	Parent company and owned by the Ty Family.

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

Aside from the abovementioned relationship, there is no relation of commercial, contractual or business nature that exists between holders of significant equity and the Corporation.

Names of Related Significant Shareholders	Type of Relationship	Brief Description
Not applicable	Not applicable	Not applicable

- (c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the company: Currently none.

6) Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

All issues that may result in disputes, claims, or which may be reasonably expected to be subject to corrective action shall be documented in writing by the Corporation's Legal & Compliance Officer. In cases which may result in a claim, the Legal and Compliance Officer shall be responsible for determining the validity of the claim. The Corporation may decide to settle an issue, dispute or claim through judicial or extrajudicial means (including alternative dispute resolution), upon the recommendation of the Legal & Compliance Head and the approval of the President, and if necessary due to the amount of pecuniary interest involved, the Company's Board of Directors. (*Section 6.1.3.4.3, Legal and Compliance Division Policies and Procedures Manual*)

The Corporation has not had any disputes with its stockholders, third parties, or regulatory authorities.

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

C. BOARD MEETINGS & ATTENDANCE

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

Pursuant to the Corporation's revised Manual, which was approved by the Corporation's Board on March 20, 2013, the Corporation's Board meetings are to be set at the beginning of the year.

The rest of the meetings for 2013, after the Organizational Meeting held on May 14, 2013, are currently being finalized by the Corporation to coincide with the submission of its Quarterly Reports (April, August and October) to the Securities and Exchange Commission ("SEC").

2) Attendance of Directors

2012

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Arthur Vy Ty	July 20, 2007	9	9	100.00%
Vice-Chairman	Alfred Vy Ty	July 20, 2007	9	7	77.78%
Member	George S.K. Ty	July 20, 2007	9	6	66.67%
Member	Carmelo Maria Luza Bautista	August 5, 2011	9	9	100.00%
Member	Solomon S. Cua	June 3, 2011	9	8	88.89%
Member	Roderico V. Puno	August 5, 2011	9	9	100.00%
Member	Manuel Q. Bengson	February 14, 2012	9	7	77.78%
Independent Director	Renato C. Valencia	December 2, 2011	9	8	88.89%
Independent Director	Jaime Miguel G. Belmonte	February 14, 2012	9	6	66.67%

2013

Board	Name	Date of	No. of	No. of	%
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		Election	Meetings Held during the year	Meetings Attended	
Chairman	Arthur Vy Ty	July 20, 2007	3	3	100.00%
Vice-Chairman	Alfred Vy Ty	July 20, 2007	3	2	66.67%
Member	George S.K. Ty	July 20, 2007	3	3	100.00%
Member	Carmelo Maria Luza Bautista	August 5, 2011	3	3	100.00%
Member	Solomon S. Cua	June 3, 2011	3	3	100.00%
Member	Roderico V. Puno	August 5, 2011	3	2	66.67%
Member	Manuel Q. Bengson <i>(Ceased to be a director on May 14, 2013)</i>	February 14, 2012	2	2	100.00%
Independent Director	Renato C. Valencia <i>(Ceased to be a director on May 14, 2013)</i>	December 2, 2011	2	2	100.00%
Independent Director	Jaime Miguel G. Belmonte	February 14, 2012	3	3	100.00%
Independent Director	Christopher P. Beshouri	May 14, 2013	1	1	100.00%
Independent Director	Wilfredo A. Paras	May 14, 2013	1	1	100.00%

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

Under the Manual, the Corporate Secretary is tasked with encouraging and arranging for all the Corporation's non-executive directors to meet as a group at least once a year, without the presence of any executive director or representative from management. (*Section 2.5.2 (f) Manual on Corporate Governance*)

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

When there are important matters to be decided on the agenda, in particular when there are issues therein that will have a significant impact on the character of the Corporation, the quorum required for the Board to do business shall be two-thirds of its members. (*Section 2.5.2 (e) Manual on Corporate Governance*)

5) Access to Information

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

The Corporate Secretary shall ensure that the requisite board papers associated with items on the agenda of a Board meeting are sent out at least five (5) business days in advance of the scheduled Board meeting. (*Section 2.5.2 (e) Manual on Corporate Governance*)

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

The board members have ready and reasonable access to information that they may need for their deliberation on issues listed on the agenda of the Board (*Section 2.5.2 (b), Manual on Corporate Governance*). Requests may be made through Management and the Corporate Secretary.

(c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory regulatory changes, etc.?

The Role of the Corporate Secretary and the Office of the Corporate Secretary is found in Section 2.5 of the Manual:

2.5 The Corporate Secretary

The Corporate Secretary, who should be a Filipino citizen and a resident of the Philippines, is an officer of the corporation.

2.5.1 Duties and Responsibilities

- Be responsible for the safekeeping and preservation of the integrity of the minutes of the Board and its committees, as well as other official records of the corporation;
- Be loyal to the mission, vision and objectives of the corporation;

⁵ Board papers consist of complete and adequate information about the matters to be taken in the board meetings. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

- Work fairly and objectively with the Board, Management and stockholders;
- Have appropriate administrative and interpersonal skills;
- If he is not at the same time the corporation's general counsel, be aware of the laws rules, and regulations necessary in the performance of his duties and responsibilities;
- Inform the members of the Board, in accordance with the by-laws, of the agenda of their meetings and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
- Attend all Board meetings, except when justifiable causes, such as, illness death in the immediate family and serious accidents prevent him from doing so;
- Ensure that all Board procedures, rules and regulations are strictly followed by the members;
- Submit reports to the Commission as required under existing rules

2.5.2 The Office of the Corporate Secretary shall provide reasonable and adequate support to the Board of Directors and the members of the Board in the discharge of their functions. Among the duties of the Office of the Corporate Secretary are as follows:

- (a) Provide the requisite board papers associated with items on the agenda of a Board meeting and to arrange that these are sent to all directors at least five business days in advance of the scheduled Board meeting.
- (b) Provide ready and reasonable access to information that directors may need for their deliberation on issues listed on the agenda of the Board.
- (c) Ensure that the Corporate Secretary has access to training in "legal, accountancy and company secretarial best practices", which help raise the standards of professionalism actually observed by the Office of the Corporate Secretary.
- (d) Set the dates of the Corporation's Board meetings at the beginning of the year. The Board shall meet regularly, as required by its by-laws.
- (e) Ensure that at least two-thirds of the directors are present when there are important matters to be decided on the agenda, in particular when issues that will have a significant impact on the character of the Corporation. In such cases, the number required to determine whether there is a quorum to do business shall be two-thirds of the directors.

(f) Encourage and arrange for all the Corporation's non-executive directors to meet as a group at least once a year, without the presence of any executive director or representative from management.

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

Yes.

(e) Committee Procedures

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes No

6) External Advice

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

External advice may be obtained on a case-to-case basis, upon the request of the director concerned.

7) Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change: None.

D. REMUNERATION MATTERS

1) Remuneration Process

Disclose the process used for determining the remuneration for the CEO and the four (4) most highly compensated management officers:

Remuneration for Senior Officers (with rank of Assistant Vice President and higher) is processed by the Office of the Assistant to the Group Chairman.

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed Remuneration	Please see above policy. CEO and Top 4 highest paid management officers are Senior Officers.	
(2) Variable Remuneration		

(3) Per diem allowance	
(4) Bonus	
(5) Stock Options and other financial instruments	
(6) Others (specify)	

2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executives and Non-Executive Directors is calculated.

	Remuneratlon Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors Non-Executive Directors	<p>Under the Corporation's Compensation Committee Charter, a director is not allowed to decide his or her own remuneration. The Compensation Committee shall establish a formal and transparent procedure for developing a policy for fixing the remuneration packages of corporate directors. It shall designate the amount of remuneration, which shall be in a sufficient level to attract and retain directors. The Compensation Committee shall meet at least semi-annually or more frequently should the need arise.</p> <p>Remuneration of directors is determined by the Office of the Assistant to the Corporation's Group Chairman. As a general rule, directors are entitled to per diems and allowances upon actual attendance in Board or Committee meetings, respectively. No per diem or allowance may be claimed twice in a day for two (2) different meetings.</p>		

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

Remuneration Scheme	Date of Stockholders' Approval
Remuneration of directors is deemed included in the item "General ratification of the acts of the Board of Directors and management", which is found in the agenda of the Corporation's Annual Stockholders' Meetings.	July 11, 2012*
	May 14, 2013

*The Corporation was listed in April 2012.

3) Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued during the most recent year (2012):

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	-	-	-
(b) Variable Remuneration	-	-	-
(c) Per diem Allowance	PhP 0.3 million	PhP 2.63 million	PhP 0.83 million
(d) Bonuses	PhP 0.120 million	PhP 0.72 million	PhP 0.20 million
(e) Stock Options and/or other financial instruments	-	-	-
(f) Others (Specify)	-	-	-
Total	PhP 0.42 million	PhP 3.35 million	PhP 1.03 million

Other Benefits	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Advances	-	-	-
(b) Credit granted	-	-	-
(c) Pension Plan/s Contributions	-	-	-
(d) Life Insurance Premium	-	-	-
(e) Life Insurance Premium	-	-	-
(f) Hospitalization Plan	-	-	-
(g) Car Plan	-	-	-
(h) Others (Specify)	-	-	-
Total	-	-	-

4) **Stock Rights, Options and Warrants – None**

(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 Options/Rights/Warrants	Number of Indirect Options/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock

Not applicable.

(b) Amendments of Incentive Programs

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

Incentive Program	Amendments	Date of Stockholders' Approval
Not applicable.		

5) 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 (in million pesos)
Francisco H. Suarez, Jr. / Senior Vice President and Chief Financial Officer	January 1 to December 31, 2012 : 13.31 million
Joselito V. Banaag / Vice President and Head, Legal and Compliance	January 1 to May 15, 2013 : 9.31 million
Jose B. Crisol, Jr. / Vice President and Head, Investor Relations	
Susan E. Cornelio / Vice President and Head, Human Resources	
Reyna Rose P. Manon-og / Assistant Vice President and Head, Accounting and Financial Control	

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 (Actual Membership as of May 14, 2013)			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-Executive Director	Independent Director (ID)				

	(NED)				
Executive Committee	Executive Committee Members who shall hold office for the remainder of 2013 until the subsequent year's Annual Stockholders' Meeting shall be appointed at a Board Meeting to be held at a later date.			✓	Please see enumeration of power, functions and key responsibilities for each committee below, based on the Manual on Corporate Governance and each committee's charter.
Audit Committee	0	1	2	✓	
Compensation Committee	0	2	1	✓	
Nominations Committee	1	1	1	✓	
Corporate Governance Committee	0	0	3	✓	

Powers, Functions and Key Responsibilities of Each Committee:

Executive Committee

- Act on such specific matters within the competence of the Board as may from time to time be delegated to the Committee in accordance with GT Capital's By-Laws, except with respect to:
 - Approval of any action for which shareholders' approval is also required
 - The filling of vacancies in the Board or the Committee
 - The amendment or repeal of By-Laws or the adoption of new By-Laws
 - The amendment or repeal of any resolution of the Board which by its express terms is not so amenable or repealable
 - The declaration of cash dividends
 - The exercise of powers delegated by the Board exclusively to other committees

An act of the Committee which is within the scope of its powers shall not require ratification or approval for its validity and effectivity, provided however that the Board may at any time enlarge or redefine the powers of the Committee.

- Report all its actions to the Board, which may subject such actions to revision or alteration; provided that no rights or acts of third parties shall be prejudiced.
- Keep regular minutes of its proceedings in a book provided for the purpose.
- Fix its own rules and procedures.
- Review and assess annually the adequacy of its Charter and then recommend changes for the approval of the Board when and where necessary.

Audit Committee

- Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;
- Provide oversight over Management's activities in managing credit, market liquidity, operational, legal and other risks of the corporation. This function shall include regular receipt from Management of information on risk exposures and risk management activities;
- Perform oversight functions over the corporation's internal and external auditors. It should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
- Review the annual internal audit plan to ensure its conformity with the objectives of the corporation. The plan shall include the audit scope, resources and budget necessary to implement it;
- Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
- Organize an internal audit department, and consider the appointment of an independent internal auditor and determine the terms and conditions of its engagement and removal/termination;
- Monitor and evaluate the adequacy and effectiveness of the corporation's internal control system, including financial reporting control and information technology security;
- Review the reports submitted by the internal and external auditors;
- Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:
 - Any change/s in accounting policies and practices
 - Major judgmental areas
 - Significant adjustments resulting from the audit
 - Going concern assumptions
 - Compliance with accounting standards
 - Compliance with tax, legal and regulatory requirements.
- Coordinate, monitor and facilitate compliance with laws, rules and regulations;
- Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the corporation's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the corporation's annual report;

- Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. The Internal Auditor shall functionally report directly to the Audit Committee.
- The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties.
- In lieu of organizing an internal audit department, the Audit Committee may outsource the internal audit services/function from a service provider.
- Address all issues and concerns from the auditors expeditiously and effectively to avoid the possibility of their having to render a qualified or adverse opinion, including substantive and significant disclaimers.
- Ensure that no revisions to the company's financial statements are necessary for reasons other than mandated changes in accounting practices.
- Certify in behalf of the Board of Directors as to the adequacy of the company's internal controls and risk management system.
- Approve all non-audit services conducted by the external auditor and ensure that non-audit fees do not outweigh the fees earned from the external audit.
- Ensure that the external auditor is credible, competent, and should have the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.
- Ensure that the external auditor has adequate quality control procedures
- Ensure that the external audit firm is selected on the basis of a fair and transparent tender process
- Conduct regular meetings and dialogues with the external audit team without anyone from management present
- Ensure that, should the external auditor not be rotated, the lead audit partner is rotated every five years.

Compensation Committee

- The Compensation Committee shall establish a formal and transparent procedure for developing a policy on remuneration of directors and officers and to ensure that their compensation is consistent with the corporation's culture, strategy and the business environment in which it operates. The committee shall meet at least semi-annually.
- Disallow any director to decide his or her own remuneration.
- 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.

- Designate 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.
- 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 interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired.
- Provide in the Corporation's annual reports, a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and the ensuing year.
- Adopt policies to strengthen provisions on conflict of interest, salaries and benefits, promotion and career advancement directives and compliance with statutory requirements.
- Disclose the remuneration policy of the Corporation. Remuneration shall cover: "fees, allowances, benefits in kind and other emoluments".
- Submit the remuneration structure for non-executive directors to shareholders for approval and specifically disclose any "options, performance shares or bonuses" for independent directors.
- Disclose the identity, independence, and absence of conflict of interest on the part of any adviser or consultant it may hire to assist the committee carry out its tasks.
- Review and assess, at least annually, the adequacy of its charter and recommend changes for the approval of the Board.

Corporate Governance Committee

- The committee shall be responsible for ensuring the board's effectiveness and due observance of corporate governance principles and guidelines. It shall oversee the periodic performance evaluation of the Board and its committees and executive management; and shall also conduct an annual self-evaluation of its performance. The committee shall decide the manner by which the Board's performance may be evaluated and propose an objective performance criteria approved by the Board.
- The committee shall act as a Related Party Transactions Committee when necessary. To this end, it shall pass upon and provide clearance for related party transactions with material significance, after assessing whether the transaction is for the best interest of the corporation.
- The Committee shall see to it that the Board complies with the minimum requirement of two (2) qualified independent directors.
- The Committee shall seek a ratio of executive and non-executive directors, such that no individual or small group of individuals dominates the Board's decision making.

- The Committee shall pass upon and provide clearance for related party transactions with material significance. In all cases, the Committee shall make its decision taking into consideration the best interest of the corporation.
- Be responsible for ensuring the Board's effectiveness and due observance of corporate governance principles and guidelines.
 - Oversee the periodic performance evaluation of the Board and its committees and executive management.
 - Conduct an annual self-evaluation of its performance.
 - Decide whether or not a director is able to and has been adequately carrying out his/her duties as director bearing in mind the director's contribution and performance (e.g., competence, candor, attendance, preparedness and participation).
 - Make continuing recommendations to the Board regarding the continuing education of directors, assignment to board committees, succession plan for the board members and senior officers and their remuneration commensurate with corporate and individual performance.
 - Decide the manner by which the Board's performance may be evaluated and propose an objective performance criteria to be approved by the Board. Such performance indicators shall address how the Board has enhanced long term shareholder's value.
 - Conduct an annual review of the Company's Corporate Governance Charter, Manual on Corporate Governance, Corporate Strategy Map and the governance and any related scorecards.

2) Committee Members

(a) Executive Committee

2012-May 14, 2013

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service In the Committee
Chairman (NED)	Alfred Vy Ty	July 11, 2012	4	4	100.00%	0.83 years
Vice-Chairman/Member	Mary Vy Ty	July 11, 2012	4	4	100.00%	0.83 years
Member (ED)	Carmelo Maria Luza Bautista	July 11, 2012	4	4	100.00%	0.83 years
Member (NED)	Solomon S. Cua	July 11, 2012	4	4	100.00%	0.83 years
Adviser (NED)	Arthur Vy Ty	July 11, 2012	4	4	100.00%	0.83 years

(b) Audit Committee

2012-May 14, 2013

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Renato C. Valencia	July 11, 2012	5	5	100.00%	0.83 years
Member (NED)	Manuel Q. Bengson	July 11, 2012	5	3	60.00%	0.83 years
Member (NED)	Solomon S. Cua	July 11, 2012	5	5	100.00%	0.83 years

As of May 15, 2012

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Wilfredo A. Paras	May 14, 2013	0	n.a.	n.a.	n.a.
Member (ID)	Christopher P. Beshouri	May 14, 2013	0	n.a.	n.a.	n.a.
Member (NED)	Solomon S. Cua	May 14, 2013	0	n.a.	n.a.	n.a.

