

COVER SHEET

SEC Registration Number

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Company Name

R	O	C	K	W	E	L	L		L	A	N	D		C	O	R	P	O	R	A	T	I	O	N		A	N	D	
S	U	B	S	I	D	I	A	R	I	E	S																		

Principal Office (No./Street/Barangay/City/Town/Province)

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R	O	C	K	W	E	L	L		C	E	N	T	E	R	,		M	A	K	A	T	I		C	I	T	Y		

Form Type

A	C	G	R
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Department requiring the report

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Secondary License Type, If Applicable

N	/	A
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COMPANY INFORMATION

Company's Email Address

ir@rockwell.com.ph

Company's Telephone Number/s

793-0088

Mobile Number

N/A

No. of Stockholders

47,685 (as of April 30, 2017)

Annual Meeting
Month/Day

May 31, 2017

Fiscal Year
Month/Day

December 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person

Ms. Ellen V. Almodiel

Email Address

ellena@rockwell.com.ph

Telephone Number/s

793-0088

Mobile Number

N/A

Contact Person's Address

Ground Floor, East Podium, Joya Lofts & Towers, 28 Plaza Drive, Rockwell Center, Makati City 1200
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Note: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

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A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	11
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Actual number of Directors for the year	11
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(a) Composition of the Board

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
Manuel M. Lopez	NED	n/a	First Phil. Holdings Corp.	1995	June 2, 2016	Annual Meeting	21
Oscar M. Lopez	NED	n/a	First Phil. Holdings Corp.	1995	June 2, 2016	Annual Meeting	21
Federico R. Lopez	NED	n/a	First Phil. Holdings Corp.	2012	June 2, 2016	Annual Meeting	4
Eugenio L. Lopez III	NED	n/a	First Phil. Holdings Corp.	1995	June 2, 2016	Annual Meeting	21
Nestor J. Padilla	ED	n/a	First Phil. Holdings Corp.	1997	June 2, 2016	Annual Meeting	19
Francis Giles B. Puno	NED	n/a	First Phil. Holdings Corp.	2013	June 2, 2016	Annual Meeting	4
Ferdinand Erwin S. CoSeteng	NED	n/a	First Phil. Holdings Corp.	2013	June 2, 2016	Annual Meeting	4
Miguel Ernesto L. Lopez	ED	n/a	First Phil. Holdings Corp.	2009	June 2, 2016	Annual Meeting	8
Manuel L. Lopez, Jr.	NED	n/a	First Phil. Holdings Corp.	2011	June 2, 2016	Annual Meeting	6
Oscar J. Hilado	ID	n/a	Jonathan P. Co	2012	June 2, 2016	Annual Meeting	1
Monico V. Jacob	ID	n/a	First Phil. Holdings Corp.	2016	June 2, 2016	Regular Board Meeting	0.75

(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.

As part of the Company's commitment to institutionalize good corporate governance principles, the Company formulated and executed the Company's Manual of Corporate Governance ("Corporate Governance Manual") which was adopted by the Board of Directors on May 2, 2012. An amended report was published last July 31, 2014.

The Corporate Governance Manual provides for, among others, the following:

- Appointment of a compliance officer, who shall directly report to the Chairman of the Board of Directors, and monitor compliance with the provisions and requirements of the Corporate Governance Manual. Subject to the further review and approval of the Board of Directors, the compliance officer shall also determine violations of the Corporate Governance Manual and recommend to the Chairman of the Board of Directors the appropriate actions for such violations;
- Identification of the general duties and responsibilities of the Board of Directors who shall be responsible for the Company's compliance with all relevant laws, regulations and codes of best business practices in order to sustain the Company's competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders and other stakeholders. The Corporate Governance Manual also directs the Board of Directors to adopt a system of internal checks and balances, identify and monitor key risk areas and key performance indicators with due diligence, and also monitor the effectiveness of management policies and decisions;
- Creation of Board Committees, such as the Audit Committee, the Nomination and Election Committee and the Risk Management Committee;
- Appointment of an External Auditor and Internal Auditor. The External Auditor shall ensure the independence of the audit of the Company in order to provide an objective assurance on the manner by which the financial statements of the Company will be prepared and presented to the stockholders. The Internal Auditor, on the other hand, shall have in place an independent audit system which shall provide with reasonable assurance that key organizational and procedural controls are effective, appropriate and complied with, taking into account the nature and complexity of the Company's business and the business culture, the volume, size and complexity of the transactions, the degree of risks, the degree of centralization and delegation of authority, the extent and effectiveness of information technology and the extent of regulatory compliance;
- Conduct of a training process for the purpose of conducting an orientation program to operationalize the Corporate Governance Manual;
- Procedures for monitoring and assessing compliance with the Corporate Governance Manual; and
- Penalties for non-compliance with the Corporate Governance Manual.

Investor's Rights and Protection (Section 15)

- The shareholders have the right to receive timely and transparent information about the Corporation.
- The Board recognizes and shall respect the rights of the stockholders under the law, the articles of incorporation and the by-laws, specifically the stockholders' right to vote, pre-emptive rights, power of inspection, right to dividend and appraisal rights.
- Stockholders' meetings shall be conducted fairly and in a transparent manner and the stockholders shall be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the by-laws, the exercise of that right shall not be unduly restricted and any doubts about the validity of a proxy should be resolved in the stockholders' favor.
- The Board shall promote the rights of stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for the breach of their rights.

- The Board shall take appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether by in person or by proxy. Accurate and timely information should be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration and approval.
- The Board shall give minority stockholders the right to propose the items for discussion that relate directly to the business of the corporation.

Disclosure and Transparency (Section 16)

All material information about the corporation which could adversely affect its viability or the interest of the stockholders and other stakeholders as a whole shall be publicly and timely disclosed. Such material information shall include among others, earnings results, acquisitions or dispositions of assets, off-balance sheet transactions, related party transactions, and direct and indirect remuneration of the members of the Board and Management. All such information shall be disclosed through the appropriate submissions to the SEC.

The Board shall therefore commit at all times to full disclosure of material information dealings. It shall cause the filing of all required information through the appropriate Exchange mechanisms for listed companies and submissions to the Commission for the interest of its stockholders and other stakeholders.

Composition, Duties and Responsibilities of the Board

Composition

In accordance with the Articles of Incorporation, the Board shall be composed of at least five but not more than fifteen members who are elected by the stockholders. There shall be at least two independent directors or such number of independent directors that constitutes 20% of the members of the Board, whichever is lesser, but in no case less than two.

General Duties and Responsibilities of the Board

- The Board represents the corporation's interest and those of the shareholders as a whole in perpetuating a successful business, including optimizing long-term financial returns. The Board shall be responsible for determining that the Corporation is managed in such a way to ensure the result.
- It is the Board's responsibility to foster the long-term success of the Corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders and other stakeholders as a whole.
- The Board shall 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. It shall implement the values of the Corporation.
- The Board may delegate its duties and/or responsibilities to a Committee or Management or to the Corporation's officers.

Duties and Responsibilities of a Director

- A director has the duty to be diligent, loyal and obedient to the Corporation.
- A director must exercise that degree of skill, diligence and care that a reasonably prudent person would exercise in similar circumstances. It shall be sufficient for a director to act on an informed basis in good faith and in honest belief that the action was taken in the best interest of the Corporation, its stockholders and other stakeholders.

- A director is a fiduciary of the Corporation and shall not take advantage of the Corporation by means of fraudulent transactions. He must act honestly and in good faith in the interest of the Corporation, its stockholders and other stakeholders. He must avoid actual and potential conflicts of interest and shall disclose fairly his interests in contracts with the Corporation.
- The directors must act only within corporate powers.
- A director shall devote time and attention necessary to properly and effectively perform his duties and responsibilities. A director should devote sufficient time to familiarize himself with the Corporation's business. He should be aware of and knowledgeable with the Corporation's operations to enable him to meaningfully contribute to the Board's work.
- A director shall 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.
- A director shall exercise independent judgment. A director should view each problem or situation objectively.
- A director shall have a working knowledge of the statutory and regulatory requirements affecting the Corporation, including its Articles of Incorporation and By-Laws, the rules and regulation of the SEC and, where applicable, the requirements of relevant regulatory agencies.
- A director should keep abreast with industry developments and business trends in order to promote the Corporation's competitiveness.
- A director shall 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.

