

***Please refer to attached ACGR***  
CY 2015



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## A. BOARD MATTERS

### 1) Board of Directors

Number of Directors per Articles of Incorporation	7
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Actual number of Directors for the year	7
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#### (a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) <sup>1</sup>	Elected when (Annual/Special Meeting)	No. of years served as director
HRH Prince Abdulaziz bin Talal Al Saud	NED	n/a	Paul Saria-None	2009	10/2015	Annual	6
Arsenio T. Ng	ED	n/a	Hilario Ng- None	2000	10/2015	Annual	15
Hilario T. Ng	ED	n/a	Hilario Ng- None	2000	10/2015	Annual	15
Simoun Ung	NED	n/a	Hilario Ng- None	2007	10/2015	Annual	8
Paul B. Saria	ED	n/a	Hilario Ng- None	2000	10/2015	Annual	15
Kenneth C. Co	ID	n/a	Paul Saria-None	2011	10/2015	Annual	4
Oscar B. Mapua, Jr.	ID	n/a	Paul Saria-None	2003	10/2015	Annual	12

- (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 Board of Directors and Management of TBGI believes that corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness within the organization.*

*The Board of directors continuously strives to improve effective performance management of company thru a well-structured business strategy. Thru a director nomination and election process, all shareholders are given the opportunity to nominate and elect directors based on the number of shares voted. The board also oversees that risk assessment activities are done and reported at each committee level (audit, remuneration, executive)*

*The Corporation adopts to Corporate Governance policy under the following: 1) Corporate By-laws, 2) Corporate Government Manual 3) Audit Policies. 4) Corporation Code 5) SEC Rules and Regulations 6) PSE Disclosure Rules*

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

*The Board are constantly reminded and expected to carry and act in accordance to the vision and mission of the company. The vision and mission are not explicitly discussed in board meetings.*

<sup>1</sup> Reckoned from the election

- (d) Directorship in Other Companies  
 (i) Directorship in the Company's Group<sup>2</sup>

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.
<i>Arsenio T. Ng</i>	<i>Palladian Land Dev. Inc. Advanced Home Concept Managed Care Phil. Inc.</i>	<i>Executive</i>
<i>Hilario T. Ng</i>	<i>Palladian Land Dev. Inc. Advanced Home Concept Managed Care Phil. Inc.</i>	<i>Executive</i>
<i>Paul B. Saria</i>	<i>Palladian Land Dev. Inc. Advanced Home Concept Managed Care Phil. Inc.</i>	<i>Executive</i>

- (ii) Directorship in Other Listed Companies

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

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
<i>Arsenio T. Ng</i>	<i>ATN Holdings, Inc.</i>	<i>Executive</i>
<i>Paul B. Saria</i>	<i>ATN Holdings, Inc.</i>	<i>Executive</i>
<i>Hilario T. Ng</i>	<i>ATN Holdings, Inc.</i>	<i>Executive</i>

- (iii) Relationship within the Company and its Group

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

Director's Name	Name of the Significant Shareholder	Description of the relationship
<i>Hilario T. Ng</i>	<i>Arsenio T. Ng</i>	<i>Brothers</i>
<i>Arsenio T. Ng</i>	<i>Hilario T. Ng</i>	<i>Brothers</i>

- (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
<b>Executive Director</b>	<i>No limits placed</i>	<i>n.a.</i>
<b>Non-Executive Director</b>	<i>No limits placed</i>	<i>n.a.</i>
<b>CEO</b>	<i>No limits placed</i>	<i>n.a.</i>

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

(e) Shareholding in the Company

The top 20 stockholders as of July 31, 2015 are as follows:

Shareholders of Each Class	No. of Shares Held	% of Total Shares Outstanding
1. PCD Nominee Corp. (NF)	81,646,209	36.77%
2. PCD Nominee Corp. (F)	81,602,806	36.75%
3. Unipage Management Inc.	20,000,000	9.03%
4. Ng, Arsenio T.	13,256,429	5.98%
5. Limqueco, Abraham	2,368,000	0.92%
6. Liu, Jessilyn	1,500,000	0.68%
7. Escueta, Ramon	1,409,473	0.64%
8. Eng Chin Kho Ng	800,000	0.36%
9. Yap, Rodolfo	800,000	0.36%
10. Ng, Hilario Tiu Ng	400,804	0.18%
11. Ng, Mark T.	375,000	0.17%
12. Ng, Tiffany Anne	375,000	0.17%
13. Ng, Matthew H	375,000	0.17%
14. Ng, Annie Cham	375,000	0.17%
15. Ng, Bun Kui	360,000	0.16%
16. Ng, Irene	360,000	0.16%
17. Oliva, Dulce Maria	360,000	0.16%
18. Limqueco, Margie Villaflor	350,000	0.16%
19. Reyes-Lao, Honorio O.	300,000	0.14%
20. Limqueco, Margie V.	218,000	0.10%

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 Chair and CEO:

Chairman of the Board	<i>Arsenio T. Ng</i>
CEO/President	<i>Arsenio T. Ng</i>

*The CEO of the company is the majority owner and also assumes the role of Chairman of the Board. He holds and acts in accordance to the interest of the company, developing and implementing high-level strategies to ensure effective corporate decision.*

(b) Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	<i>Ensure that all Board committees are properly established, composed and operated to foster long-term growth</i>	<ul style="list-style-type: none"> <li>• <i>Manage and oversee company operation and performance</i></li> <li>• <i>Ensure that business performance is consistent with the Business Principles</i></li> </ul>
Accountabilities	<i>Formulation of policies and fiduciary duty towards all stakeholders</i>	<ul style="list-style-type: none"> <li>• <i>Ensure that the flow of information to the Board is accurate, timely and clear.</i></li> <li>• <i>Initiate and implement policies to promote effective communication in the company</i></li> </ul>

Deliverables	<p><i>Set the agenda, style and tone of Board discussions to promote constructive debate and effective decision-making.</i></p> <p><i>Ensure effective operation of the Board and its committees in conformity with the highest standards of corporate governance</i></p>	<ul style="list-style-type: none"> <li>• <i>Ensure financial results, business strategies, company targets are achieved</i></li> </ul>
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- 3) Explain how the board of directors plans for the succession of the CEO/Managing Director/President and the top key management positions?