Disclose the profile or qualifications of the Audit Committee Members.

Wilfredo A. Paras

Wilfredo A. Paras currently holds various positions in Philippine Corporations, such as: Independent Director of Philex Mining Corporation (2011-present); Director of Oil Mills Goup of CIIF- Granexport Manufacturing Corporation, Cagayan de Oro Oil Mills Corporation, Iligan Coconut Oil Mills Corporation (2011-present); Member of the Board of Trustees of Dualtech Training Center (2012-present); Senior Adviser of Association of Petrochemical Manufacturers of the Philippines (2007-present); and President of WAP (2007-present). He also served as the Executive Vice President/Chief Operating Officer and Director of JG Summit Petrochemical Corporation; and was also the President of Union Carbide Philippines, the President and a Director of Union Carbide-Indonesia, Managing Director of Union Carbide Singapore and Business Director for Union Carbide Asia-Pacific. Mr. Paras holds a degree in Bachelor of Science (BS) Industrial Pharmacy from the University of the Philippines and a Master in Business Administration (MBA) from the De la Salle University Graduate School of Business. He also graduated from the Management Program of the University of Michigan, Ann Arbor, in Michigan, USA.

Christopher P. Beshouri

Christopher P. Beshouri has been with McKinsey and Company for more than 15 years, where he has held 3 distinct roles: Managing Partner of Philippines (since 2005), Chief of Staff of Asia (2004-2005); and Senior Consultant (1997-2004). Mr. Beshouri also worked as a Senior Financial Economist and Director of the United States Treasury from 1989 to 1997. In addition, Mr. Beshouri was an Adjunct Professor of Georgetown University, College of Business from 1996-1997, a Consultant for the West Africa Country Operations of the World Bank in 1988, a Financial Auditor of the Catholic Relief Services from 1987 to 1988, and an Analyst and Research Assistant for the Federal Reserve Bank of Atlanta from 1984 to 1986. Mr. Beshouri holds a Bachelor of Arts Degree, Dual Major, from the Michigan State University, and a degree of Master of Public Affairs from Princeton University.

Solomon S. Cua

Solomon S. Cua has served as Director of GT Capital Holdings, Inc. since July 11, 2012. With more than 20 years of experience in general management, banking and finance, Mr. Cua holds several other positions in other companies, among which are Director of First Metro Investment Corporation (since 2001) and Chairman of Philippine AXA Life Insurance Corporation (since 2010). He graduated from the University of Melbourne and the University of Queensland where he earned degrees in Bachelor of Arts in Mathematical Sciences and Economics and Bachelor of Laws, respectively. He obtained his Masters of Law from the London School of Economics and Political Sciences. Mr. Cua also holds the following positions: Director and Vice Chairman of Philippine Racing Club, Inc.; Director of Grand Titan Capital Holdings, Inc.; member of the Board of Trustees of GT Foundation, Inc.; Director of Greenhills West Association, Inc.; Director and Treasurer of Palm Integrated Commodities, Inc.; and Director of Philippine Newtown Global Solutions. Mr. Cua also served as Undersecretary of Finance from 1998 to 2000.

Renato C. Valencia*

Renato C. Valencia was elected as an independent director of GT Capital on July 11, 2012 and is the Chairman of the Audit Committee. At present, he concurrently holds the following positions: director of MBT (since 1998), President and CEO of Roxas Holdings, Inc. (since 2011), Chairman of i-People (since 2007) and Board Adviser of Philippine Veterans Bank (since 2005). At MBT, he serves as the chairman of the Audit Committee, Related Party Transaction Committee and Nominations Committee; and is a member of the Risk Management Committee. From 1963 to 2011, he assumed different executive and non-executive roles in various entities including the Armed Forces of the Philippines, Ayala Investment and Development Corporation, Far East Bank and Trust Company, Manila Electric Company, Philex Mining Corporation, PSBank, Philippine Long Distance Telecommunications, San Miguel Corporation, Philippine Coca-Cola System, Union Bank of the Philippines and the Social Security System. He finished his master's degree in Business Management at the Asian Institute of Management.

Manuel Q. Bengson*

Manuel Q. Bengson has been a director of GT Capital since July 11, 2012 and is the Chairman of the Corporate Governance Committee. He has also served as a member of the Board of Governance of the Philippine Dealing and Exchange Corporation since 2011. He is a member of MBT's Trust Committee and was Chairman of the Legal and Tax Committee and member of the Overseas Banking Committees. He was an independent director of MBT from 2011 until October 22, 2012. From 1969 to 2003, he assumed senior executive functions in several entities such as Ayala Corporation, Ayala Life-FGU, Ayala Life Fixed Income Fund, Bank of the Philippine Island Group and Citibank branches in Manila, Jakarta and San Francisco, U.S. He finished his BBA major in Accounting and worked as CPA for several years. He was recently elected director of Greenergy Capital Holdings and Two Salcedo Place Condominium Corporation.

**ceased to be directors of the Corporation effective May 14, 2013*

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

- Perform oversight functions over the corporation's internal and external auditors. It should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
- Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
- Review the reports submitted by the internal and external auditors;
- Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the corporation's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the corporation's annual report;
- Address all issues and concerns from the auditors expeditiously and effectively to avoid the possibility of their having to render a qualified or adverse opinion, including substantive and significant disclaimers.
- Ensure that no revisions to the company's financial statements are necessary for reasons other than mandated changes in accounting practices.
- Approve all non-audit services conducted by the external auditor and ensure that non-audit fees do not outweigh the fees earned from the external audit.
- Ensure that the external auditor is credible, competent, and should have the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.

- Ensure that the external auditor has adequate quality control procedures
- Ensure that the external audit firm is selected on the basis of a fair and transparent tender process
- Conduct regular meetings and dialogues with the external audit team without anyone from management present
- Ensure that, should the external auditor not be rotated, the lead audit partner is rotated every five years.

(c) Nominations Committee

2012-May 14, 2013

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (NED)	Roderico V. Puno	July 11, 2012	2	1	50.00%	0.83 years
Member (ED)	Carmelo Maria Luza Bautista	July 11, 2012	2	2	100.00%	0.83 years
Member (ID)	Jaime Miguel G. Belmonte	July 11, 2012	2	2	100.00%	0.83 years

As of May 15, 2013

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (NED)	Roderico V. Puno	May 14, 2013	0	n.a.	n.a.	n.a.
Member (ED)	Carmelo Maria Luza Bautista	May 14, 2013	0	n.a.	n.a.	n.a.
Member (ID)	Wilfredo A. Paras	May 14, 2013	0	n.a.	n.a.	n.a.

(d) Compensation Committee

2012 – May 14, 2013

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (NED)	Alfred Vy Ty	July 11, 2012	0	n.a.	n.a.	n.a.
Member (ED)	Carmelo Maria Luza Bautista	July 11, 2012	0	n.a.	n.a.	n.a.
Member (ID)	Renato C. Valencia	July 11, 2012	0	n.a.	n.a.	n.a.

As of May 15, 2013

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (NED)	Alfred Vy Ty	May 14, 2013	0	n.a.	n.a.	n.a.
Member (NED)	Solomon S. Cua	May 14, 2013	0	n.a.	n.a.	n.a.
Member (ID)	Jaime Miguel G. Belmonte	May 14, 2013	0	n.a.	n.a.	n.a.

(e) Corporate Governance Committee

2012-May 14, 2013

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (NED)	Manuel Q. Bengson	July 11, 2012	3	3	100.00%	0.83 years
Member (NED)	Roderico V. Puno	July 11, 2012	3	3	100.00%	0.83 years
Member (ID)	Jaime Miguel G. Belmonte	July 11, 2012	3	3	100.00%	0.83 years

As of May 15, 2013

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Christopher P. Beshouri	May 14, 2013	0	n.a.	n.a.	n.a.
Member (ID)	Wilfredo A. Paras	May 14, 2013	0	n.a.	n.a.	n.a.
Member (ID)	Jaime Miguel G. Belmonte	May 14, 2013	0	n.a.	n.a.	n.a.

3) Changes in Committee Members

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

Please refer to number 2 above. Changes to the membership of the committees were made at the Organizational Meeting, which followed the 2013 Annual Stockholders' Meeting held on May 14, 2013.