Specific Duties and Responsibilities of the Board to Implement Corporate Governance Principles

- The Board shall determine the Corporation's purpose and values, its vision and mission, determine the strategies to achieve this purpose and to implement its values in order to ensure that the Corporation survives and thrives.
- The Board shall ensure that adequate procedures, systems and practices that protect the Corporation's assets and reputation are in place and are maintained. The Board shall be guided by best business practices. The Board shall ensure the Corporation's faithful compliance with all applicable laws, regulations and be guided by best business practices.
- The Board shall monitor the effectiveness of management policies and decisions.
- The Board shall have a process for the selection of qualified and competent directors and officers and adopt an effective succession planning program for management.
- The Board shall ensure that the Corporation communicates with shareholders by providing them with relevant, accurate, and timely information, as necessary, including periodic and other reports submitted to regulatory authorities, and an annual report of its performance.
- The Board shall provide sound strategic policies and guidelines to the Corporation on major 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.
- The Board shall establish and maintain an investor relations program that will keep the stockholders informed of important developments in the Corporation.

- The Board shall identify the Corporation's stakeholders sectors in the community in which the corporation it operates or are affected by its operations and formulate a relevant communications policy affecting them;
- The Board shall adopt a system of check and balance within the Board. A regular review of the effectiveness of such a 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.
- The Board shall 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.
- The Board shall 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, major stockholders, officers, and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board.
- The Board shall constitute an Audit Committee and such other Committees it deems necessary to assist the Board in the performance of its duties and responsibilities.
- As may be deemed proper by the Board, it may establish and maintain an alternative dispute resolution system that can amicably settle conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including the regulatory authorities.
- The Board shall keep its activities and decisions within its authority under the articles of incorporation and by-laws and in accordance with existing laws, rules and regulations.
- The Board shall appoint a Compliance Officer with the rank of at least vice-president. In the absence of such appointment, the Corporate Secretary or Assistant Corporate Secretary, preferably a lawyer, shall act as the Compliance Officer.
- The Board shall constitute the proper Committees to assist it in good corporate governance.

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

The Board annually reviews and updates the vision and mission of Rockwell Land. Rockwell Land will announce and disseminate its new vision and mission to the shareholders this May 31, 2017. The new mission and vision are:

Vision

To create admired communities beyond ordinary.

Mission

To deliver delightful memorable customer experiences every day.

(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:

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

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Mr. Manuel M. Lopez	First Philippine Holdings Corporation Lopez Holdings Corp. Lopez Group Foundation, Inc. First Philippine Realty Corporation Manila Electric Company ABS-CBN Corp. ABS-CBN Holdings Corp. Sky Cable Corp. Sky Vision Corp.	(NED) Chairman (ED) (NED) (NED) (NED) (NED) (NED) (NED) (NED)
Mr. Oscar M. Lopez	Lopez Holdings Corporation First Philippine Holdings Corporation First Gen Corp. Energy Development Corp. FGHC International Limited FPH Fund FPHC International, Inc. First Balfour, Inc. Lopez Group Foundation, Inc. First Philippine Electric Corporation First Philec Solar Solutions Corp. First Philippine Industrial Park, Inc. First Philippine Realty Corporation Asian Eye Institute, Inc. FPH Capital Resources, Inc. First Philippine Industrial Corporation First Philippine Properties Corporation First Philippine Utilities, Corp. OML Center for Climate Change Adaptation and Disaster Risk Management Foundation, Inc.	Chairman Emeritus (NE) Chairman Emeritus (NE) Chairman Emeritus (NE) Chairman Emeritus (NE) Chairman (ED) Chairman (ED) Chairman (ED) Chairman Emeritus (NE) Chairman (ED) Chairman Emeritus (NE) Chairman Emeritus (NE) Chairman Emeritus (NE) Chairman Emeritus (NE) Chairman Emeritus (NE) Chairman Emeritus (NE) Chairman Emeritus (NE) Chairman Emeritus (NE) Chairman Emeritus (NE) Chairman Emeritus (NE)
Mr. Federico R. Lopez	First Philippine Holdings Corporation First Gen Corp. Energy Development Corp. FGHC International Limited FPH Fund Corporation FPH International Finance Limited FPHC International, Inc. First Balfour, Inc. Terrapime, Inc. Thermaprime Drilling Corp. Lopez Group Foundation, Inc. First Philippine Electric Corporation First Philec, Inc. First Philec Energy Solutions, Inc. First Philec Manufacturing Technologies Corp. First Philec Solar Solutions Corp. First Philippine Power Systems, Inc. FPH Land Ventures, Inc. First Philippine Industrial Park, Inc. FPIP Property Developers & Management Corp. FPIP Utilities, Inc. First Philippine Properties Corporation First Philippine Realty Corporation	Chairman (ED) Chairman (ED) Chairman Chairman (NED) Chairman (NED) Chairman (NED) Chairman (NED) Chairman (ED) Chairman (ED) Chairman & CEO (ED) (NED) Chairman (ED) Chairman (ED) Chairman (ED) Chairman (ED) Chairman (ED) Chairman (ED) Chairman (ED) Chairman (ED) Chairman (ED) Chairman (ED) Chairman (ED) Chairman (ED) Chairman (ED) Chairman (ED)

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
	Grand Batangas Resort Development, Inc. First Industrial Township, Inc. First Industrial Township Utilities, Inc. First Industrial Township Water, Inc. FPH Capital Resources, Inc. First Philippine Industrial Corporation First Philippine Utilities, Corp. Securities Transfer Services, Inc. Sibulan Ice Plant Cold Storage, Inc. OML Center for Climate Change Adaptation and Disaster Risk Management Foundation, Inc.	Chairman (ED) Chairman (ED) Chairman (ED) Chairman (ED) Chairman (ED) Chairman (ED) Chairman (ED) Chairman (ED) Chairman (ED) Chairman & CEO (ED)
Mr. Eugenio L. Lopez III	ABS-CBN Corp. First Philippine Holdings Corporation First Gen Corp. First Philippine Realty Corporation Lopez Holdings Corporation Lopez, Inc. Sky Cable Corporation OML Center for Climate Change Adaptation and Disaster Risk Management Foundation, Inc. ABS-CBN Lingkod Kapamilya Foundation, Inc.	Chairman (NED) (NED) (NED) Vice Chairman (ED) (ED) (NED) (NED) Chairman
Nestor J. Padilla	First Philippine Realty Corporation First Batangas Hotel Corporation First Philippine Industrial Park Terrapime, Inc. FPIP Property Developers & Management Corporation FPIP Utilities Inc. Grand Batangas Resort Development, Inc.	(NED) (NED) (NED) (NED) (NED) (NED) (NED)
Miguel Ernesto L. Lopez	Rockwell Leisure Club, Inc.	(NED)
Mr. Francis Giles B. Puno	First Philippine Holdings Corporation First Gen Corp. Energy Development Corp. Capital Ventures FGHC International Limited FPH Fund Corporation FPH International Finance Limited FPH Ventures FPHC International, Inc. First Balfour, Inc. Terrapime, Inc. Thermaprime Drilling Corporation First Philippine Electric Corporation First Philec Energy Solutions, Inc. First Philec, Inc. First Philec Manufacturing Technologies Corp. First Philippine Power Systems, Inc. FPH Land Ventures, Inc. First Batangas Hotel Corporation First Industrial Township, Inc.	(ED) (ED) (NED) Chairman (NED) (ED) (ED) (ED) Chairman (ED) (ED) (NED) (NED) (NED) (NED) (NED) (NED) (NED) (NED) (NED) (NED) Vice Chairman (NED) Chairman (NED) (NED)

(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.
Oscar J. Hilado	Philippine Investment Management Inc. (PHINMA) Trans-Asia Oil Energy Development Corp A.Soriano Corporation Philex Mining Corporation	Chairman Chairman (NED) (NED)
Monico V. Jacob	2GO Group, Inc. Jollibee Foods Corp. Asian Terminals, Inc. Phoenix Petroleum Philippines, Inc.	(ID) (NED) (NED) (NED)