*The Corporation has a nomination committee that evaluates and qualifies potential nominees for directors and executive positions.*

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

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

*The company has diverse experienced directors, from technical, financial and social experiences.*

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. Majority of Board of Directors has experience in the sector/ industry of the company.*

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

	<b>Executive</b>	<b>Non-Executive</b>	<b>Independent Director</b>
Role	<i>Represent the Management</i>	<i>Represent major shareholders' interest</i>	<i>Provide neutral observations</i>
Accountabilities	<i>Management of business affairs</i>	<i>Ensuring sustainable growth</i>	<i>Setting high standards for best practice</i>
Deliverables	<i>Meet corporate objective</i>	<i>Monitor company progress</i>	<i>Safeguard interest of all shareholders</i>

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

*"Independence" is defined by the company as a mechanism of gathering different views and perspectives into the company. An independent director of the company is someone who has never been involved in the day-to-day running of the organization and who has no relationship with any shareholder holding 5% or more shares.*

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

*Company adopts SEC rules regarding appointment and re-appointment of independent directors.*

- 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:

<b>Name</b>	<b>Position</b>	<b>Date of Cessation</b>	<b>Reason</b>
<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>

(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
<b>a. Selection/Appointment</b>		
(i) Executive Directors	<i>Nominated/ elected</i>	<i>Ex officio</i>
(ii) Non-Executive Directors	<i>Nominated/ elected</i>	<i>Major shareholders</i>
(iii) Independent Directors	<i>Nominated/ elected</i>	<i>Based on qualifications</i>
<b>b. Re-appointment</b>		
(i) Executive Directors	<i>Election via ASM</i>	<i>One share/ one vote</i>
(ii) Non-Executive Directors	<i>Election via ASM</i>	<i>One share/ one vote</i>
(iii) Independent Directors	<i>Election via ASM</i>	<i>One share/ one vote</i>
<b>c. Permanent Disqualification</b>		
(i) Executive Directors	<i>As per by-laws</i>	<i>SEC rules, PSE rules, By-laws</i>
(ii) Non-Executive Directors	<i>As per by-laws</i>	<i>SEC rules, PSE rules, By-laws</i>
(iii) Independent Directors	<i>As per by-laws</i>	<i>SEC rules, PSE rules, By-laws</i>
<b>d. Temporary Disqualification</b>		
(i) Executive Directors	<i>As per by-laws</i>	<i>SEC rules, PSE rules, By-laws</i>
(ii) Non-Executive Directors	<i>As per by-laws</i>	<i>SEC rules, PSE rules, By-laws</i>
(iii) Independent Directors	<i>As per by-laws</i>	<i>SEC rules, PSE rules, By-laws</i>
<b>e. Removal</b>		
(i) Executive Directors	<i>As per by-laws</i>	<i>SEC rules, PSE rules, By-laws</i>
(ii) Non-Executive Directors	<i>As per by-laws</i>	<i>SEC rules, PSE rules, By-laws</i>
(iii) Independent Directors	<i>As per by-laws</i>	<i>SEC rules, PSE rules, By-laws</i>
<b>f. Re-instatement</b>		
(i) Executive Directors	<i>As per by-laws</i>	<i>SEC rules, PSE rules, By-laws</i>
(ii) Non-Executive Directors	<i>As per by-laws</i>	<i>SEC rules, PSE rules, By-laws</i>
(iii) Independent Directors	<i>As per by-laws</i>	<i>SEC rules, PSE rules, By-laws</i>
<b>g. Suspension</b>		
(i) Executive Directors	<i>As per by-laws</i>	<i>SEC rules, PSE rules, By-laws</i>
(ii) Non-Executive Directors	<i>As per by-laws</i>	<i>SEC rules, PSE rules, By-laws</i>
(iii) Independent Directors	<i>As per by-laws</i>	<i>SEC rules, PSE rules, By-laws</i>

Voting Result of the last Annual General Meeting

Name of Director	Votes Received
<i>HRH Prince Abdulaziz bin Talal Al Saud</i>	<i>70% of total voting shares</i>
<i>Arsenio T. Ng</i>	<i>70% of total voting shares</i>
<i>Hilario T. Ng</i>	<i>70% of total voting shares</i>
<i>Simoun Ung</i>	<i>70% of total voting shares</i>
<i>Paul B. Saria</i>	<i>70% of total voting shares</i>
<i>Kenneth C. Co</i>	<i>70% of total voting shares</i>
<i>Oscar B. Mapua, Jr.</i>	<i>70% of total voting shares</i>

6) Orientation and Education Program

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

*There is no formal orientation program for new directors. Each incoming director is briefed with company's management, board members, vision, mission and principles that the company upholds. New directors are welcome to provide initial inputs concerning the company if any.*

(b) State any in-house training and external courses attended by Directors and Senior Management<sup>3</sup> for the past three (3) years:

*The Directors and Senior Management attend a Corporate Governance Seminar yearly conducted by SEC Accredited Providers. For year 2015, the seminar was led by Center for Global Best Practices with Accreditation No. GC2013-007.*

Name of Director/Officer	Date of Training	Program	Name of Training Institution
<i>Arsenio T. Ng</i>	<i>12/10/2015</i>	<i>Corporate Governance Seminar</i>	<i>Center for Global Best Practices</i>
<i>Hilario T. Ng</i>	<i>12/10/2015</i>	<i>Corporate Governance Seminar</i>	<i>Center for Global Best Practices</i>
<i>Simoun Ung</i>	<i>12/10/2015</i>	<i>Corporate Governance Seminar</i>	<i>Center for Global Best Practices</i>
<i>Paul B. Saria</i>	<i>12/10/2015</i>	<i>Corporate Governance Seminar</i>	<i>Center for Global Best Practices</i>
<i>Kenneth C. Co</i>	<i>12/10/2015</i>	<i>Corporate Governance Seminar</i>	<i>Center for Global Best Practices</i>
<i>Oscar B. Mapua, Jr.</i>	<i>12/10/2015</i>	<i>Corporate Governance Seminar</i>	<i>Center for Global Best Practices</i>