4) Work Done and Issues Addressed

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

Name of Committee	Name	Reason
Audit	<ol style="list-style-type: none"> 1) Approval of Quarterly Reports (17-Q) for the periods ended: <ul style="list-style-type: none"> - March 31, 2012 - June 30, 2012 - September 30, 2012 - March 31, 2013 2) Approval 2012 Annual Report (17-A) 3) Recommendation on appointment of external auditors 	<p>The Audit Committee reviews the quarterly and annual financial statements before their submission to the Board.</p> <p>The Committee also recommends the appointment of the Corporation's external auditors.</p> <p><i>(Audit Committee Charter)</i></p>
Nomination	Review of the profiles of candidates for election to the Board of Directors.	The Nominations Committee is responsible for pre-screening and shortlisting all candidates

		nominated to become members of the Board as well as those nominated to other positions requiring appointment by the Board in accordance with the relevant qualifications and disqualifications. <i>(Nominations Committee Charter)</i>
Remuneration	No significant issue was addressed by the Remuneration committee.	
Corporate Governance Committee	<ol style="list-style-type: none"> 1) Approval of the Corporation's purchase of MBT's 30% ownership in Toyota Motor Philippines. 2) Acquisition by the Corporation of additional 20% interest in Federal Land, Inc. 3) Acquisition of the Corporation of 4.6% of Global Business Power Corporation. 4) Approval of the Corporation's Amended Manual on Corporate Governance. 	<p>The Corporate Governance Committee acts as the Corporations' related party transactions committee. It is also tasked with the annual review of the Corporation's Manual on Corporate Governance.</p> <p><i>(Corporate Governance Committee Charter)</i></p>
Executive Committee	All matters taken up by the Committees and endorsed to the Board.	

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.

The respective Committees shall make an assessment of any relevant issues that need to be addressed in the following year.

F. RISK MANAGEMENT SYSTEM

At present, the Corporation's Audit Committee functions as its Risk Management Committee. Under the Manual, the Audit Committee is tasked with receiving information from Management on risk exposure and risk management activities and certifying, on behalf of the Board of Directors, the adequacy of the company's internal controls and risk management system.

The Corporation, having been listed only on April 20, 2012, is in the process of hiring a Chief Audit Executive ("CAE") whose duties under internal control shall also include risk management. As a holding company, there is a greater need on the part of the Corporation's component companies to establish and maintain intensive risk management systems. One of the functions of the CAE is coordination with the risk officers of the respective component companies. Once hired, the CAE shall institute and implement a more comprehensive risk management system for the Corporation.

1) Disclose the following:

- (a) **Overall risk management philosophy of the company.** The overall risk management philosophy shall be determined by the CAE, with the approval of the Board of Directors.
- (b) **A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof.** The CAE shall establish a risk management system which will be reviewed and approved by the Audit Committee and by the Board of Directors.
- (c) **Period covered by the review.** The review of the Corporation's Risk Management System shall be undertaken after the hiring of the CAE, who shall be responsible for setting up and implementing an appropriate risk management system for the Corporation, and coordinating with the risk officers of the component companies when necessary.
- (d) **How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness.** Once in place, the risk management system shall be reviewed annually, as required by the Corporation's Audit Committee Charter.
- (e) **Where no review was conducted during the year, an explanation why not. Where no review was conducted during the year, an explanation why not.** A review of the Corporation's risk management system shall be undertaken after the hiring of the CAE and the establishment of the Corporation's risk management system.

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
The Corporation is hiring a CAE who shall establish the risk management policy and system of the Corporation.		

(b) Group

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

Risk Exposure	Risk Management Policy	Objective
The Corporation is hiring a CAE who shall establish the risk management policy and system of the group.		

(c) Minority Shareholders

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

Risk to Minority Shareholders
The Corporation observes the basic principle of "one vote per one common share". <i>(Section 6.3.1, Manual on Corporate Governance)</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)
The Corporation is hiring a CAE who shall establish the control systems to assess, manage and control the main issue/s faced by the Corporation.		

(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)
The Corporation is hiring a CAE who shall establish the control systems to assess, manage and control the main issue/s faced by the Corporation and the group.		

(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
The Audit Committee assists the Board in the performance of its oversight function over the company's risk management.		

G. INTERNAL AUDIT AND CONTROL

Under the Manual, there should be a continuing review of the Corporation's internal control system in order to maintain its adequacy and effectiveness. The Audit Committee shall assist the Board in the performance of its oversight responsibility over the internal control system of the Corporation. It shall monitor and evaluate the adequacy and effectiveness of the Corporation's internal controls, including financial reporting control and information technology security and certify in behalf of the Board of Directors as to the adequacy of the Corporation's internal controls.

The Corporation, having been listed only on April 20, 2012, is in the process of hiring a CAE who shall be responsible for the internal audit function of the Corporation.

1) Internal Control System

Disclose the following information pertaining to the internal control system of the company:

- (a) **Explain how the internal control system is defined for the company.** Under the Manual on Corporate Governance, the internal control system includes financial reporting control and information technology security.
- (b) **A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate.** The CAE shall

establish an internal control system which will be reviewed and approved by the Audit Committee and by the Board of Directors.

- (c) **Period covered by the review.** Not applicable.
- (d) **How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system.** Under the Manual on Corporate Governance, the Audit Committee shall ensure that a review of the effectiveness of the Corporation's internal controls is conducted at least annually.
- (e) **Where no review was conducted during the year, an explanation why not.** A review of the Corporation's internal control system shall be undertaken after the hiring of the CAE and the establishment of the Corporation's internal control system.

2) Internal Audit

(i) Role, Scope and Internal Audit Function

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

Role	Scope	Indicate whether In-house or outsource Internal Audit Function	Name of Chief Internal Auditor/ Auditing Firm	Reporting Process
Provide the Board, senior management, and stockholders reasonable assurance that its key organizational and procedural controls are effective, appropriate, and complied with. <i>(Section 2.8.1, Manual on Corporate Governance)</i>	The scope and particulars of a system of effective organizational and procedural controls shall be based on the following factors: the nature and complexity of business and the business culture; the volume, size and complexity of transactions; the degree of risk; the degree of centralization and delegation of authority; the extent and effectiveness of information technology; and the extent of	The Manual provides that the Internal Audit Function may be performed by an Internal Auditor or a group of Internal Auditors, or a service provider. <i>(Section 2.8.1, Manual on Corporate Governance)</i>	The Corporation is currently in the process of hiring a Chief Audit Executive, who shall be responsible for the internal audit function of the Corporation.	The Internal Auditor shall have a direct reporting line to the Audit Committee. <i>(Section 2.8.2, Manual on Corporate Governance)</i>

	regulatory compliance. (Section 2.8.5, Manual on Corporate Governance)			
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- (ii) **Do the appointment and/or removal of the External Auditor or the accounting/auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?**

Yes. (Section 2.8.3, Manual on Corporate Governance)

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

Yes. The Internal Auditor shall have a direct reporting line to the Audit Committee (Section 2.8.2, Manual on Corporate Governance). The Audit Committee shall ensure that the Internal Auditor is given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions (Audit Committee Charter)

- (iv) **Resignation, Re-assignment and Reasons**

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

There have been no resignations or re-assignments of the nature described above.

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

Not applicable. There have been no significant findings made by the Corporation's external auditor, Sycip Gorres Velayo & Co. ("SGV") in the 2012 Audited Financial Statements ("AFS"). Likewise, the AFS of the Corporation's component companies do not mention any significant findings.

- (vi) **Audit Control Policies and Procedures**

Not applicable. The Corporation is in the process of hiring a Chief Audit Executive who shall be responsible for the assessment of the controls, policies and procedures of the Corporation.

The Policies and Procedures Manual for the Legal and Compliance Division has been approved by the Board of Directors while those for Investor Relations, Human

Resources, and Accounting and Financial Control are in the process of completion and shall be approved by the Board of Directors thereafter.

(vii) Mechanism and Safeguards

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

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
The committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. <i>(Section 2.2.3.3, Manual on Corporate Governance)</i>	None.	None.	None.

(viii) State the officers (preferably the Chairman and the CEO) who will have to attest to the company's full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

Head of Legal and Compliance, Chairman and President.

H. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' Welfare	Not applicable. The Corporation is a holding company.	
Supplier/contractor selection practice	The policies on supplier/contractor selection are contained in the Charter of the Bids and Awards Committee, which is part of the Policies and Procedures Manual of the Human Resources Division, which is	Notwithstanding the pendency of the approval of its Charter, the Bids and Awards Committee approved the selection of a supplier for the Corporation's 2013 Annual Report.

	pending approval by the Board of Directors.	
Environmentally friendly value chain	Not applicable. The Corporation is a holding company.	
Community interaction	None.	
Anti-corruption programmes and procedures?	Under the Policies and Procedures Manual of the Legal and Compliance Division, employees of the Corporation shall carry out their tasks in accordance with the applicable Legal and Compliance framework and generally accepted standards of sound financial and administrative practices.	There has been no instance of violation of the foregoing policy of the Corporation as aforementioned.
Safeguarding creditors' rights	None.	