(iii) Relationship within the Company and its Group

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

Director's Name	Name of the Significant Shareholder	Description of the relationship
Oscar M. Lopez & Manuel M. Lopez	Oscar M. Lopez – Chairman Emeritus Manuel M. Lopez - Chairman	Oscar M. Lopez and Manuel M. Lopez are brothers.
Eugenio L. Lopez III	Eugenio L. Lopez III, Oscar M. Lopez and Manuel M. Lopez	Eugenio L. Lopez III is the nephew of Oscar M. Lopez and Manuel M. Lopez.
Manuel L. Lopez Jr. Miguel Ernesto L. Lopez	Miguel L. Lopez Jr. and Miguel Ernesto Lopez	Manuel L. Lopez Jr. and Miguel Ernesto L. Lopez are brothers and sons of Manuel M. Lopez.
Federico R. Lopez, Eugenio Lopez III, Miguel Ernesto L. Lopez and Manuel L. Lopez, Jr.	Federico R. Lopez, Eugenio Lopez III, Miguel Ernesto L. Lopez and Manuel L. Lopez, Jr.	Miguel Ernesto L. Lopez and Manuel L. Lopez, Jr. are cousins of Federico R. Lopez, Eugenio Lopez III
Federico R. Lopez and Francis Giles B. Puno	Federico R. Lopez and Francis Giles B. Puno	Federico R. Lopez is the brother-in-law of Francis Giles B. Puno

(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:

The company reminds directors that they should exercise sound judgment in accepting other directorships outside the Corporation.

(c) Shareholding in the Company

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

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Manuel M. Lopez	16,936,679	1, FPH	0.2556%
Oscar M. Lopez	174,897	1, FPH	0.0029%
Federico R. Lopez	-	1, FPH	0.0000%
Eugenio L. Lopez III	-	1, FPH	0.0000%
Nestor J. Padilla	21,150,000	1, FPH	0.3458%
Francis Giles B. Puno	5,656	0	0.0000%
Miguel Ernesto L. Lopez	68,693	1, FPH	0.0011%
Manuel L. Lopez, Jr.	75,000	1, FPH	0.0012%
Oscar J. Hilado	-	1, FPH	0.0000%
Vicente R. Ayllón ³	-	1, FPH	0.0000%
Ferdinand Edwin S. CoSeteng	1	0	0.0000%
Monico V. Jacob ⁴	2	0	0.0000%
TOTAL	38,410,928	9	0.6006%

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	Manuel M. Lopez
CEO/President	Nestor J. Padilla

(b) Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer

³ Mr. Ayllon resigned as an independent director as of April 6, 2016.

⁴ Mr. Jacob was elected on April 06, 2016 as an independent director to serve the unexpired term of Mr. Ayllon.

	Chairman	Chief Executive Officer
Role and Accountabilities	<p>Section 3 of Article IV of Company By-Laws</p> <p>“The Chairman of the Board – The Chairman shall preside at all meetings of the stockholders and of the board of Directors. He shall do and perform such duties as may be from time to time assigned to him by the Board of Directors. The Board may elect a Director as Vice Chairman.</p> <p>Section 8 of Corporate Governance Manual defines its role as:</p> <p>“The Chairman</p> <p>The roles of the Chairman of the Board and the President shall, as much as practicable, be separate to foster an appropriate balance of power, increased accountability and better capacity for independent decision-making by the Board.</p> <p>A clear delineation of functions should be made between the Chairman and the President. If the positions of Chairman and President are unified, the proper checks and balances should be laid down to ensure that the Board gets the benefit of independent views and perspectives.</p> <p>The Corporation shall disclose the relationship between the Chairman and the President, if any, in its annual report to the Securities and Exchange Commission or such other regulatory agency as may be required by law.”</p>	<p>Section 4 of Article IV of Company By-Laws</p> <p>“The President – The President may be the chief executive officer of the Corporation. In the absence of the Chairman or the Vice Chairman, he shall preside at all meetings of the stockholders and of the Board of Directors. He shall have general charge, direction, and supervision of the business and affairs of the Corporation. He shall from time to time make such reports on the affairs of the Corporation as the Board of Directors may require and shall annually present a report of the preceding year’s business at the stockholder’s meeting. He shall sign all certificates of stock and all instruments required to be executed on the part of Corporation, except as otherwise provided by the By-Laws or by the Board of Directors. He shall do and perform such other duties as may be from time to time assigned to him by the Board of Directors.”</p>
Deliverables	A well-functioning Board.	<p>The CEO, together with management, proposes strategies, policies and general directions to the Board.</p> <p>The CEO oversees the implementation of the approved strategies, policies and general directions.</p>

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

Section 2 of Corporate Governance provides:

“The Board shall have a process for the selection of qualified and competent directors and officers and adopt an effective succession planning program for management.”

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.

Our board is comprised of three finance professionals (please see details below) and eight business executives.

Mr. Oscar J. Hilado has been a Director of Rockwell Land since 2015. He is also an independent director of FPH since 1996. He is the Chairman of the Philippine Investment Management (PHINMA), Inc. and Holcim Phils., Inc. He is currently Chairman of the Board and Chairman of the Executive Committee of Phinma Corporation, Vice Chairman of Trans Asia Power Generation Corp.; Chairman of Trans Asia Oil & Energy Development Corp. and Chairman of Union Galvasteel Corp. He graduated with Highest Honors and with a Gold Medal for General Excellence and a Bachelor of Science in Commerce Degree from De La Salle College (Bacolod). He pursued his Degree of Masters in Business Administration at the Harvard Graduate School of Business Administration from 1960-1962. Mr. Hilado is a Certified Public Accountant. He has been part of the Lopez Group in a directorship capacity within the last five (5) years. Mr. Hilado is likewise an independent director of A. Soriano Corporation and Philex Mining Corporation. He is also a Director of Manila Cordage Company, Seven Seas Resorts & Leisure, Inc.; and Beacon Property Ventures, Inc.

Mr. Vicente R. Ayllon is currently the Chairman of the Board & CEO of The Insular Life Assurance Co., Ltd., Chairman of the Board and President of Insular Property Holdings, Inc., Chairman of the Board of Asian Hospital, Inc., Insular Investment Corporation, Insular Health Care, Insular Foundation, Insular Management and Development Corporation, Home Credit Mutual Building and Loan Association, which are in the business of insurance and health care. He has resigned from the Board on April 6, 2016

Mr. Francis Giles B. Puno has been a Director of Rockwell Land since 2013 and is currently the President and Chief Operating Officer of FPH and First Gen Corporation. He was previously FPH’s Chief Finance Officer and Treasurer and Executive Vice-President in September 2011. He is also a director in FPH, First Gen, Energy Development Corporation and First Philippine Industrial Park. Before joining FPHC, he worked with The Chase Manhattan Bank as Vice President for Global Power and Environment Group.

Mr. Monico V. Jacob was elected as an independent director of Rockwell Land on April 6, 2016. He received his Bachelor of Laws degree from the Ateneo de Manila University in 1971. He has been an independent director of Lopez Holdings Corporation (publicly listed) since 2013. He has been the chairman of Total Consolidated Asset Management, Inc. since 1999, of Global Resource for Outsourced Workers, Inc. since 2000, of Republic Surety & Insurance Co., Inc. since 2008, and of Philplans First, Inc. and Philhealthcare, Inc. since 2013. He has been the president and CEO of STI Education Services Group, Inc. since 2003, of STI Education Systems Holdings, Inc. (publicly listed) since 2012, of Insurance Builders, Inc. since 2010, and of Philippine Life Finance Assurance Corp. since 2012. He has been an independent director of 2GO Group, Inc. (publicly listed) and Negros Navigation Co., Inc., both since 2009. He has been a director of De Los Santos-STI College and De Los Santos-STI Medical Center since 2004, of Jollibee Foods Corp. (publicly listed) since 2000, of Asian Terminals, Inc. (publicly listed) since 2010, of Phoenix Petroleum Philippines, Inc. (publicly listed) since 2010, among others. He was a director of Meralco Industrial Engineering Services Corporation and Clark Electric Distribution Corp. from 2007 to 2010. He was the chairman of Meralco Financial Services Corporation from 2007 to 2012

The backgrounds and experience of the other Board members are likewise of great benefit to the Company.