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

Name of Director/Officer	Date of Training	Program	Name of Training Institution
<i>HRH Prince Abdulaziz bin Talal Al Saud</i>	<i>Semi-annual</i>	<i>Corporate governance meetings</i>	<i>Internal</i>
<i>Arsenio T. Ng</i>	<i>Semi-annual</i>	<i>Corporate governance meetings</i>	<i>Internal</i>
<i>Hilario T. Ng</i>	<i>Semi-annual</i>	<i>Corporate governance meetings</i>	<i>Internal</i>
<i>Simoun Ung</i>	<i>Semi-annual</i>	<i>Corporate governance meetings</i>	<i>Internal</i>
<i>Paul B. Saria</i>	<i>Semi-annual</i>	<i>Corporate governance meetings</i>	<i>Internal</i>
<i>Kenneth C. Co</i>	<i>Semi-annual</i>	<i>Corporate governance meetings</i>	<i>Internal</i>
<i>Oscar B. Mapua, Jr.</i>	<i>Semi-annual</i>	<i>Corporate governance meetings</i>	<i>Internal</i>

**B. CODE OF BUSINESS CONDUCT & ETHICS**

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

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	<i>Voluntary-Inhibition</i>	<i>Voluntary-Inhibition</i>	<i>Voluntary-Inhibition</i>
(b) Conduct of Business and Fair Dealings	<i>Should follow corp. governance manual and audit charter</i>	<i>Should follow corp. governance manual and audit charter</i>	<i>Should follow corp. governance manual and audit charter</i>
(c) Receipt of gifts from third parties	<i>No formal company policy</i>	<i>No formal company policy</i>	<i>No formal company policy</i>
(d) Compliance with Laws & Regulations	<i>Opinion of legal counsel is required</i>	<i>Monitored by compliance officer and other officers</i>	<i>Monitored by compliance officer and other officers</i>
(e) Respect for Trade	<i>Protect company trade</i>	<i>Protect company trade</i>	<i>Protect company trade</i>

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

Secrets/Use of Non-public Information	<i>secrets at all times</i>	<i>secrets at all times</i>	<i>secrets at all times</i>
(f) Use of Company Funds, Assets and Information	<i>Authorization protocol, Reimbursement policy, Corporate governance manual</i>	<i>Authorization protocol, Reimbursement policy, Corporate governance manual</i>	<i>Authorization protocol, Reimbursement policy, Corporate governance manual</i>
(g) Employment & Labor Laws & Policies	<i>Comply at least to the minimum criteria set by labor and employment authorities</i>	<i>Comply at least to the minimum criteria set by labor and employment authorities</i>	<i>Comply at least to the minimum criteria set by labor and employment authorities</i>
(h) Disciplinary action	<i>Based on Manual of Corporate Governance</i>	<i>Based on Manual of Corporate Governance</i>	<i>Based on Manual of Corporate Governance</i>
(i) Whistle Blower	<i>No formal company policy</i>	<i>No formal company policy</i>	<i>No formal company policy</i>
(j) Conflict Resolution	<i>No formal company policy. An Intermediary party can act as negotiator</i>	<i>No formal company policy. An Intermediary party can act as negotiator</i>	<i>No formal company policy. An Intermediary party can act as negotiator</i>

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

3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.  
*Compliance Officer evaluates and monitors compliance with the code of ethics. Any act committed by any officer/member that is against the company's codes of ethics is immediately reported to senior management and executives and are subjected to penalties/ violations.*

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.

<b>Related Party Transactions</b>	<b>Policies and Procedures</b>
(1) Parent Company	<i>Based on Arm's Length Transaction</i>
(2) Joint Ventures	<i>Based on Arm's Length Transaction</i>
(3) Subsidiaries	<i>Based on Arm's Length Transaction</i>
(4) Entities Under Common Control	<i>Based on Arm's Length Transaction</i>
(5) Substantial Stockholders	<i>Based on Arm's Length Transaction</i>
(6) Officers including spouse/children/siblings/parents	<i>No such related party transaction</i>
(7) Directors including spouse/children/siblings/parents	<i>No such related party transaction</i>
(8) Interlocking director relationship of Board of Directors	<i>Requires Expertise/ background on specific industry/ field</i>

(b) Conflict of Interest

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

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

<b>Details of Conflict of Interest (Actual or Probable)</b>	
Name of Director/s	<i>Arsenio Ng and Hilario Ng are brothers. However, there is no probable conflict of</i>
Name of Officer/s	

Name of Significant Shareholders	<i>interest as they have their own field/ industry expertise.</i>
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(ii) Mechanism

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

	<b>Directors/Officers/Significant Shareholders</b>
Company	<i>No formal mechanism, Conflict are reviewed by executive committees based on a case-to-case basis</i>
Group	<i>No formal mechanism, Conflict are reviewed by executive committees based on a case-to-case basis</i>

5) Family, Commercial and Contractual Relations

(a) Indicate, if applicable, any relation of a family,<sup>4</sup> 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:

<b>Names of Related Significant Shareholders</b>	<b>Type of Relationship</b>	<b>Brief Description of the Relationship</b>
<i>Not applicable</i>	<i>Not applicable</i>	<i>Not applicable</i>

(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:

<b>Names of Related Significant Shareholders</b>	<b>Type of Relationship</b>	<b>Brief Description</b>
<i>Not applicable</i>	<i>Not applicable</i>	<i>Not applicable</i>

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

<b>Name of Shareholders</b>	<b>% of Capital Stock affected (Parties)</b>	<b>Brief Description of the Transaction</b>
<i>N/A</i>		

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.

	<b>Alternative Dispute Resolution System</b>
<b>Corporation &amp; Stockholders</b>	<i>Conflicts are resolved on a case-to-case basis</i>
<b>Corporation &amp; Third Parties</b>	<i>Conflicts are resolved on a case-to-case basis</i>
<b>Corporation &amp; Regulatory Authorities</b>	<i>Conflicts are resolved on a case-to-case basis</i>

**C. BOARD MEETINGS & ATTENDANCE**

1) Are Board of Directors' meetings scheduled before or at the beginning of the year?  
*The Board of Director's meeting is scheduled as needed. There is no fixed meeting schedule.*

<sup>4</sup> Family relationship up to the fourth civil degree either by consanguinity or affinity.

2) Attendance of Directors

from October 2014 – October 2015

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Member	HRH Prince Abdulaziz bin Talal Al Saud (Telecon)	10/2015	3	3	100
Chairman	Arsenio T. Ng	10/2015	3	3	100
Member	Hilario T. Ng	10/2015	3	3	100
Member	Simoun Ung	10/2015	3	3	100
Independent	Kenneth C. Co	10/2015	3	3	100
Independent	Oscar B. Mapua, Jr.	10/2015	3	3	100
Member	Paul B. Saria	10/2015	3	3	100

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

*None.*

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

*Yes. Minimum quorum requirement of 2/3 of board members is observed for compliance purposes.*

5) Access to Information

- (a) How many days in advance are board papers<sup>5</sup> for board of directors meetings provided to the board?