2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?

None. Corporate social responsibility initiatives are undertaken by the respective subsidiaries of the Corporation.

3) Performance-enhancing mechanisms for employee participation.

Performance enhancing mechanisms for the Corporation's employees are included in the Policies and Procedures Manual of the Human Resources Division, which shall be submitted for the approval of the Corporation's Board of Directors. Answers given below may be found in the final draft Policies and Procedures Manual of the Human Resources Division.

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

The Corporation's policies for the safety, health and welfare of its employees may be found in the Policies and Procedures Manual of the Human Resources Division.

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

There were no issues relating to health, safety and welfare of the Corporation's employees from January 12, 2012 until May 15, 2013.

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

The Corporation's Orientation and Education Program includes the New Hires Orientation Program ("Orientation Program") and Technical Competence Building.

The Orientation Program includes information on the company's vision, mission and corporate values; the organizational structure, executive officers and directors; history and milestones of GT Capital; component companies and Metrobank Group; Investor Relations; Compensation and Fringe Benefits; Office Decorum and Code of Conduct; and Performance Management System.

The Corporation also sponsors courses or activities which will be attended by the employee with the objective of improving or reinforcing any knowledge, skills, or personal qualities which will be useful when performing his/her duties or will qualify or better qualify the employee to undertake the employment. Training courses or activities for technical competence building may also be determined by the manager on the employee's developmental profile in the performance assessment and management system as part of the employee's career planning and development. Sources of training may be in-house or within the Metrobank Group, Public Seminar (professional organizations, government agencies), and educational institutions.

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

The Corporation has a Performance and Management Rewards System which evaluates employees based on (1) Goals or Key Result Areas; and (2) Core Competency. At the end of the performance period, each key performance standard will be evaluated and officers may be given a performance bonus commensurate to their individual contribution to the company during a particular period.

4) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behavior? Explain how employees are protected from retaliation.

The Legal and Compliance Division is responsible for the Corporation's compliance with relevant laws, rules, regulations and internal policies, and is consulted in strict confidence by employees for additional guidance on legal matters when necessary. *(Section 5.4, Policies and Procedures Manual of Legal & Compliance Division)*

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more (As of May 15, 2013)

Shareholder	Number of Shares	Percent	Beneficial Owner
Grand Titan Capital Holdings,	Direct: 83,517,542 Indirect (PCD Nominee - Filipino): 19,850,568 Total: 103,368,110	59.30%	Same.
PCD Nominee – Filipino (Less Grand Titan Holdings Inc. Shares)	10,551,561	6.05%	Various.
PCD Nominee – Non-Filipino	59,765,098	34.29%	Various.

Name of Senior Management	Number of Direct Shares	Number of Indirect shares/through name of record owner)	% of Capital Stock
No member of Senior Management has shareholdings in GT Capital Holdings, Inc. amounting to 5% or more of its outstanding capital stock.			

2) Does the Annual Report disclose the following:

Key risks	✓
Corporate Objectives	✓
Financial performance indicators	✓
Non-financial performance indicators	✓
Dividend policy	The dividend policy of the Corporation is contained in Section 6.7.2 of its Manual on Corporate Governance: “6.7.2 Shareholders shall have the right to receive dividends subject to the discretion of the Board. Any change in this dividend policy shall be disclosed through the PSE’s website. “
Details of whistle-blowing policy	The Corporation is in the process of hiring a CAE who shall establish a whistle-blowing policy for the Corporation. Once created, the said policy shall be elevated to the Board of Directors for approval. Details of the same shall be included in the subsequent Annual Report.
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	✓ (All details are in the respective biographical details of the directors in the 2013 Annual Report, except age. Ages of the directors as well as their biographical details may also be found in the Corporations Definitive Information Statement, which was disclosed by the Corporation through the Philippine Stock

	Exchange's Online Disclosure System)
Training and/or continuing education programme attended by each director/commissioner	The Corporation shall arrange for guest speakers to give quarterly lectures to the members of the Board, as well as for directors to attend Breakfast Roundtables arranged by the Institute of Corporate Directors.
Number of board of directors/commissioners meetings held during the year	✓
Attendance details of each director/commissioner in respect of meetings held	✓
Details of remuneration of the CEO and each member of the board of directors/commissioners	None. The said information is already contained in this Report.

Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure.

3) External Auditor's Fee (2012)

Name of auditor	Audit Fee	Non-Audit Fee
Sycip, Gorres, Velayo & Company	PhP 1.440 million	PhP 30.00 million

4) Medium of Communication

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

Disclosures made through the Philippine Stock Exchange, quarterly briefings, one-on-one investor meetings, road shows, investor conferences, e-mail correspondences or telephone queries, teleconferences annual reports, and the company website.

5) Date of release of audited financial report: April 15, 2013

6) Company Website

Does the company have a website disclosing up-to-date information about the following?

Business operations	✓
Financial statements/reports (current and prior years)	✓
Materials provided in briefings to analysts and media	✓
Shareholding structure	The Corporation is currently enhancing its website, which will include shareholding structure as a component. Shareholding structure in the form of the Corporation's public

	ownership report and its list of stockholders are also available for downloading in the website.
Group corporate structure	✓
Downloadable Annual Report	✓
Notice of AGM and/or EGM	✓
Company's constitution (company's by-laws; memorandum and articles of association)	✓

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

7) Disclosure of RPT

Related Party Transactions may be found under Note 26 of the Notes to the Consolidated Financial Statements, which is included in the Corporation's Annual Report, SEC Form 17-A, and Definitive Information Statement. A copy of the said portion is attached to this Report as Annex "A".

J. RIGHTS OF STOCKHOLDERS

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

(a) Quorum

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

Quorum Required	Majority/50% plus one share
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(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	Show of Hands
Description	<p>The Voting Procedure for the approval of corporate acts in the Definitive Information Statement of the Corporation are as follows:</p> <p>"a. Election of Directors</p> <p>As stated in Section 2 of Article III of the Company's By-Laws, "The Board of Directors shall be elected during each regular meeting of stockholders and shall hold office for one (1) year and until their successors are elected</p>

	<p>and qualified.”</p> <p>Section 24 of The Corporation Code of the Philippines states that “At all elections of directors or trustees, there must be present, either in person or by representative authorized to act by written proxy, the owners of a majority of the outstanding capital stock... entitled to vote”.</p> <p>b. Appointment of External Auditor</p> <p>As stated in Section 1 of Article VII of the Company’s By-Laws, “At the regular stockholders’ meeting the external auditor of the corporation for the ensuing year shall be appointed. The external auditor shall examine, verify and report on the earnings and expenses of the corporation.” The stockholders representing the majority of the subscribed capital stock approves the appointment of the external auditor.</p> <p>Methods by which votes will be counted</p> <p>All matters subject to vote, except in cases where the law provides otherwise, shall be decided by the plurality vote of stockholders present in person or by proxy and entitled to vote thereat, a quorum being present.</p> <p>Unless required by law, or demanded by a stockholder present in person or by proxy at any meeting, and entitled to vote thereat, the vote of any question need not be by ballot. On a vote by ballot, each ballot shall be signed by the stockholder voting, or in his name by his proxy if there be such proxy, and shall state the number of shares voted by him.</p> <p>The external auditor of the Company, SGV & Co., will validate the ballots when voting is done by secret ballot. Likewise, SGV & Co. will count the number of hands raised when voting by show of hands is done”</p>
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(c) Stockholders’ Rights

List any Stockholders' Rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code

Stockholders' Rights under The Corporation Code	Stockholders' Rights <u>not</u> in The Corporation Code
Right to attend and participate in the Annual Stockholders' Meeting and to receive written notice thereof under Section 50 of the Corporation Code.	On all matters of importance to investors, especially institutional investors, such as decisions related to mergers and acquisitions, our company shall observe the principle of fair treatment of all shareholders. All resolutions put forward in an ASM concerning mergers and acquisitions shall be accompanied by a report on fair value and on equitable terms and conditions for all shareholders, from an independent valuation company. <i>(Section 6.2.2 Manual on Corporate Governance)</i>
Right to vote in person or by proxy in all meetings of stockholders under Section 58 of the Corporation Code, on matters requiring a vote of shareholders.	Shareholders shall be given the opportunity to ask and receive answers to questions of relevance to the Corporation, its performance and prospects. For this purpose, the Corporation requires the attendance of the following at the ASM: a. The Chairman of the Board b. The CEO c. The Chairman of the Audit Committee d. At least some of the directors, whose presence (or absence) should be noted in the Minutes of the ASM. <i>(Section 6.2.3(f), Manual on Corporate Governance)</i>
Right to inspect records of the corporation under Section 74 of the Corporation Code.	Shareholders shall not be prevented from consulting or communicating with one another <i>(Section 6.2.3(g), Manual on Corporate Governance)</i>
Right to financial statements under Section 75 of the Corporation Code.	Shareholders may nominate candidates for seats in the Board of Directors, provided that the said nomination is made at least ten (10) days prior to the date of the ASM and the prospective candidate is qualified under the Corporation Code and this Manual, as shown by his Curriculum Vitae, which should be submitted when the nomination is made. Nominations, along with the nominee's Curriculum Vitae, shall be submitted to the Corporate Secretary, who shall provide the members of the Nominations Committee with copies thereof.