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, our non-executive directors are experienced in sectors relating to real property. Please refer to details below:

1. Mr. Federico R. Lopez is the Chairman of First Balfour, Inc., Terraprime, Inc., First Philippine Industrial Park, Inc., and First Philippine Realty Corporation, companies engaged in construction and property development.
2. Mr. Oscar J. Hilado is currently the Chairman of the Board and Chairman of the Executive Committee of Phinma Corporation, a holding company engaged in Property Development under the Phinma Property Holdings Corporation. He is also the Chairman of Union Galvasteel Corporation (Industrial/Steel Products) as well as a Director in Microtel Mall of Asia.
3. Mr. CoSeteng is the President of First Philippine Industrial Park.

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

	Executive	Non-Executive	Independent Director
Role	The CEO is the Chief Implementer; the CFO attends to the financials of the Company.	The Non-Executive directors draw from their management experience and knowledge of the business to enhance decision-making, as well as the working relationship, between management/ executive directors and independent directors.	Independent directors provide impartial guidance and advice to the board based on their competence and expertise
Accountabilities	It is the Board's responsibility to foster the long-term success of the Corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders, and other stakeholders.		
Deliverables	The Executive directors propose strategies, policies and general directions to the Board. They oversee the implementation of the approved strategies, policies and general directions.	The Non-Executive Directors provide assurance of the fairness and reasonableness of management plans, proposals and actions.	The Independent Directors provide stronger assurance of the fairness and reasonableness of management plans, proposals and actions.

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

Section 3 of Corporate Governance Manual provides the definition of an Independent Director:

"Qualifications of the independent director"

- An independent director shall mean a person other than an officer or employee of the Corporation, its parent or subsidiaries, or any other individual having a relationship with the Corporation, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a Director.
- If the independent director becomes an officer or employee of the same corporation he shall be automatically disqualified from being an independent director.

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

The Company elects its directors, in accordance with the Corporation Code, Securities Regulation Code, its by-laws and its Manual of 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
Vicente R. Ayllon	Independent Director	April 06, 2016	Resignation

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

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

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors	<p>The nominees are presented to the Nomination, Election and Governance Committee (NOMELEC) by the Corporate Secretary based on the letter-nomination/s received. The NOMELEC discusses / considers the qualification and/or disqualifications of the nominees to the Board.</p> <p>A director-member of the NOMELEC then moves that the Committee nominate, approve and recommend said nomination to the Board, for Board approval. After discussion and on motion duly made and seconded, the NOMELEC then considers, qualifies and accepts/ denies (as the case may be) the nominations. The Committee then makes the relevant recommendation to the Board of Directors.</p>	<p>Manual on Corporate Governance: Section 3: Qualifications of a Director:</p> <ul style="list-style-type: none"> • Holder of at least one (1) share of stock of the Corporation • Personal integrity, capacity to read and understand financial statements, absence of conflicts of interest with the Corporation (subject to the discretion of the Board), time availability and motivation.
(ii) Non-Executive Directors		
(iii) Independent Directors		
b. Re-appointment		
(i) Executive Directors	The nominees for re-	

Procedure	Process Adopted	Criteria
(ii) Non-Executive Directors	<p>appointment are presented to the Nomination, Election and Governance Committee (NOMELEC) by the Corporate Secretary based on the letter-nomination/s received. The NOMELEC discusses / considers the qualification and/or disqualifications of the nominees to the Board.</p>	<p>Personal integrity, capacity to read and understand financial statements, absence of conflict of interest with the Corporation (subject to the discretion of the Board), time availability and motivation and performance the previous year.</p>
(iii) Independent Directors	<p>A director-member of the NOMELEC then moves that the Committee nominate, approve and recommend said nomination to the Board, for Board approval. After discussion and on motion duly made and seconded, the NOMELEC then considers, qualifies and accepts/ denies (as the case may be) the nominations. The Committee then makes the relevant recommendation to the Board of Directors.</p>	
c. Permanent Disqualification		
(i) Executive Directors	<p>The director/s who are proposed to be permanently disqualified are presented to the Nomination, Election and Governance Committee (NOMELEC) by the Corporate Secretary based on the letter-nomination/s received. The NOMELEC discusses / considers the qualification and/or disqualifications of the nominees to the Board.</p> <p>A director-member of the NOMELEC then moves that the Committee nominate, approve and recommend said nomination to the Board, for Board approval. After discussion and on motion duly made and seconded, the NOMELEC then considers, qualifies and accepts/ denies (as the case may be) the nominations. The Committee then makes the relevant recommendation to the Board of Directors.</p>	<i>Manual on Corporate Governance:</i>
(ii) Non-Executive Directors		Section 3: Disqualifications of Directors
(iii) Independent Directors		<p>a. Conviction by final judgment or order by a competent judicial or administrative body of any crime that (i) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (ii) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (iii) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliate person or any of them;</p> <p>b. Final judgment or order of the Securities and Exchange Commission or any court or administrative body of competent jurisdiction which enjoins a person, by reason of misconduct, from (i) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity</p>

Procedure	Process Adopted	Criteria
		<p>trading advisor, or floor broker; (ii) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (iii) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (i) and (ii) above, or willfully violating the laws that govern securities and banking activities.</p> <p>The disqualification shall also apply if such person is currently the subject of an order of the Commission or ay 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 Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member of participant of the organization;</p> <p>c. Conviction by final judgment or order by a court for competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation , perjury or other fraudulent acts;</p> <p>d. Final judgment or order of the Securities and Exchange 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 Securities and Exchange Commission or BSP, or any of its rule, regulation or order;</p> <p>e. Employment as officer or employee or engagement as consultant of the corporation where he has been elected</p>

Procedure	Process Adopted	Criteria
		<p>as an independent director.</p> <p>f. Judicial declaration of insolvency;</p> <p>g. Final judgment or order of 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 a to e above;</p> <p>h. Conviction by final judgment of an offense punishable by imprisonment for more than 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>
d. Temporary Disqualification		
(i) Executive Directors		<i>Manual on Corporate Governance:</i>
(ii) Non-Executive Directors		Section 3: Disqualifications of Directors
(iii) Independent Directors	<p>The director/s who are proposed to be temporary disqualified are presented to the Nomination, Election and Governance Committee (NOMELEC) by the Corporate Secretary based on the letter-nomination/s received. The NOMELEC discusses / considers the qualification and/or disqualifications of the nominees to the Board.</p> <p>A director-member of the NOMELEC then moves that the Committee nominate, approve and recommend said nomination to the Board, for Board approval. After discussion and on motion duly made and seconded, the NOMELEC then considers, qualifies and accepts/ denies (as the case may be) the nominations. The Committee then makes the relevant recommendation to the Board of Directors.</p>	<p>• Refusal to fully disclose the extent of his business interest as required under the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists;</p> <p>• Absence or non-participation for unjustifiable reason/s for more than fifty percent (50%) of all meetings, both regular and special, of the Board during his incumbency, or any twelve (12) month period during said incumbency. This disqualification applies for purposes of the succeeding election;</p> <p>• Dismissal or termination from directorship in another listed corporation for cause. This disqualification shall be in effect until he has cleared himself of any involvement in the alleged irregularity;</p> <p>• Conviction that has not yet become final referred to in the grounds for the disqualification of directors.</p>