*At least 1 week in advance*

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

*Yes they do. Corporate secretary can be contacted via phone, email and fax*

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

*Role of the company secretary consists of the following:*

- *Arranges board meetings and AGMs*
- *Assist the Chairman and the Board in making business judgment in good faith and in the performance of their responsibilities and obligations*
- *Advises Board of Directors on practices to be adopted in relation to good corporate governance.*
- *Represents the company for internal and external stakeholders*

*And includes all the roles stated above (preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes)*

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

*The corporate secretary has been with the company for more than 10 years and has handled the company's operations as well as managed the legal affairs of the company. He is by far the most suitable person to hold the position as company secretary.*

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

(e) Committee Procedures

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

Yes  No

Committee	Details of the procedures
Executive	<i>Readily available</i>
Audit Nomination Remuneration	<i>Necessary information can be requested from Corporate secretary via phone, email, fax.</i>  <i>All material information, i.e., anything that could potentially affect share price are publicly disclosed. Such information shall include earnings results, acquisition or disposal of assets, board changes, related party transactions, shareholdings of directors and changes to ownership.</i>  <i>All disclosed information shall be released via the approved stock exchange procedure for company announcements as well as through the annual report.</i>
Others (specify)	<i>No other committees</i>

6) External Advice

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

Procedures	Details
<i>No formal procedure but directors can receive/ seek external advice.</i>	

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:

Existing Policies	Changes	Reason
<i>N/A</i>	<i>No new changes made</i>	<i>N/A</i>

**D. REMUNERATION MATTERS**

1) Remuneration Process

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

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	<i>Negotiated (based on industry standards)</i>	<i>Negotiated (based on industry standards)</i>
(2) Variable remuneration	<i>n/a</i>	<i>n/a</i>
(3) Per diem allowance	<i>n/a</i>	<i>n/a</i>
(4) Bonus	<i>n/a</i>	<i>n/a</i>
(5) Stock Options and other financial instruments	<i>Upon recommendation by the remuneration committee and approval by the board</i>	<i>Upon recommendation by the remuneration committee and approval by the board</i>
(6) Others (specify)	<i>n/a</i>	<i>n/a</i>

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

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

	<b>Remuneration Policy</b>	<b>Structure of Compensation Packages</b>	<b>How Compensation is Calculated</b>
Executive Directors	<i>Fixed</i>	<i>Fixed</i>	<i>Based on industry standard</i>
Non-Executive Directors	<i>Per Legal requirements</i>	<i>Per Legal requirements</i>	<i>Based on industry standard</i>

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

<b>Remuneration Scheme</b>	<b>Date of Stockholders' Approval</b>
<i>Fixed reasonable per diem of P5,000 for attendance of Board of Directors</i>	<i>September 11, 2013</i>
<i>Fixed reasonable per diem of P5,000 for attendance of Board of Directors</i>	<i>November 22, 2012</i>
<i>Stock Options to the CEO</i>	<i>2008</i>

### 3) Aggregate Remuneration

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

<b>Remuneration Item</b>	<b>Executive Directors</b>	<b>Non-Executive Directors (other than independent directors)</b>	<b>Independent Directors</b>
(a) Fixed Remuneration	<i>2,000,000</i>	<i>n/a</i>	<i>n/a</i>
(b) Variable Remuneration	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
(c) Per diem Allowance	<i>5,000/ attendance of Board of Directors meeting</i>	<i>5,000/ attendance of Board of Directors meeting</i>	<i>5,000/ attendance of Board of Directors meeting</i>
(d) Bonuses	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
(e) Stock Options and/or other financial instruments	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
(f) Others (Specify)	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
<b>Total</b>	<i>2,000,000 + 5,000/ attendance of Board of Directors meeting</i>	<i>5,000/ attendance of Board of Directors meeting</i>	<i>5,000/ attendance of Board of Directors meeting</i>

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

<b>Total</b>	n/a	n/a	n/a
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#### 4) Stock Rights, Options and Warrants

##### (a) Board of Directors

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

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock
<i>The Stock Options Plan for the CEO of 40 Million TBGI Shares for the period 2001 to 2008 has been indefinitely deferred. The Stock Option Plan with a vesting schedule of 20 years has been indefinitely deferred.</i>				

##### (b) Amendments of Incentive Programs

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

Incentive Program	Amendments	Date of Stockholders' Approval
<i>N/A. There were no amendments made.</i>		

#### 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
<i>insignificant</i>	

## E. BOARD COMMITTEES

### 1) Number of Members, Functions and Responsibilities

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

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Execu-tive Director (ED)	Non-exe-cutive Director (NED)	Indepen-dent Director (ID)				
Executive	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Audit	2	0	1	Ensure compliance to pertinent accounting standards including regulatory requirements.	Develop a transparent financial management system that will ensure the integrity of internal control activities throughout the company through a step-by-step procedures and	Check all financial reports against its compliance with both the internal financial management handbook and pertinent accounting standards, including regulatory requirements	Pre-approve all audit plans, scope and frequency one (1) month before the conduct of external audit

					<i>policies handbook that will be used by the entire organization</i>		
Nomination	2	0	1	<i>Capture qualified candidates that can nurture and help the company expand</i>	<i>Determine the number of directorships for the Board by pre-screening and selecting candidates based on the nature of the business of the corporations, age of director, number of active memberships in other corporations and possible conflict of interest.</i>	<i>Establish roles and duties of each candidate</i>	<i>Decide and select qualified candidates and ensure they uphold the principles of the company.</i>
Remuneration	2	0	1	<i>Ensure adequate compensation and benefits to qualified personnel for their outstanding service to the company</i>	<i>Designate amount of remuneration, which shall be in a sufficient level to attract and retain officers and directors who are needed to run company effectively</i>	<i>Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors</i>	<i>Disallow any director to decide his or her own remuneration.</i>
Others (specify)	N/A	N/A	N/A	N/A	N/A	N/A	N/A

2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	<i>Executive committee is composed on the Chief Executive Officer, Chief Financial Officer, Chief Operations Officer &amp; Chief Information Officer</i>					
Member (ED)						
Member (NED)						
Member (ID)						
Member						

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in Committee
Chairman	<i>Kenneth C. Co (Independent)</i>	<i>10/2015</i>	<i>2</i>	<i>2</i>	<i>100</i>	<i>4</i>
Member (ED)	<i>Arsenio T. Ng</i>	<i>10/2015</i>	<i>2</i>	<i>2</i>	<i>100</i>	<i>5</i>
Member (ED)	<i>Paul B. Saria</i>	<i>10/2015</i>	<i>2</i>	<i>2</i>	<i>100</i>	<i>5</i>

Disclose the profile or qualifications of the Audit Committee members.