	(Section 6.3.7, Manual on Corporate Governance)
Right to receive dividends pursuant to Section 43 of the Corporation Code.	<p>Right to Information (Section 6.6, Manual on Corporate Governance)</p> <p>6.6.1 The Shareholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the company's shares, dealings with the company, relationships among directors and key officers, and the aggregate compensation of directors and officers.</p> <p>6.6.2 The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.</p> <p>6.6.3 The minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".</p> <p>6.6.4 The right of shareholders, in particular minority shareholders, to equitable treatment shall be respected. To this end, majority shareholders, directors, officers and employees are prohibited from benefiting from knowledge not available to minority shareholders and the general public.</p>
Appraisal right under Title X of the Corporation Code.	The Corporation shall ensure that all shareholders of the same class are treated equally and fairly with respect to voting rights, subscription rights, transfer rights, and share repurchases. (Section 6.8, Manual on Corporate Governance)

Dividends

Declaration Date	Record Date	Payment Date
September 12, 2012	September 28, 2012	October 22, 2012

(d) Stockholders' Participation

- 2) State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings

Measures Adopted	Communication Procedure
Stockholders may communicate directly with the Chairman of the Board, individual directors or board committees during the Annual Stockholders' Meeting or Special Stockholders' Meeting.	The Chairman, who is the presiding officer during stockholders' meetings, opens the floor for any questions and comments of stockholders.

- 3) State the company policy of asking shareholders to actively participate in corporate decisions regarding:

a. Amendment to the company's constitution

The Corporation complies with the procedure under the Corporation Code and the SEC regulations in cases of amendments to its Articles of Incorporation or By-laws, including sending out notice of stockholders' meetings where the matter is taken up in the agenda for stockholder approval.

b. Authorization of additional shares

The Corporation complies with the procedure under the Corporation Code and the SEC regulations in cases of authorization of additional shares including sending out notice of stockholders' meetings where the matter is taken up in the agenda for stockholder approval.

c. Transfer of all or substantially all assets, which in effect results in the sale of the company

The Corporation complies with the procedure under the Corporation Code and the SEC regulations in cases of transfer of all or substantially all assets, which in effect results in the sale of the company including sending out notice of stockholders' meetings where the matter is taken up in the agenda for stockholder approval.

- 4) Does the company observe a minimum of 21 business days for giving out of notices of the AGM where items to be resolved by shareholders are taken up?

- a. **Date of sending out notices:** The Corporation is compliant with the minimum period for sending notice required by the SEC.
- b. **Date of Annual/Special Stockholders' Meeting:** The Corporation is compliant with the minimum period for sending notice required by the SEC.

5) State, if any, questions and answers during the Annual/Special Stockholders' Meeting

During the 2013 Annual Stockholders' Meeting, Mr. Stephen Soliven inquired as to the reason for the increase in the Corporation's receivables. The President replied that this increase was due to the consolidation of Global Power Business Corporation and Federal Land, Inc.

6) Results of Annual/Special Stockholders' Meeting's Resolutions

Resolution	Approving	Dissenting	Abstaining
Approval of minutes of special meeting of stockholders held on October 26, 2012	152,349,405	0	0
Approval of Annual report for the Year 2012	152,349,405	0	0
General ratification of the acts of the Board of Directors and the management from the date of the last annual stockholders' meeting	151,745,605	61,500	542,300
Election of directors for 2013 – 2014	*Please see item A-5-b : Voting Results of the last Annual General Meeting		
Appointment of external auditor	152,349,405	0	0
Change in By-laws of the Corporation	152,342,505	6,900	0

- 7) **Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:** May 15, 2013.

(e) Modifications

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

Modifications	Reason for Modification
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None.

(f) Stockholders' Attendance

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

Type of Meeting	Names of Board members/ Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual Stockholders' Meeting (2012)	All members of the Board of Directors were present.	July 11, 2012	By proxy and show of hands.	0.004%	81.57%	81.574%
Special Stockholders' Meeting	All members of the Board of Directors were present except Mr. Manuel Q. Bengson. All Corporate Officers except Mr. Jose B. Crisol, Jr. were present.	October 26, 2012	By proxy and show of hands.	0.004%	70.027%	70.03%
Annual Stockholders' Meeting (2013)	All members of the Board of Directors were present except Atty. Roderico V. Puno. All Corporate Officers were present.	May 14, 2013	By proxy and show of hands.	0.002%	87.406%	87.408%

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

Yes. During the Annual Stockholders' Meeting, the external auditor of the Company, SGV & Co., validates the ballots when voting is done by secret ballot. Likewise, SGV counts the number of hands raised when voting by show of hands is done.

- (iii) Do the company's common shares carry one vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.

The Corporation observes the basic principle of "one vote per one common share" and does not intend to deviate from this principle. (*Section 6.3.1, Manual on Corporate Governance*)

(g) Proxy Voting Policies

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting

	Company Policies
Execution and acceptance of proxies	The Corporation allows voting by proxy
Notary	Notarization or the proxy form is not required.
Submission of Proxy	Proxies are required to be submitted at least ten (10) days from the date of the meeting.
Several Proxies	The appointment of several proxies is not prohibited.
Validity of Proxy	Validity of proxy is determined based on the list of stockholders as of record date.
Proxies executed abroad	The execution of proxies abroad is not prohibited.
Invalidated proxy	Invalidated proxies shall not be counted.
Validation of proxy	Validity of proxy is determined based on the list of stockholders as of record date.
Violation of proxy	None.

(h) Sending of Notices

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

Policies	Procedure
<p>The company shall, as far as practicable, issue the call for the ASM to all shareholders at least 30 days before the date set for the ASM, or 20 days in case of a Special Meeting.</p> <p>(<i>Section 6.2.3(a), Manual on Corporate Governance</i>)</p>	<p>The Corporation files with the SEC the Preliminary Information Statement ("PIS"), which includes the notice and the agenda of the Stockholders' Meeting at least ten (10) business days prior to the date when copies of the Definitive Information Statement ("DIS") are sent out to the stockholders.</p> <p>The PIS is finalized in DIS form once it is approved by the SEC, after which, it is sent out to the stockholders of Record Date at least fifteen (15) business days prior to the Annual Stockholders' Meeting.</p>

	The PIS and DIS are also submitted to the PSE for disclosure to the investing public through its website, and thereafter uploaded on the GT Capital Holdings, Inc. website.
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(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive definitive and Management Report and Other Materials	Depends on the stockholders as of record date, as provided by the Corporation's stock and transfer agent.
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	The company shall, as far as practicable, issue the call for the ASM to all shareholders at least 30 days before the date set for the ASM, or 20 days in case of a Special Meeting.
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	<i>(Section 6.2.3(a), Manual on Corporate Governance)</i> The call for the ASM includes the notice, agenda, and the Information Statement.
State whether CD format or hard copies were distributed	Hard copies.
If yes, indicate whether requesting stockholders were provided hard copies	Not applicable.

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

Each resolution to be taken up deals with only one item	✓
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	✓
The auditors to be appointed or re-appointed	✓
An explanation of the dividend policy, if any dividend is to be declared	✓
The amount payable for final dividends	Not applicable.
Documents required for proxy vote	Proxy Form

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

2) Treatment of Minority Stockholders

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

A director shall not be removed without cause if it will deny minority shareholders representation in the Board. *(Section 6.3.9, Manual on Corporate Governance)*

The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided that the items are for legitimate business purposes. (*Section 6.6.2, Manual on Corporate Governance*).

The minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes". (*Section 6.6.2, Manual on Corporate Governance*)

The right of shareholders, in particular minority shareholders, to equitable treatment shall be respected. To this end, majority shareholders, directors, officers and employees are prohibited from benefiting from knowledge not available to minority shareholders and the general public. (*Section 6.6.4, Manual on Corporate Governance*)

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

Shareholders may nominate candidates for seats in the Board of Directors, provided that the said nomination is made at least ten (10) days prior to the date of the ASM and the prospective candidate is qualified under the Corporation Code and this Manual, as shown by his Curriculum Vitae, which should be submitted when the nomination is made. Nominations, along with the nominee's Curriculum Vitae, shall be submitted to the Corporate Secretary, who shall provide the members of the Nominations Committee with copies thereof. (*Section 6.3.7, Manual on Corporate Governance*)

K. INVESTOR RELATIONS PROGRAM

The Corporation's Investor Relations Program is contained in the Policies and Procedure Manual of the Investor Relations Divisions, which is pending the approval of the Board of Directors of the Corporation.