Procedure	Process Adopted	Criteria
		<p>The Board may create a Nominations Committee who shall consider the above qualifications and disqualification of a nominee to the Board in its recommendation of such nominee for election or re-election.</p> <p>The Board shall have the final decision to determine the qualifications of a Director.</p>
e. Removal		
(i) Executive Directors	<p>Section 28 of the Corporation Code provides:</p> <p>“Sec. 28. Removal of directors or trustees. - Any director or trustee of a corporation may be removed from office by a vote of the stockholders holding or representing at least two-thirds (2/3) of the outstanding capital stock, or if the corporation be a non-stock corporation, by a vote of at least two-thirds (2/3) of the members entitled to vote: Provided, That such removal shall take place either at a regular meeting of the corporation or at a special meeting called for the purpose, and in either case, after previous notice to stockholders or members of the corporation of the intention to propose such removal at the meeting. A special meeting of the stockholders or members of a corporation for the purpose of removal of directors or trustees, or any of them, must be called by the secretary on order of the president or on the written demand of the stockholders representing or holding at least a majority of the outstanding capital stock, or, if it be a non-stock corporation, on the written demand of a majority of the members entitled to vote. Should the secretary fail or refuse to call the special meeting upon such demand or fail or refuse to give the notice,</p>	<p><i>Manual on Corporate Governance:</i></p> <p>Section 3: Disqualifications of Directors</p>
(ii) Non-Executive Directors		<ul style="list-style-type: none"> • Refusal to fully disclose the extent of his business interest as required under the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists;
(iii) Independent Directors		<ul style="list-style-type: none"> • Absence or non-participation for unjustifiable reason/s for more than fifty percent (50%) of all meetings, both regular and special, of the Board during his incumbency, or any twelve (12) month period during said incumbency. This disqualification applies for purposes of the succeeding election; • Dismissal or termination from directorship in another listed corporation for cause. This disqualification shall be in effect until he has cleared himself of any involvement in the alleged irregularity; • Conviction that has not yet become final referred to in the grounds for the disqualification of directors. <p>The Board may create a Nominations Committee who shall consider the above qualifications and disqualification of a nominee to the Board in its recommendation of such nominee for election or re-election.</p> <p>The Board shall have the final decision to determine the qualifications of a</p>

Procedure	Process Adopted	Criteria
	<p>or if there is no secretary, the call for the meeting may be addressed directly to the stockholders or members by any stockholder or member of the corporation signing the demand. Notice of the time and place of such meeting, as well as of the intention to propose such removal, must be given by publication or by written notice prescribed in this Code. Removal may be with or without cause: Provided, That removal without cause may not be used to deprive minority stockholders or members of the right of representation to which they may be entitled under Section 24 of this Code.</p>	Director
f. Re-instatement		
(i) Executive Directors	<p>The director/s who are proposed to be reinstated are presented to the Nomination, Election and Governance Committee NOMELEC by the Corporate Secretary based on the letter-nomination/s received. The NOMELEC discusses / considers the qualification and/or disqualifications of the nominees to the Board.</p> <p>A director-member of the NOMELEC then moves that the Committee nominate, approve and recommend said nomination to the Board, for Board approval. After discussion and on motion duly made and seconded, the NOMELEC then considers, qualifies and accepts/ denies (as the case may be) the nominations. The Committee then makes the relevant recommendation to the Board of Directors.</p>	<p><i>Manual on Corporate Governance:</i></p> <p>Section 3: Disqualifications of Directors</p> <p>The Board may create a Nominations Committee who shall consider the above qualifications and disqualification of a nominee to the Board in its recommendation of such nominee for election or re-election.</p> <p>The Board shall have the final decision to determine the qualifications of a Director</p>
(ii) Non-Executive Directors		
(iii) Independent Directors		
g. Suspension		
(i) Executive Directors	<p>The director/s who are proposed to be suspended are presented to the Nomination, Election and Governance Committee NOMELEC by the</p>	<p><i>Manual on Corporate Governance:</i></p> <p>Section 3: Disqualifications of Directors</p> <ul style="list-style-type: none"> Refusal to fully disclose the extent
(ii) Non-Executive Directors		
(iii) Independent Directors		

Procedure	Process Adopted	Criteria
	<p>Corporate Secretary based on the letter-nomination/s received. The NOMELEC discusses / considers the qualification and/or disqualifications of the nominees to the Board.</p> <p>A director-member of the NOMELEC then moves that the Committee nominate, approve and recommend said nomination to the Board, for Board approval. After discussion and on motion duly made and seconded, the NOMELEC then considers, qualifies and accepts/ denies (as the case may be) the nominations. The Committee then makes the relevant recommendation to the Board of Directors.</p>	<p>of his business interest as required under the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists;</p> <ul style="list-style-type: none"> Absence or non-participation for unjustifiable reason/s for more than fifty percent (50%) of all meetings, both regular and special, of the Board during his incumbency, or any twelve (12) month period during said incumbency. This disqualification applies for purposes of the succeeding election; Dismissal or termination from directorship in another listed corporation for cause. This disqualification shall be in effect until he has cleared himself of any involvement in the alleged irregularity; Conviction that has not yet become final referred to in the grounds for the disqualification of directors. <p>The Board may create a Nominations Committee who shall consider the above qualifications and disqualification of a nominee to the Board in its recommendation of such nominee for election or re-election.</p> <p>The Board shall have the final decision to determine the qualifications of a Director</p>

Voting Result of the last Annual General Meeting

Name of Director	Votes Received
Manuel M. Lopez	99.98%
Oscar M. Lopez	99.98%
Federico R. Lopez	99.98%
Eugenio L. Lopez III	99.98%
Nestor J. Padilla	99.98%
Francis Giles B. Puno	99.98%
Ferdinand Edwin S. CoSeteng	99.98%
Miguel Ernesto L. Lopez	99.98%
Manuel L. Lopez, Jr.	99.98%
Oscar J. Hilado	99.98%
Monico V. Jacob	99.98%

6) Orientation and Education Program

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

Section 13 of the Manual for Corporate Governance provides:

New directors should be familiarized with the Corporation’s operations, senior management and its business environment and be inducted in terms of their fiduciary duties and responsibilities as well as in respect of the Board’s expectations. If new directors have no board experience, they should receive orientation in their unaccustomed responsibility. Opportunities for orientation for existing and potential directors shall be identified and appropriate development undertaken.

(b) State any in-house training and external courses attended by Directors and Senior Management⁵ for the past three (3) years:

Participants	Year	Training	Provider
AVPs to CEO and Board of Directors	Sept 2015	Gear Up: an Executive Learning Workshop by Tom Kosnik and Kae Fong Tay	FPH
VPs to CEO and Board of Directors	Aug and Sept 2015	Corporate Governance Seminar	SGV & Co.
	Sept 2016	Corporate Governance Training Program	Institute of Corporate Directors
Senior Management	Aug to Sept 2015	Corporate Finance Workshop	Development Center for Finance
AVPs to CEO and Board of Directors	Sept 2016	Corporate Governance Seminar	ICD
Senior Management including VPs and CEO	Nov 2016	Leadership Talks: Leadership and Corporate Governance by Mr. Ricky N. Jacinto	In-house/seminar
	Mar 2017	Leadership Talks: Transformational Leadership by Ms. Leonisa De La Llana Leaders Building a Better World by Mr. Antonio Meloto (founder of Gawad Kalinga) The Exercise of Bridging Leadership: Co-creating Rockwell’s Compelling Future by Prof. Ma. Nieves R. Confesor	In-house/workshop
AVPs to CEO and Board of Directors	March 2015	Executive Learning Workshop on Scaling Up by Verne Harsh and Jeremy Han	FPH
VPs to CEO and Board of Directors	Sept 2014	Corporate Governance Seminar	SGV & Co.
Senior Managers to CEO and Board of Directors	Aug 2014	Executive Learning Session on Adaptive Leadership by Dr. Ronald A. Heifetz	Professor, Harvard Kennedy School

⁵ Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

(c) Continuing education programs for directors: programs and seminars and roundtables attended during the year 2016.

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Manuel M. Lopez Federico R. Lopez Nestor J. Padilla Eugenio L. Lopez III Francis Giles B. Puno Miguel L. Lopez Manuel L. Lopez, Jr. Ferdinand Edwin S. Coseteng Oscar Hilado Valerie Jane L. Soliven Ma. Lourdes L. Pineda Ellen V. Almodiel Divino M. Villanueva, Jr. Davy T. Tan Estela Y. Dasmariñas Adela D. Flores Abel L. Roxas Enrique I. Quiason Esmeraldo C. Amistad	September 16, 2016	Corporate Governance Seminar	Institute of Corporate Directors

On Dec. 12, 2016, OML was granted permanent exemption by the SEC from attending corporate governance trainings.