**Mr. Kenneth Co** is a graduate of AB Economics at Ateneo De Manila University in 1994. At present he is the Proprietor and Owner of Dagupan Commercial, an operator of a wholesale and retail distribution family business dealing mainly with bakery supplies. From 2007 to present, he is also a Distributor of Pharmanex & Nu Skin. A distribution and multilevel network marketing business focused on introducing high quality supplements and skin care products to customers with a goal of contributing the profits significantly to the Nourish the Children Foundation. From 1996 to present, he is also the Administrator of Benito Enterprises, a business engaged mainly in real estate development and lease rental accumulation. Some of his past positions held includes Managing Director of Road on Call from 2005 to 2007 and Chamco Food Ventures Inc. from 1999-2005.

**Mr. Arsenio T. Ng** holds a Masters degree in Business Management with distinction from the California State College,

Stanislaus, and the University of California, Los Angeles. Mr. Ng attended special studies in Politics and Public Administration at the United States Congress in Washington D.C. He took his undergraduate studies in Business Administration and Finance at the De La Salle University (Jose Rizal honors), Philippines and at the California State College, Stanislaus (cum laude), USA.

In 1994, Mr. Ng served as President and CEO (six months) of the Energy Corporation; a company listed in the Philippine Stock Exchange and became Chief Finance Officer (six months) of Semirara Coal Corporation, the largest coal-mining firm in the Philippines the following year. He is the Chairman and CEO of ATN Holdings Inc. (eight years), a listed holding company in the PSE, in which he holds major equity stake. He is the Chairman and CEO of Palladian Land Development Inc. (nine years), and the Chairman and Director of Unipage Management Inc. (six years). He is also the Chairman and Director of both Advanced Home Concept Development Corporation, and Hart Realty Development Inc. Mr. Ng is concurrently a Director and Treasurer of Hambrecht and Quist Philippine Ventures II (six years), a private equity fund managed by Hambrecht and Quist, Philippines Inc., a subsidiary of US-based Hambrecht and Quist venture firm.

**Mr. Paul B. Saria** is a graduate of Bachelor of Architecture at the University of Santo Tomas. Mr. Saria took his graduate studies in Project Management at the Royal Melbourne Institute of Technology, Australia. He is Vice President for Operations of TBGI (three years), Operations Officer of ATN Holdings, Inc. (eight years) and Project Planning Architect of the Summit One Office Tower (two years). He is likewise Operations Manager of Palladian Land Development Inc. and Advanced Home Concept Development Corporation since 1996.

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

- Perform oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management.
- Pre-approve all audit plans, scope and frequency one (1) month before the conduct of external audit.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Oscar B. Mapua, Jr. (Independent)	10/2015	2	2	100	5
Member (ED)	Hilario T. Ng	10/2015	2	2	100	5
Member (ED)	Paul B. Saria	10/2015	2	2	100	6

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Kenneth C. Co (Independent)	10/2015	2	2	100	4
Member (ED)	Arsenio T. Ng	10/2015	2	2	100	7
Member (ED)	Hilario T. Ng	10/2015	2	2	100	4

(e) Others (Specify)

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

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	No other committees					
Member (ED)						
Member (NED)						
Member (ID)						
Member						

3) Changes in Committee Members

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

Name of Committee	Name	Reason
Executive	<i>none</i>	
Audit	<i>none</i>	
Nomination	<i>none</i>	
Remuneration	<i>none</i>	
Others (specify)		

4) Work Done and Issues Addressed

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

Name of Committee	Work Done	Issues Addressed
Executive	<i>Disclosed in management discussion and analysis indicated in the Annual Report</i>	
Audit	<i>Approval of the Audited Financial Statements of the Corporation</i>	<i>Ensure accuracy of financial statements</i>
Nomination	<i>Evaluate background/ history of nominated candidates</i>	<i>Nominate candidates with competitive background</i>
Remuneration	<i>Discussed Remuneration standards based on industry practice</i>	<i>Offer attractive remuneration to retain competitive employees</i>
Others (specify)	<i>Not applicable</i>	

5) Committee Program

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

Name of Committee	Planned Programs	Issues to be Addressed
Executive	<i>All issues disclosed and discussed among executive committee members</i>	
Audit	<i>Update company operations</i>	<i>Software-apps development</i>
Nomination	<i>Evaluated qualified nominees</i>	<i>Achieve Competitive candidates</i>
Remuneration	<i>Maintain competitive remuneration standards</i>	<i>Stay In-tune with industry standards</i>
Others (specify)	<i>N/A</i>	

**F. RISK MANAGEMENT SYSTEM**

1) Disclose the following:

- (a) Overall risk management philosophy of the company;

*TBGI can be considered as a technology company, a participant of an industry vulnerable to the major risk of obsolescence. However, TBGI retains its financial resiliency in the face of fast obsolescence by focusing its corporate business development in applications or software rather than irreversible capital investments.*

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

*While there are many suppliers of satellite bandwidth, TBGI is contracted to only one supplier because TBGI bandwidth requirement is not significant vis-à-vis total available bandwidth supply. As such, TBGI dependence on one supplier at any time is not considered a risk.*

TBGI is likewise not subject to single customer risk given that TBGI is serving more than a hundred customers comprising mostly schools that are financially independent.