As stated in its 2012 Annual Report, the Investor Relations Division compiles and reports documents and requirements to meet the needs of the investing public and shareholders, and disclosure of the same is made through the Philippine Stock Exchange, quarterly briefings, one-on-one investor meetings, road shows, investor conferences, e-mail correspondences or telephone queries, teleconferences annual reports, and the company website.

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

The Corporation's external and internal communications policies are contained in the respective policies and procedures manuals of the Investor Relations Division and the Legal and Compliance Division. The Manual of the Legal and Compliance Division was approved by the Board of Directors of the Corporation on March 20, 2013, while the Manual of the Investor Relations Division shall be approved by the Board of Directors in the near future. Substantive changes to the Manual shall be reviewed and approved by the authorized officer/s, as necessary.

The Manual of the Legal and Compliance Division of the Corporation covers the disclosure of material non-public information, including major company announcements, in the policies and procedures for unstructured compliance reporting. All disclosures are approved by the President, Chief Financial Officer, and the Heads of the Legal and Compliance and Investor Relations.

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

	Details
(1) Objectives	Pending approval of the Board.
(2) Principles	
(3) Modes of Communications	Disclosures made through the Philippine Stock Exchange, quarterly briefings, one-on-one investor meetings, road shows, investor conferences, e-mail correspondences or telephone queries, teleconferences annual reports, and the company website.
(4) Investor Relations Officer	Jose B. Crisol, Jr. Vice President Head, Investor Relations T: (632) 836 4500 loc. 7913 E: jose.crisol@gtcapital.com.ph

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

The Corporation shall abide by the appropriate laws, rules and regulations in cases of mergers, and sales of substantial portions of the Corporation's assets.

On all matters of importance to investors, especially institutional investors, such as decisions related to mergers and acquisitions, our company shall observe the principle of fair treatment of all shareholders. All resolutions put forward in an ASM concerning mergers and acquisitions shall be accompanied by a report on fair value and on equitable terms and

conditions for all shareholders, from an independent valuation company. (*Section 6.2.2, Manual on Corporate Governance*)

Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price. Not applicable.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Corporate social responsibility initiatives are undertaken by the respective subsidiaries of the Corporation.

Initiative	Beneficiary
Not applicable.	

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/President.

At present, the Corporation has no written policies used in the assessment of the annual performance of the Board and its committees, individual directors and the President.

	Process	Criteria
Board of Directors	Not applicable.	
Board Committees		
Individual Directors		
CEO/President		

N. INTERNAL BREACHES AND SANCTIONS

Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees

The following penalties shall be imposed, after notice and hearing, on the company's directors, officers, staff, subsidiaries and affiliates and their respective directors, officers and staff in case of violation of any of the provision of this Manual:


Violations	Sanctions
First Violation	Reprimand
Second Violation	Suspension Duration of Suspension shall depend on the gravity of the violation.


Third Violation	Removal
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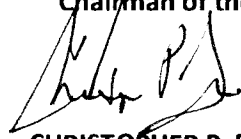
The Corporate Governance Committee shall be responsible for reporting violation/s after due notice and hearing and shall recommend to the Chairman of the Board the imposable penalty for such violation, for further review and approval of the Board. *(Section 8, Manual on Corporate Governance)*

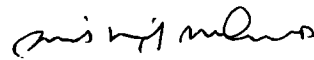
Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on June 20, 2013.

SIGNATURES


ARTHUR VY TY
 Chairman of the Board


CARMELO MARIA LUZA BAUTISTA
 President


CHRISTOPHER P. BESHOURI
 Independent Director


JAIME MIGUEL G. BELMONTE
 Independent Director

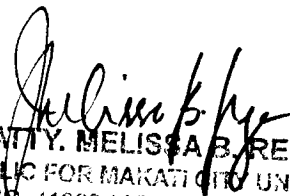

WILFREDO A. PARAS
 Independent Director


JOSELITO V. BANAAG
 Compliance Officer

SUBSCRIBED AND SWORN to before me this day of JUL 0 1 2013 2013, affiants exhibiting to me competent evidence of identity, as follows:

NAME	PASSPORT NO.	DATE OF ISSUE	PLACE OF ISSUE
Arthur Vy Ty	EA0021497	January 6, 2010	Manila
Carmelo Maria Luza Bautista	XX4905567	November 6, 2009	Manila
Christopher P. Beshouri	711156504	December 8, 2006	USA
Jaime Miguel G. Belmonte	14301002	January 4, 2012	Manila
Wilfredo A. Paras	EB4166838	November 28, 2011	Manila
Joselito V. Banaag	EB2838103	June 29, 2011	Manila

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 Series of 2013


ATTY. MELISSA B. REYES
 NOTARY PUBLIC FOR MAKATI CITY UNTIL DEC. 31, 2014
 ROLL NO. 41369 / APPOINTMENT NO. IM-270
 IBP NO. 913785 / PTR. NO. 3674214
 45/F GT TOWER INTERNATIONAL, AYALA AVENUE
 CORNER H.V. DE LA COSTA, MAKATI CITY

26. Related Party Transactions

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 and the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities. These related parties include subsidiaries, associates, jointly controlled entities, key management personnel, stockholders and other related parties which include affiliates.

An entity is considered an affiliate if such entity and the Parent Company have common shareholders. In effect, such entity is a sister company of the Parent Company by virtue of ownership and common control. It is neither a subsidiary nor associate of the Group.

The Group, in its regular conduct of its business, has entered into transactions with its associate and other related parties principally consisting of cash advances for reimbursement of expenses, merger and acquisitions and capital infusion, leasing agreements, management agreements and dividends received from associates. Transactions with related parties are made at normal market prices.

As of December 31, 2012 and 2011, the Group has not made any provision for probable losses relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

The following table shows the related party transactions included in the consolidated financial statements:

Category	December 31, 2012		Terms and Conditions/Nature
	Amount/ Volume	Outstanding Balances	
Subsidiaries			
Prepaid expenses	P44,196	P44,196	Prepaid portion of the leased parking space from Fedl and for January to March
Accounts payable	24,984	24,984	Reimbursement to Fedl and
Associates			
Cash and cash equivalents	7,857,677,097	7,929,533,745	Savings, current and time deposit account with annual interest ranging 1.75% to 4.13%
Receivables	700,498	700,498	Interest bearing - MBTC
Deposits	20,000,000	20,000,000	Option price for the acquisition of additional investment in associates
Investments and advances	4,500,000,965	29,048,058,992	Purchase of additional investment in associate
Land for development	785,520,000	785,520,000	Land acquired from MBTC
Accrued interest payable	79,058,738	79,058,738	Accrued interest on loans with an annual interest ranging from 3.80% to 10.35% per annum
Loans payable	(5,014,270,680)	14,897,848,551	Unsecured - P0.85 billion, Secured - P1.99 billion; short term loans with prevailing interest rate ranging from 3.80% to 4.53% per annum. Secured - P12.06 billion, interest bearing Payment of P4.76 billion was made for secured loans and P0.25 billion for unsecured loans
Due to related parties	50,000	50,000	Non-interest bearing, due and demandable; Unsecured and with no impairment
Dividend income	1,188,983,183	-	See discussion in Note 8
Interest income from banks	264,753,826	-	Income on savings and time deposit
Interest expense	1,359,177,608	-	Interest expense incurred on loans payable with MBTC and TCHRC
Jointly controlled entities			
Cash and cash equivalents	78,680,699	78,680,699	Interest bearing cash equivalents
Interest income	2,644,434	-	Income from loans from short-term investments
Interest expense	3,352,247	-	Interest on loans from SBC Properties and PRC Capital