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	Section 2 of the Manual for Corporate Governance: A director is a fiduciary of the Corporation and shall not take advantage of the Corporation by means of fraudulent or unfair transactions. He must act honestly and in good faith in the interest of the Corporation. He must avoid actual and potential conflicts of interest and shall disclose fully and fairly his interests in contracts with the Corporation.	Section F of Code of Discipline: 19. Engaging in the same business activities which are of the same nature with the operations or business of Rockwell Land Corporation: First Offense – Dismissal 20. Competing with or acting against the business of the Company established goodwill, or any act of disloyalty: First Offense – Dismissal	

Business Conduct & Ethics	Directors	Senior Management	Employees
(b) Conduct of Business and Fair Dealings	<p>Section 2 of the Manual for Corporate Governance:</p> <p>A director must exercise that degree of skill, diligence and care that a reasonably prudent person would exercise in similar circumstances. It shall be sufficient for a director to act on an informed basis in good faith and in honest belief that the action was taken in the best interest of the Corporation.</p> <p>A director is a fiduciary of the Corporation and shall not take advantage of the Corporation by means of fraudulent or unfair transactions. He must act honestly and in good faith in the interest of the Corporation. He must avoid actual and potential conflicts of interest and shall disclose fully and fairly his interests in contracts with the Corporation.</p> <p>The directors must act only within corporate powers.</p>	<p>Code of Discipline:</p> <p>23. Failure to disclose business ventures and endeavors to Rockwell Land Corporation: First Offense - Dismissal</p>	
(c) Receipt of gifts from third parties	<p>The Company abides by the requirements of the law, including those against graft and corruption.</p>		
(d) Compliance with Laws & Regulations	<p>Section 2 of the Manual for Corporate Governance:</p> <p>A director shall have a working knowledge of the statutory and regulatory requirements affecting the Corporation, including its Articles of Incorporation and By-Laws, the rules and regulations of the SEC and, where applicable, the requirements of relevant regulatory agencies.</p>	<p>Section 2 of the Manual of Corporate Governance</p> <p>The Board shall ensure that adequate procedures, systems and practices that protect the Corporation's assets and reputation are in place and are maintained. The Board shall be guided by best business practices. The Board shall ensure the Corporation's faithful compliance with all applicable laws, regulations and be guided by best business practices.</p>	
(e) Respect for Trade Secrets/Use of Non-public Information	<p>Section 2 of the Manual for Corporate Governance:</p> <p>A director shall observe</p>	<p>Section H of Code of Discipline:</p> <p>4. Disclosure of confidential information. First Offense – Dismissal</p>	

Business Conduct & Ethics	Directors	Senior Management	Employees
	<p>confidentiality. A director should keep secure and confidential all non-public information he may acquire or learn by reason of his position as director.</p>	<p>8. Unauthorized use of computer passwords or use of computer passwords of other employees. First Offense – Three (3) working days suspension Second Offense – Six (6) working days suspension Third Offense – Dismissal</p> <p>10. Unauthorized disclosure of confidential information, trade secrets related to the Company’s affairs or unauthorized reproduction of Company records, documents, etc. known by employee(s) but unknown to outsiders which may benefit any competitor or any other party to the prejudice of the Company. First Offense - Dismissal</p>	
(f) Use of Company Funds, Assets and Information	<p>Section 2 of the Manual for Corporate Governance:</p> <p>A director shall 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.</p>	<p>Section F of Code of Discipline:</p> <p>9. Sabotage of Company materials and / or equipment: First Offense – Dismissal</p> <p>15. Using Company or its properties as part of illegal activities or making use of the Company’s name for personal gain or profit, or entering into transactions which are grossly disadvantageous to the Company, misrepresenting himself as duly authorized: First Offense – Dismissal</p> <p>21. Misappropriation, conversion, embezzlement or malversation of funds, assets, or property belonging to the company or co-employee: First Offense – Dismissal</p> <p>24. Stealing or attempting to steal private or Company property: First Offense – Dismissal</p> <p>25. Conniving or participating in any manner in the act of pilferage, theft or robbery of the Company property or other. Unauthorized possession of Company keys; First Offense – Dismissal</p> <p>26. Falsifying personal or any other Company records, either when applying for employment or during employment; First Offense – Dismissal</p>	
(g) Employment & Labor Laws & Policies	<p>Section 18 of the Manual for Corporate Governance:</p> <p>To strictly observe and implement the provisions of this Manual, the Board may take appropriate actions, after notice and hearing, on the individual directors, officers and employees, such as</p>	<p>Section I of Code of Discipline:</p> <p>This policy is created to set forth the Company’s Code of Discipline and the disciplinary process that the Company must utilize to address unacceptable behavior and related employment problems in the workplace, or outside the workplace when conduct impacts an employee’s ability to do his/her job and/or influence the company’s overall performance.</p>	

Business Conduct & Ethics	Directors	Senior Management	Employees
	<p>censure, suspension or removal from office depending on the gravity of the offense as well as the frequency of the violation.</p> <p>The Commission of a serious violation of a material provision of this Manual by any member of the Board of the Corporation shall be sufficient cause for removal from directorship.</p>		
(h) Disciplinary action	<p>Section 18 of the Manual for Corporate Governance:</p> <p>To strictly observe and implement the provisions of this Manual, the Board may take appropriate actions, after notice and hearing, on the individual directors, officers and employees, such as censure, suspension or removal from office depending on the gravity of the offense as well as the frequency of the violation.</p> <p>The Commission of a serious violation of a material provision of this Manual by any member of the Board of the Corporation shall be sufficient cause for removal from directorship.</p>	<p>Section III of Code of Discipline:</p> <p>3.1 Administrative Procedures</p> <p>3.1.1 These procedures accompany the Code of Discipline and are designed to assist functional units and Human Resources in the administration of the Company's disciplinary system.</p> <p>3.1.2 Corrective actions, whether informal or formal, must depend upon the nature, consequence/s, or potential consequence/s of the employee's conduct of performance and the surrounding circumstances and mitigating factors, if any. Management should apply corrective actions consistently, while taking into consideration the specific circumstances of each individual case. Prior to taking any corrective action it is suggested that Management considers the following:</p> <p>Whether the corrective action is consistent with Company standards of conduct.</p> <p>The nature, severity, and consequences of the offense.</p> <p>Whether, the offense constitutes a violation of a policy, procedure, or law.</p> <p>Previous counseling, whether informal or formal that addressed the same or similar misconduct or performance.</p> <p>Previous disciplinary actions that addressed the same or similar misconduct or performance.</p> <p>Whether the offense relates to the employee's job duties and the employee's ability to perform satisfactorily.</p> <p>How issues with similarly situated employees have been addressed.</p> <p>Mitigating factors that would compel a reduction in the disciplinary action to promote the interests of fairness and objectivity.</p> <p>If the corrective action is appropriate for a specific offense.</p>	

Business Conduct & Ethics	Directors	Senior Management	Employees
		<p>Procedures include:</p> <ul style="list-style-type: none"> 3.2.3 Preliminary Investigation 3.2.4 Preventive Suspension 3.2.5 Administrative Hearing 3.2.6 Disciplinary Action <ul style="list-style-type: none"> 3.2.6.1 Written Reprimand 3.2.6.2 Suspension 3.2.6.3 Dismissal 	
(i) Whistle Blower	Whistleblowing Policy	<p>Whistleblowing Policy</p> <p>I. POLICY STATEMENT</p> <p>In line with Rockwell Land core values, its business integrity is non-negotiable. We are committed to conducting our business in accordance with the law and maintaining the highest ethical standard of openness, probity and accountability.</p> <p>This Policy aims to provide an avenue for employees, business partners and other stakeholders to report information relevant to suspected or actual occurrence of illegal, unethical or inappropriate activity through a confidential reporting channel. It also aims to ensure that each report shall be treated with utmost importance and that any person raising such concern in good faith will be protected from any retaliatory actions.</p> <p>II. POLICY COVERAGE</p> <p>This Policy applies to all employees of Rockwell Land and its subsidiaries, as well as its business partners and other stakeholders.</p> <p>III. DEFINITION OF TERMS</p> <p>IV. IMPLEMENTING GUIDELINES</p> <p>A. Reportable Conditions</p> <ul style="list-style-type: none"> a. Conflicts of Interest b. Misconduct or Policy Violations c. Theft, Fraud, or Misappropriation d. Falsification of Documents e. Financial Reporting Concerns f. Retaliation Complaints <p>B. Reporting Channel and Format</p> <p>Any person who would like to raise a concern or issue can report the matter through any of the following mechanism:</p> <ul style="list-style-type: none"> 1. Directly to the Head of Internal Audit either personally or via hotline (632) 793-1061 or mobile no. 0998-967-7863 2. Send the disclosure or information through a secure email address at tip@rockwell.com.ph 3. Send the written report in a sealed envelope clearly 	