(c) Period covered by the review;

CY 2015

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

Reviewed when needed

## 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:

<b>Risk Exposure</b>	<b>Risk Management Policy</b>	<b>Objective</b>
<b>Operating Risk</b>	<i>Preventive Maintenance Checkup Rigorous control and monitoring framework</i>	<i>Eliminate system failure, human error, external events</i>
<b>Technology Risk</b>	<i>Competitor baseline data comparison</i>	<i>Update technology to combat obsolescence</i>
<b>Financial Risk</b>	<i>Internal Credit Risk policies</i>	<i>Minimize market movement risks</i>
<b>Market Risk</b>	<i>Data Service Subscription Technology Backbone, Marketing Agents</i>	<i>Anticipate foreign exchange rates volatility</i>

(b) Group

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

<b>Risk Exposure</b>	<b>Risk Management Policy</b>	<b>Objective</b>
<b>Operating Risk</b>	<i>Preventive Maintenance Checkup Rigorous control and monitoring framework</i>	<i>Eliminate system failure, human error, external events</i>
<b>Technology Risk</b>	<i>Competitor baseline data comparison</i>	<i>Update technology to combat obsolescence</i>
<b>Financial Risk</b>	<i>Internal Credit Risk policies</i>	<i>Minimize market movement risks</i>
<b>Market Risk</b>	<i>Data Service Subscription Technology Backbone, Marketing Agents</i>	<i>Anticipate foreign exchange rates volatility</i>

(c) Minority Shareholders

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

<b>Risk to Minority Shareholders</b>
<i>Company enforces one vote per share for all shareholders thus protecting minority shareholders</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:

<b>Risk Exposure</b>	<b>Risk Assessment (Monitoring and Measurement Process)</b>	<b>Risk Management and Control (Structures, Procedures, Actions Taken)</b>
<b>Operating Risk</b>	<i>System Failure Testing</i>	<i>Performance check of Technological devices with accredited system engineers</i>
<b>Technology Risk</b>	<i>Performance check of Technological devices</i>	<i>accredited system engineers constant updating of technology devices</i>
<b>Financial Risk</b>	<i>Creditworthy counterparty profiling</i>	<i>Company only deals with creditworthy counterparties and obtaining sufficient collateral, where appropriate</i>
<b>Market Risk</b>	<i>Market Demand reports</i>	<i>Marketing Backbone focuses on data service subscription clients</i>

(b) Group

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

<b>Risk Exposure</b>	<b>Risk Assessment (Monitoring and Measurement Process)</b>	<b>Risk Management and Control (Structures, Procedures, Actions Taken)</b>
<b>Operating Risk</b>	<i>System Failure Testing</i>	<i>Performance check of Technological devices with accredited system engineers</i>
<b>Technology Risk</b>	<i>Performance check of Technological devices</i>	<i>accredited system engineers constant updating of technology devices</i>
<b>Financial Risk</b>	<i>Creditworthy counterparty profiling</i>	<i>Company only deals with creditworthy counterparties and obtaining sufficient collateral, where appropriate</i>
<b>Market Risk</b>	<i>Market Demand reports</i>	<i>Marketing Backbone focuses on data service subscription clients</i>

(c) Committee

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

<b>Committee/Unit</b>	<b>Control Mechanism</b>	<b>Details of its Functions</b>
Audit Committee	<i>Works with Compliance officer</i>	<i>Monitor and manage risk, ensure accuracy of financial background</i>

**G. INTERNAL AUDIT AND CONTROL**

1) Internal Control System

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

- (a) Explain how the internal control system is defined for the company;  
*The company defines internal control system as an independent internal audit mechanism performed by an Internal Auditor or a group of Internal Auditors, through which its Board, senior management, and stockholders are provided with reasonable assurance that its key organizational and procedural controls are effective, appropriate, and complied with.*
- (b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;  
*The scope and particulars of the effectiveness of the internal control system were 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 regulatory compliance.*
- (c) Period covered by the review;  
*CY2015*
- (d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system;  
*Annually and when needed*
- (e) Where no review was conducted during the year, an explanation why not.

## 2) Internal Audit

- (a) Role, Scope and Internal Audit Function

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

*Reported under the Internal Audit Charter*

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
<b>Financial Auditor</b>	<ul style="list-style-type: none"> <li>• Evaluate the overall financial statement</li> <li>• Test-basis</li> <li>• Verify disclosures in financial statements</li> <li>• Express opinion on financial disclosures in accordance to generally accepted accounting standards</li> </ul>	<i>In-house</i>		<ul style="list-style-type: none"> <li>• Board, senior management, as well as compliance officer are informed of audit results.</li> </ul>

- (b) Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?  
*Yes, requires approval of Audit committee.*
- (c) Discuss the internal auditor's reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel?  
*The Internal Auditor shall report to the Audit Committee. Yes, the internal auditor has direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel.*

(d) Resignation, Re-assignment and Reasons

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

Name of Audit Staff	Reason
<i>Not applicable</i>	

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

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

<b>Progress Against Plans</b>	<i>Risk monitoring</i>
<b>Issues<sup>6</sup></b>	<i>Audit procedures/ documentation process</i>
<b>Findings<sup>7</sup></b>	<i>Progress report</i>
<b>Examination Trends</b>	<i>Based on year to year results</i>

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

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

(f) Audit Control Policies and Procedures

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

Policies & Procedures	Implementation
Receipt disbursements	<i>implemented</i>
Report to audit committee	<i>implemented</i>

(g) Mechanisms 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
<i>Report directly to Board and CEO</i>	<i>Requested info are provided</i>	<i>Requested info are provided</i>	<i>Requested info are provided</i>

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

*Document to be signed by Chief Executive Officer and Corporate Information Officer.*

<sup>6</sup> "Issues" are compliance matters that arise from adopting different interpretations.

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

**H. ROLE OF STAKEHOLDERS**

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

	<b>Policy</b>	<b>Activities</b>
Customers' welfare	<i>Feedback Loop Policy Upgrade and maintenance of equipments</i>	<i>Copy furnish everyone in team plus operations head, Constantly follow up and check with clients on internet performance service Preventive Maintenance services</i>
Supplier/contractor selection practice	<i>Bidding/ negotiated</i>	<i>Competence and Accreditation, Exclusivity of service</i>
Environmentally friendly value-chain	<i>Clean-as-you go policy Carpool encouraged</i>	<i>Recycle, segregate Commute/ walk if near</i>
Community interaction	<i>Train the trainer Feedback Loop Policy</i>	<i>Address any concerns (attitude of employees, performance, conflict etc.) to HR management/ supervisor</i>
Anti-corruption programmes and procedures?	<i>No formal policy</i>	<i>Whistleblowers are most welcome</i>
Safeguarding creditors' rights	<i>Transparency in financial instruments</i>	<i>Provisions for covenants set by creditors</i>

2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?  
*No*

3) Performance-enhancing mechanisms for employee participation.