Notes to Consolidated Financial Statements

Category	December 31, 2012		Terms and Conditions/Nature
	Amount/ Volume	Outstanding Balances	
Other related parties			
Loans and cash equivalents	₱820,656,572	₱820,656,572	Interest-bearing at prevailing market rate; due and demandable; (three-year term) no impairment.
Accounts receivable	610,775,830	610,775,830	Trade receivables receivable with interest rate of 13.05% per annum; (one-year term) no impairment.
Accounts payable	32,218,151	32,218,151	Trade payables related to operating activities; (one-year term) no impairment.
Accounts receivable from related parties	489,042,589	489,042,589	Trade receivables receivable from related parties.
Accounts payable to related parties	(2,000,000,000)	2,085,000,000	Trade payables related to operating activities payable to related parties; (one-year term) no impairment.
Accounts receivable from related parties	776,006,920	776,006,920	Trade receivables receivable from related parties; (one-year term) no impairment.
Accounts payable to related parties	9,089,308	9,089,308	Trade payables related to operating activities payable to related parties; (one-year term) no impairment.
Accounts receivable from related parties	30,880,013	30,880,013	Trade receivables receivable from related parties.
Accounts payable to related parties	(141,289,916)	1,691,072,542	Trade payables related to operating activities payable to related parties; (one-year term) no impairment.
Accounts receivable from related parties	191,264,721	191,264,721	Trade receivables receivable from related parties.
Accounts payable to related parties	2,580,574,771	2,580,574,771	Trade payables related to operating activities payable to related parties; (one-year term) no impairment.
Accounts receivable from related parties	15,982,007	-	Trade receivables receivable from related parties.
Accounts payable to related parties	41,272,862	-	Trade payables related to operating activities payable to related parties.
Accounts receivable from related parties	257,736,632	-	Trade receivables receivable from related parties.
Accounts payable to related parties	136,037,184	-	Trade payables related to operating activities payable to related parties.
Accounts receivable from related parties	378,463,322	378,463,322	Trade receivables receivable from related parties; (one-year term) no impairment.
Key management personnel			
Accounts receivable from related parties	174,250	174,250	Trade receivables receivable from related parties.
Accounts payable to related parties	183,750	-	Trade payables related to operating activities payable to related parties.
Accounts receivable from related parties	202,679,471	-	Trade receivables receivable from related parties.
Accounts payable to related parties	4,450,000	-	Trade payables related to operating activities payable to related parties.
Associates			
Accounts receivable from related parties	1,141,454	1,141,454	Trade receivables receivable from related parties; (one-year term) no impairment.
Accounts payable to related parties	1,141,454	1,141,454	Trade payables related to operating activities payable to related parties.
Accounts receivable from related parties	1,141,454	1,141,454	Trade receivables receivable from related parties; (one-year term) no impairment.
Accounts payable to related parties	1,141,454	1,141,454	Trade payables related to operating activities payable to related parties.
Accounts receivable from related parties	1,141,454	1,141,454	Trade receivables receivable from related parties; (one-year term) no impairment.
Accounts payable to related parties	1,141,454	1,141,454	Trade payables related to operating activities payable to related parties.
Accounts receivable from related parties	1,141,454	1,141,454	Trade receivables receivable from related parties; (one-year term) no impairment.
Accounts payable to related parties	1,141,454	1,141,454	Trade payables related to operating activities payable to related parties.
Jointly controlled entities			
Accounts receivable from related parties	1,141,454	1,141,454	Trade receivables receivable from related parties; (one-year term) no impairment.
Accounts payable to related parties	1,141,454	1,141,454	Trade payables related to operating activities payable to related parties.

December 31, 2011

Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
Other related parties			
Cash and cash equivalents	₹291,621,687	₹291,621,687	Interest bearing at prevailing market rate
Due from related parties	907,105,814	907,105,814	Non interest bearing, due and demandable
Advances to officers and employees	7,215,861	7,215,861	On credit, non interest bearing advances to officers and employees
Long term cash investments	2,140,034,378	2,140,034,378	With interest of 4.88%, payable in 2012
Deposits	4,085,000,000	4,085,000,000	With interest of 7.54%, option agreement will expire on December 31, 2013
Due to related parties	403,306,150	403,306,150	Non interest bearing, due and demandable
Management fee income	246,83,375	246,83,375	Non interest bearing, due and demandable
Interest income from banks	₹80,91,391	-	Interest income from saving deposit
Interest income from deposits	₹37,705,830	-	Income from option deposit (see Note 17)
Key management personnel			
Rent income	6,525	-	Income from employees for car plans
Salaries and employee benefits	61,876,181	-	Salaries and benefits to employees
Director's fee	₹5,69,000	-	Fees, honoraria and bonuses to directors

Details of the transactions with affiliates are as follows:

Land for development

In 2011, Fed Land purchased (a) parcel of land located at Reclamation Area, Central Business Park, I-A, Pasig City at a total consideration of P1,546 million from WTC (b) parcel of land located at Taguig City for a total consideration of P785.2 million from MBIC (c) parcel of land located at Pasig City for a total consideration of P941.25 million from IBC. These parcels of land were acquired at their fair market value at the time of acquisition.

Operating advances

Due from and to related parties consist mostly of operating advances which are non interest bearing and due and demandable.

Long term cash investment

On April 18, 2011, Fed Land invested long term cash investments with a local bank to secure a loan of ₹1 billion by an affiliate (see Note 17). Fed Land recognizes interest income from the assured long term cash investment amounting to P605 million in 2011.

In 2011, the assured long term cash investment was terminated and used to fully settle Fed Land's short term loans.

Long term loans receivable

In 2011, Fed Land entered into a loan agreement with Callway International Resources Corporation. Fed Land agreed to lend to the borrower a total amount of P200 million with nominal interest rate of 3.75% annually. The loan will mature on the tenth year anniversary from the date of the execution of the agreement. The outstanding balance of long term loans receivable as of December 31, 2011 amounts to P197,800,000.

The interest expense from day 1 difference recorded under interest expense in the statement of comprehensive income amounted to P4.7 million.

Divest

Parent Company

In 2011, Fed Land, the Parent Company and MBIC entered into a loan agreement to the subsidiary (MBIC) to secure a loan of P500 million. In 2011, Fed Land exercised its option to purchase the shares of MBIC, an option payment amounting to P100 million was collected by the Parent Company. Fed Land is the sole owner of the subsidiary.

Fed Land

In 2011, Fed Land entered into an option agreement with its main affiliate (a) whereby the affiliate holds and exercises the call option rights for a period of three years to either (a) purchase the Property, its portion of the shares of Taguig City, Manila and (b) to develop the property as a development and construct, this and only affiliate (b) independent and location of any of the two options may be reported upon the parties. The call option cost (including deposit amount) is P100 billion and P100 billion with 10% interest rate and 10% interest rate.

In addition, the call option will reimburse Fed Land for the interest expense, including cost and related expenses incurred. Fed Land reported the option made. The amount reported interest income amounting to P5,794 million and P5,771 million in 2011 and 2010, respectively.

Consolidated Financial Statements

1. Acquisition of IMPCO

On September 8, 2012, the Parent Company and IMPCO executed a Sale and Purchase Agreement (SPA) for the acquisition of 222,412 common shares of IMPCO in exchange for the net a total consideration of P43.3 billion. The acquisition represented 100% of IMPCO's issued and outstanding capital and the acquisition of the Parent Company's interest in IMPCO to total 100%.

At the time of acquisition, IMPCO's net assets were P15,967,000, consisting of cash and cash equivalents of P15,967,000, net of P15,967,000 of liabilities. The acquisition of IMPCO is accounted for as an acquisition of an intangible asset, as the fair value of the identifiable intangible assets acquired exceeds the fair value of the net assets acquired. The fair value of the identifiable intangible assets acquired is P202,679,471, which is the difference between the fair value of the consideration transferred and the fair value of the net assets acquired.

The acquisition of IMPCO is accounted for as an acquisition of an intangible asset, as the fair value of the identifiable intangible assets acquired exceeds the fair value of the net assets acquired.

The acquisition of IMPCO is accounted for as an acquisition of an intangible asset, as the fair value of the identifiable intangible assets acquired exceeds the fair value of the net assets acquired.

2. Intangible Assets

The intangible assets acquired in the acquisition of IMPCO are accounted for as intangible assets, as the fair value of the identifiable intangible assets acquired exceeds the fair value of the net assets acquired.

The intangible assets acquired in the acquisition of IMPCO are accounted for as intangible assets, as the fair value of the identifiable intangible assets acquired exceeds the fair value of the net assets acquired.

	2012	2011
Short-term employee benefits	P195,072,227	P195,072,227
Post-employment benefits	7,607,244	7,607,244
	P202,679,471	P202,679,471

The intangible assets acquired in the acquisition of IMPCO are accounted for as intangible assets, as the fair value of the identifiable intangible assets acquired exceeds the fair value of the net assets acquired.

	2012	2011	Description
Real Estate			
Land	P15,967	P15,967	Land owned by the company.
Buildings	2,658,000	2,658,000	Buildings owned by the company.
Other	28,300	-	Other real estate assets.
Power			
Power purchase agreements	53,917	53,917	Power purchase agreements.
Other	3,372,000	3,372,000	Other power assets.
Intangible assets	-	734,400	Intangible assets.
Goodwill	83,732	-	Goodwill.
Other	9,672	-	Other intangible assets.
Total	67,396	-	