Business Conduct & Ethics	Directors	Senior Management	Employees
		<p>marked with “Strictly Private and Confidential – To be opened by Addressee Only” to the Head of Internal Audit in the address below;</p> <p>To: Rockwell Internal Audit Head 2/F East Podium, Joya Lofts and Towers Rockwell Center, Makati City, 1200 Philippines</p> <p>In submitting the report, the informant should disclose his relationship with the Company, e.g., employee, customer, supplier, concerned citizen and others. In addition, the informant shall state if the information has been reported to anyone outside Rockwell Land and provide details if it has been.</p> <p>The report should show full disclosure of any relevant details and supporting documentation. We encourage the informant to follow the format below in raising a report.</p> <p>Name: Relationship with Rockwell Land: Contact number / email: Date: Name of those involved (if known): Full details of the issue (please provide the names, dates and places and attached any supporting evidence/documents, pictures)</p> <p>C. Receipt of Information and Investigation D. Protection and Confidentiality E. Grievance Procedure F. Malicious Reports G. Implementation and Review of Policy H. Other Provisions</p>	
(j) Conflict Resolution	<p>Section 2 of the Manual for Corporate Governance:</p> <p>As may be deemed proper by the Board, it may establish and maintain an alternative dispute resolution system that can amicably settle conflicts and differences between the corporation and its stockholders, and the corporation and third parties, including the regulatory authorities.</p>	No written policy yet	

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

While a Code of Ethics is not formally in place, the company has a code of discipline disseminated to all

employees.

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

Section 17 of the Manual on Corporate Governance states:

“The Committees shall report to the Board in such manner as the Board may require

This Manual shall be subject to annual review or at such frequency as may be determined by the Board.”

Section 18 of the Manual on Corporate Governance states:

“To strictly observe and implement the provisions of this Manual, the Board may take appropriate actions, after notice and hearing, on the individual directors, officers and employees, such as censure, suspension or removal from office depending on the gravity of the offense as well as the frequency of the violation.

The Commission of a serious violation of a material provision of this Manual by any member of the Board of the Corporation shall be sufficient cause for removal from directorship.”

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	Note 27 of the Audited FS: <u>Terms and Conditions of Transactions with Related Parties:</u> Purchases from related parties are made at normal market prices. Outstanding balances at year-end are unsecured, interest-free, settlement occurs in cash and collectible/payable on demand. There have been no guarantees provided for or received for any related party receivables or payables. For the years ended December 31, 2016, 2015 and 2014, the Company has not made any provision for doubtful accounts relating to amounts owed by related parties. This assessment is undertaken at each financial year through examination of the financial position of the related party and the market in which the related party operates.
(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	

(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.

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	Not Applicable
Name of Officer/s	Not Applicable
Name of Significant Shareholders	Not Applicable

(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.

	Directors/Officers/Significant Shareholders
Company	The Audit Committee has been created to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders. The External Auditor is engaged to review the related party transactions. The Company submits itself to oversight by government and regulatory institutions and agencies. The Company engages third-party institutions to evaluate the fairness of major related party transactions.
Group	

5) Family, Commercial and Contractual Relations

(a) Indicate, if applicable, any relation of a family,⁶ 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:

Director's Name	Name of the Significant Shareholder	Description of the relationship
Oscar M. Lopez & Manuel M. Lopez	Oscar M. Lopez – Chairman Emeritus Manuel M. Lopez - Chairman	Oscar M. Lopez and Manuel M. Lopez are brothers.
Eugenio L. Lopez III	Eugenio L. Lopez III, Oscar M. Lopez and Manuel M. Lopez	Eugenio L. Lopez III is the nephew of Oscar M. Lopez and Manuel M. Lopez.
Manuel L. Lopez Jr. Miguel Ernesto L. Lopez	Miguel L. Lopez Jr. and Miguel Ernesto Lopez	Manuel L. Lopez Jr. and Miguel Ernesto L. Lopez are brothers and sons of Manuel M. Lopez.
Federico R. Lopez, Eugenio Lopez III, Miguel Ernesto L. Lopez and Manuel L. Lopez, Jr.	Federico R. Lopez, Eugenio Lopez III, Miguel Ernesto L. Lopez and Manuel L. Lopez, Jr	Miguel Ernesto L. Lopez and Manuel L. Lopez, Jr. are cousins of Federico R. Lopez, Eugenio Lopez III
Federico R. Lopez and Francis Giles B. Puno	Federico R. Lopez and Francis Giles B. Puno	Federico R. Lopez is the brother-in-law of Francis Giles B. Puno

(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:

None, FPH is the only significant holder of equity.

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

⁶ Family relationship up to the fourth civil degree either by consanguinity or affinity.

the company:

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

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.

Alternative Dispute Resolution System	
Corporation & Stockholders	The Company, through its stock transfer agent, investor relations unit, Office of the Corporate Secretary and legal department, attends to the needs of the stockholders. As much as possible, matters are resolved short of legal proceedings.
Corporation & Third Parties	Alternative Dispute Resolution systems, including senior management consultations, mediations, conciliations and arbitration, are provided in Joint Venture Agreements and similar contractual arrangements.
Corporation & Regulatory Authorities	Regular consultations with regulatory and government agencies.

C. BOARD MEETINGS & ATTENDANCE

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

Article II Section 6 of the Corporate By-Laws provides:

The organizational meetings of the Board of Directors shall be held without notice immediately after the annual meeting of the stockholders as provided in Section 1, Article I hereof, and thereafter all meetings of the Board of Directors shall be on such dates as may fixed by resolution of the Board of Directors. Special meetings of the Board may be called by the President or by written request of any three (3) directors, upon at least one day's notice of the time and place of holding the same, given personally or by letter, telegram, or telephone, facsimile transmission, electronic mail or short messaging system (SMS). Meetings may be held at any time and place without notice if all the Directors are present or if those not present waive notice in writing before or after the meeting. The Board of Directors may meet by video conference or teleconference or through other similar electronic means.

2) Attendance of Directors (January 1, 2016 to December 31, 2016)

Board	Name	Date of Election	Jan 1 – Dec 31, 2016		
			No. of Meetings Held	No. of Meetings Attended	%
Chairman	Manuel M. Lopez	6/2/2016	10	10	100%
Member	Oscar M. Lopez	6/2/2016	10	6	60%
Member	Federico R. Lopez	6/2/2016	10	6	60%
Member	Eugenio L. Lopez III	6/2/2016	10	6	60%
Member	Nestor J. Padilla	6/2/2016	10	9	90%

Board	Name	Date of Election	Jan 1 – Dec 31, 2016		
			No. of Meetings Held	No. of Meetings Attended	%
Member	Miguel L. Lopez	6/2/2016	10	10	100%
Member	Manuel L. Lopez, Jr.	6/2/2016	10	10	100%
Member	Francis Giles B. Puno	6/2/2016	10	6	60%
Member	Ferdinand Erwin S. CoSeteng	6/2/2016	10	9	90%
Independent	Monico V. Jacob*	6/2/2016	6	5	83%
Independent	Oscar J. Hilado	5/27/2015	10	6	60%

*Elected on April 06, 2016

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

Yes, the audit committee, which is composed of 2 non-executive directors and 2 independent directors, held five meetings on February 4, 2016 (special board), March 14, 2016, May 10, 2016, August 9, 2016 and November 14, 2016.

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

No, but majority of the board meetings are attended by at least two-thirds of the board members

5) Access to Information

(a) How many days in advance are board papers⁷ for board of directors meetings provided to the board?

Board papers for board of directors meetings are provided at least one business day in advance

This is in accordance with Section 11 of the Manual on Corporate Governance which provides:

Adequate and Timely information

To enable the members of the Board to properly fulfill their duties and responsibilities, Management shall provide them with complete, adequate and timely information about the matters to be taken in their meetings.

Members of the Board should be given independent access to Management and the Corporate Secretary.