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

*Aside from the mandated benefits by law, employees can avail of privileges from Managed Care clinic under a HMO contract with company*

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

*Annual Health Maintenance Contract with Managed Care clinic*

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

*TBGI training system administrators and implementation of train the trainer program.  
Attendance of IECEP seminars*



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

*Performance rewards are individually evaluated by the Remuneration committee on a case-to-case basis.*

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.

Complaints are directly reported to the executive committee. Identities are kept confidential

## I. DISCLOSURE AND TRANSPARENCY

### 1) Ownership Structure

#### (a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
PCD Nominee Corp. (F)	81,602,806	36.75 %	Various
PCD Nominee Corp. (NF)	81,646,209	36.77 %	Various
Unipage Management, Inc.	20,000,000	9.03 %	Stockholders
Arsenio T. Ng	13,256,429	5.98 %	None

### 2) Does the Annual Report disclose the following:

Key risks	✓
Corporate objectives	✓
Financial performance indicators	✓
Non-financial performance indicators	✓
Dividend policy	✓
Details of whistle-blowing policy	None provided. Company welcomes whistleblowers.
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	✓
Training and/or continuing education programme attended by each director/commissioner	✓
Number of board of directors/commissioners meetings held during the year	Disclosed in other public documents
Attendance details of each director/commissioner in respect of meetings held	Disclosed in other public documents
Details of remuneration of the CEO and each member of the board of directors/commissioners	✓

### 3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
R.R. TAN & ASSOCIATES, CPAs	P280,000	

### 4) Medium of Communication

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

TBGI Webmail, Phone, Fax, email

### 5) Date of release of audited financial report:

April 2016

### 6) Company Website

<http://www.tbgi.net.ph/>

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

Business operations	yes
Financial statements/reports (current and prior years)	yes
Materials provided in briefings to analysts and media	yes

Shareholding structure	yes
Group corporate structure	yes
Downloadable annual report	yes
Notice of AGM and/or EGM	yes
Company's constitution (company's by-laws, memorandum and articles of association)	None, available in SEC I-view website

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

**7) Disclosure of RPT**

*Advances to ATN, PLDI, Arsenio T. Ng and other related parties arises (i) to augment working capital requirements and (ii) on billings of inter-company transaction from shared expenses. These transactions are not subject to interest and have no fixed repayment period.*

*The year-end balances of receivables and advances to related parties after considering related party transactions for the year are as follows:*

	2012
<i>Collection Loans and interest receivable</i>	<i>P(7,010,257)</i>
<i>Interest accrual on loans and interest</i>	<i>(6,469,307)</i>
<i>Advances for Other projects</i>	<i>(3,157,640)</i>

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

*RPTs are monitored by the Audit Committee regularly*

**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 the Annual/Special Stockholders' Meeting as set forth in its By-laws.

<b>Quorum Required</b>	<i>50% + 1vote</i>
<b>Votes required for resolutions</b>	<i>2/3 votes</i>

**(b) System Used to Approve Corporate Acts**

Explain the system used to approve corporate acts.

<b>System Used</b>	<i>Approval by Committees, Approval by the Board and Ratification of Stockholders</i>
<b>Description</b>	<i>various</i>

**(c) Stockholders' Rights**

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

<b>Stockholders' Rights under The Corporation Code</b>	<b>Stockholders' Rights <u>not</u> in The Corporation Code</b>
<i>Company Follows corporation code</i>	<i>N/A</i>

Dividends

Declaration Date	Record Date	Payment Date
<i>There was no cash dividend declared for the last three fiscal years and there are no restrictions that limit the payment of dividend on common</i>		

(d) Stockholders' Participation

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

Measures Adopted	Communication Procedure
During Stockholders meeting	Open forum
At All times	Via company website, email and mail

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
  - a. Amendments to the company's constitution  
*Disclosed in PSE prior to stockholders approval via the Definitive Information Statement*
  - b. Authorization of additional shares  
*Disclosed in PSE prior to stockholders approval via the Definitive Information Statement*
  - c. Transfer of all or substantially all assets, which in effect results in the sale of the company  
*Disclosed in PSE prior to stockholders approval via the Definitive Information Statement*
3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up?
 

Yes

  - a. Date of sending out notices: *September 23, 2015*
  - b. Date of the Annual/Special Stockholders' Meeting: *October 14, 2015*
4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting.  
*None*
5. Result of Annual/Special Stockholders' Meeting's Resolutions

Resolution	Approving	Dissenting	Abstaining
<i>The stockholders in said meeting approved and ratified the following: (1) the minutes of the previous annual stockholders' meeting</i>	Unanimous approval	No dissenting votes	No abstentions
<i>2) the audited December 31, 2014 Financial statements,</i>	Unanimous approval	No dissenting votes	No abstentions
<i>(3) the management's discussion of the Annual Report for the year 2014</i>	Unanimous approval	No dissenting votes	No abstentions
<i>(4) the appointment of R.R. Tan and Associates as external auditor,</i>	Unanimous approval	No dissenting votes	No abstentions
<i>(5) the acts of the Board and the executive officers during the above fiscal year including but not limited to memberships in (a) remuneration committee, (b) audit committee, and (c) nomination committee. Membership in said committees, which include one independent director in compliance with Rule 38 of the Amended Implementing Rules and Regulations of the Securities Regulation Code are as follows:  Remuneration Committee: Kenneth C. Co –Chairman (Independent) Arsenio T. Ng- Member Hilario T. Ng- Member</i>	Unanimous approval	No dissenting votes	No abstentions

<p><i>Audit Committee</i>  <i>Kenneth C. Co- Chairman (Independent)</i>  <i>Arsenio T. Ng- Member</i>  <i>Paul B. Saria- Member</i></p> <p><i>Nomination Committee</i>  <i>Oscar B. Mapua, Jr. – Chairman (Independent)</i>  <i>Hilario T. Ng - Member</i>  <i>Paul B. Saria- Member</i></p>			
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6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:  
*Same date of the meeting*

(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:

<b>Modifications</b>	<b>Reason for Modification</b>
<i>none</i>	

(f) Stockholders' Attendance

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

<b>Type of Meeting</b>	<b>Names of Board members / Officers present</b>	<b>Date of Meeting</b>	<b>Voting Procedure (by poll, show of hands, etc.)</b>	<b>% of SH Attending in Person</b>	<b>% of SH in Proxy</b>	<b>Total % of SH attendance</b>
<i>Annual</i>	<i>HRH Prince Abdul Aziz bin Talal (TELECON)</i> <i>Arsenio T. Ng</i> <i>Hilario T. Ng</i> <i>Simoun Ung</i> <i>Kenneth Co</i> <i>Oscar B. Mapua</i> <i>Paul B. Saria</i>	<i>October 14, 2015</i>	The manner of counting the vote shall be viva voce unless balloting is demanded by stockholders representing at least 10% of the outstanding capital stock entitled to vote, in the presence of the corporate secretary or the assistant corp. secretary.	<i>70%</i>	<i>0%</i>	Stockholders representing more than 70% of the issued and outstanding shares were present in person or by proxy.

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

(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.

*At each meeting of the stockholders, every stockholder shall be entitled to vote in person, for each share of stock held by him, which has voting power upon the matter in question. The votes for the election of directors, and, except upon demand by any stockholder, the votes upon any question before the meeting, except with respect to the procedural questions determined by the chairman of the meeting, shall be by viva voce or show of hands.*

(g) Proxy Voting Policies

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

	<b>Company's Policies</b>
Execution and acceptance of proxies	<i>Shareholders are requested in the Definitive Information statement to not send proxies during the meeting "WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY but if not possible are asked to follow procedures for sending a proxy.</i>
Notary	<i>Any proxies will have to be notarized.</i>
Submission of Proxy	<i>Proxies should be submitted in accordance to SEC rules</i>
Several Proxies	<i># of proxies should correspond with shares owned</i>
Validity of Proxy	<i>Proxies only valid until meeting date unless revoked in writing</i>
Proxies executed abroad	<i>Proxies only valid until meeting date unless revoked in writing</i>
Invalidated Proxy	<i>Notices are issued to invalidated proxies</i>
Validation of Proxy	<i>Corporate secretary validates proxies based on shares owned</i>
Violation of Proxy	<i>Notices are issued to invalidated proxies</i>

(h) Sending of Notices

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

<b>Policies</b>	<b>Procedure</b>
<i>Notices are issued 21 days before meeting date</i>	<i>Liaison officer sends notice thru registered mail</i>

(i) Definitive Information Statements and Management Report

<b>Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials</b>	<i>ALL</i>
<b>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners</b>	<i>September 15, 2015</i>
<b>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders</b>	<i>September 15, 2015</i>
<b>State whether CD format or hard copies were distributed</b>	<i>Hard copies and company discloses to SEC and PSE</i>
<b>If yes, indicate whether requesting stockholders were provided hard copies</b>	<i>Yes</i>

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

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

2) Treatment of Minority Stockholders

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

Policies	Implementation
Minority stockholders are allowed to nominate candidates for board of directors	Open policy, nominations if any are entertained, and subject to validation of sufficient share ownership

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

Yes

**K. INVESTORS RELATIONS PROGRAM**

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

- a) Only officers are allowed to make external communications.
- b) Communications by non-officers are reviewed before sending to external parties.
- c) The CEO makes the final approval of communications to external parties.

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

	Details
(1) Objectives	Investor relations program through Company website
(2) Principles	Investor relations program through Company website
(3) Modes of Communications	Email, telephone, fax
(4) Investors Relations Officer	Paul B. Saria

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?

- a) The company seeks advice from legal counsel.
- b) Financial statements are secured from target company
- c) Financial and strategic evaluations are made internally
- d) Meeting with target company officers are held to conduct due diligence
- e) Legal counsel is consulted for additional advice based on new information
- f) Transaction is recommended to board for approval

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

R.R.Tan and Associates, CPAs

**L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

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

Initiative	Beneficiary
Distance Education	Rural/ Marginalized Communities
Clean Energy generation	Investment in ATN Solar

**M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL**

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

	Process	Criteria
Board of Directors	Assessment of compliance on corporate governance rules	Based on Company by-laws, Corp. Governance Manual and Audit charter
Board Committees	Assessment of compliance on corporate governance rules	Based on Company by-laws, Corp. Governance Manual and Audit charter

<b>Individual Directors</b>	<i>Assessment of compliance on corporate governance rules</i>	<i>Based on Company by-laws, Corp. Governance Manual and Audit charter</i>
<b>CEO/President</b>	<i>Assessment of compliance on corporate governance rules</i>	<i>Based on Company by-laws, Corp. Governance Manual and Audit charter</i>

**N. INTERNAL BREACHES AND SANCTIONS**

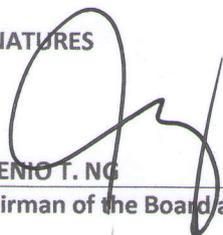
Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees

<b>Violations</b>	<b>Sanctions</b>
<i>Non-disclosure</i>	<i>Suspension</i>
<i>Insider Trading</i>	<i>Termination</i>
<i>Criminal</i>	<i>Termination and Filing of Criminal Case</i>

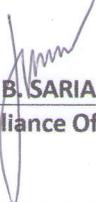
Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of

MANILA on 19 APR 2016, 20\_\_.

**SIGNATURES**



**ARSENIO T. NG**  
Chairman of the Board and CEO



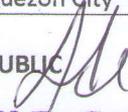
**PAUL B. SARIA**  
Compliance Officer



**KENNETH CO**  
Independent Director

**SUBSCRIBED AND SWORN** to before me this 19 APR 2016 day of 20\_\_, affiant(s) exhibiting to me their MANILA, as follows:

NAME/NO.	DATE OF ISSUE	PLACE OF ISSUE
ARSENIO T. NG	DL #N01-86-031588 , exp. 03/13/2018	Quezon City
PAUL B. SARIA	DL #N04-93-264992 , exp. 12/15/2016	Mandaluyong city
KENNETH CO	DL# N02-93-224207, exp. 02/21/2017	Quezon City

NOTARY PUBLIC 

**ATTY. AGUSTIN B. CABREDO**

Notary Public for Manila  
Notarial Commission No. 2015-030  
Until December 31, 2016  
Roll No. 28047  
PTR No. 4886571 / 1-4-16 / Manila  
IBP Life Member 05097  
MCLE No. V-0003138 / 7-26-14

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