The information that the Board may seek may include the background or explanation on matters brought to before the Board, disclosures, budgets, forecasts and internal financial documents.

The members of the Board, in furtherance of their duties and responsibilities, should have access to independent professional advice at the corporation's expense provided that such expenses are reasonable.

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

Yes

⁷ 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.

Section 11 of the Manual on Corporate Governance which provides:

Adequate and Timely information

To enable the members of the Board to properly fulfill their duties and responsibilities, Management shall provide them with complete, adequate and timely information about the matters to be taken in their meetings.

Members of the Board should be given independent access to Management and the Corporate Secretary.

The information that the Board may seek may include the background or explanation on matters brought to before the Board, disclosures, budgets, forecasts and internal financial documents.

The members of the Board, in furtherance of their duties and responsibilities, should have access to independent professional advice at the corporation's expense provided that such expenses are reasonable.

- (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?**

"Section 6 of Article IV of Company By-Laws

The Secretary – The Secretary, who must be a citizen and resident of the Philippines, shall keep the minutes of all meetings of the stockholders. He shall attend to the giving and serving of all notices of the Corporation. He shall have the charge of such books and papers as the Board of Directors, may direct, and shall perform all the duties as may be assigned to him by the Board of Directors. The Board of Directors may also appoint one or more Assistant Secretaries, who may perform the duties of the Secretary, if the latter is absent , or when such duties may be allowed or delegated by the Board of Directors, or by the Manual of Corporate Governance."

Section 8 of the Manual on Corporate Governance states:

"The Corporate Secretary and the Assistant Corporate Secretary shall have the following duties and responsibilities:

- Assist the Board in the preparation of the agenda of meetings and the management in the preparation and gathering of materials to be presented to the Board or the shareholders.
- Implement such methods adopted by the Board to efficiently and timely inform and brief the board members prior to board meetings.
- Attend Board meeting and take down the minutes of special and regular meetings of the Board and shareholders.
- Be loyal to the mission, vision and objectives of the Corporation.
- Work fairly and objectively with the Board, Management, stockholders and other stakeholders.
- Have appropriate administrative and interpersonal skills.
- If he is not at the same time the Corporation's legal counsel, be aware of the laws, rules and regulations necessary in the performance of his duties and responsibilities.
- Have a working knowledge of the operations of the Corporation.

- If he is also the Compliance Officer, perform all the duties and responsibilities of the said officer provided for in this Manual.
- Issue a certification every January 30th of the year on the attendance of directors in meetings of the Board, countersigned by the Chairman of the Board.

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

Yes. Enrique I. Quiason has been the Corporate Secretary of the Corporation since 1995. He is a Senior Partner of the Quiason Makalintal Barot Torres Ibarra Sison & Damaso Law Firm. He is the Corporate Secretary of Lopez Holdings and First Philippine Holdings Corp. and Assistant Corporate Secretary of ABS-CBN. He is also the Corporate Secretary and Assistant Corporate Secretary of various subsidiaries or affiliates of FPH and Lopez Holdings. He graduated with a B.S. Business Economics (cum laude) degree in 1981 and with a Bachelor of Laws degree in 1985 from the University of the Philippines. He received his LL.M. in Securities Regulation from Georgetown University in 1991. His law firm has acted as legal counsel to the Lopez group for the last five (5) years.

(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

Section 11 of the Manual for Corporate Governance provides:

To enable the members of the Board to properly fulfill their duties and responsibilities, Management shall provide them with complete, adequate and timely information about the matters to be taken in their meetings.

Members of the Board should be given independent access to Management and the Corporate Secretary.

The information that the Board may seek may include the background or explanation on matters brought to before the Board, disclosures, budgets, forecasts and internal financial documents.

The members of the Board, in furtherance of their duties and responsibilities, should have access to independent professional advice at the corporation's expense provided that such expenses are reasonable.

Committee	Details of the procedures
Audit	Upon the request of the director, the Office of the Corporate Secretary and Management provides the relevant information
Nomination	
Risk Management	
Others (specify)	

6) External Advice

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

Last paragraph of Section 11 of the Manual for Corporate Governance states:

“The members of the Board, in furtherance of their duties and responsibilities, should have access to independent professional advice at the corporation's expense provided that such expenses are reasonable.”

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:

Not applicable

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	Through the Board as implemented by the Chairman	CEO gives the salary increase based on approved guidelines
(2) Variable remuneration	Based on approved guidelines	Based on approved guidelines
(3) Per diem allowance	Based on approved guideline	Based on approved guideline
(4) Bonus	By-Laws and approved guidelines	By-Laws and approved guidelines
(5) Stock Options and other financial instruments	Based on approved Stock Option Plan	Based on approved Stock Option Plan
(6) Others (specify)	-	-

2) **Aggregate Remuneration**

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

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	P49.2 million	0	0
(b) Variable Remuneration	0	0	0
(c) Per diem Allowance	P352.9 thousand	P1.24 million	P352.9 thousand
(d) Bonuses	P4.4 million	0	0
(e) Stock Options and/or other financial instruments	0	0	0
(f) Others (Specify)	0	0	0
Total	P54.0 million	P1.24 million	P352.9 thousand

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	0	0	0
2) Credit granted*	P68.6 million	P79.1 million	0
3) Pension Plan/s Contributions	0	0	0
(d) Pension Plans, Obligations incurred**	P13.1 million	0	0
(e) Life Insurance Premium	P72.8 thousand	0	0
(f) Hospitalization Plan	0	0	0
(g) Car Plan	0	0	0
(h) Others (Specify)	0	0	0
Total	P154.5 million	P79.1 million	0

*Represents receivables from sale of units done in the ordinary course of business.

**Note 24 of the Audited FS: The Company has a funded, noncontributory defined benefit pension plan covering all regular and permanent employees.

Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

3) 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:

On May 2, 2012 and August 3, 2012, the BOD and the stockholders, respectively, approved the implementation of the ESOP to be offered to all regular employees of the Company including employees seconded to other affiliates or other individuals that the Board of Administrators may decide to include. The aggregate number of ESOP shares that may be issued shall not at any time exceed 3% of the issued capital stock of the Company on a fully diluted basis. The maximum numbers of shares a participant is entitled to shall be determined as a multiple of the gross basic monthly salary based on rank and performance for the year preceding the award. The option is exercisable anytime within the Option Term once vested.

The outstanding options as of March 31, 2017 are as follows:

Name	No. of Shares	Date of Grant	Exercise Price	Market Price at the Date of Grant
Lopez, Miguel Ernesto L. (Treasurer and SVP, Office Commercial Development) Padilla, Nestor J. (President and CEO)	30,690,000	various	P1.46	various

(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:

Not applicable

4) 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 2016:

Name of Officer/Position	Total Remuneration
Senior Vice President, Rockwell Residential Development	P19.2 million
Senior Vice President, Primaries Development Corporation	
Senior Vice President, Finance & Accounting	
Vice President, Human Resources	
Vice President, Provincial Development	

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

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

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	Not applicable						
Audit	-	2	2	Please refer to attached Audit Committee Charter.	To assist the Board of Directors in fulfilling its oversight responsibilities for the management and financial reporting process, the system of	The committee will have the following responsibilities: V.1.Financial Statements The review of the financial statements of the company shall be done by the Audit Committee in the following context:	II.AUTHORITY The audit committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. In the performance of its functions, the Committee is

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	Not applicable						
					<p>internal control, the maintenance of an effective audit process, and the process for monitoring compliance with the code of conduct.</p>	<p>a) Management has the primary responsibility for the financial statements and the financial reporting process; and</p> <p>b) The External Auditors is responsible for expressing an opinion on the conformity of the company's consolidated financial statements with the Philippine Financial Reporting Standards</p> <p>Review the quarterly financial statements with management and the annual financial statements with the external auditors, focusing particularly on:</p> <ul style="list-style-type: none"> •Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements 	<p>empowered to:</p> <p>II.1. Recommend to the Board appointment, compensation, and oversee the work of any registered public accounting firm employed by the organization (i.e. external auditors);</p> <p>II.2. Resolve any disagreements between management and the auditor regarding financial reporting;</p> <p>II 3. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the corporation;</p> <p>II.4.Pre-approve all auditing and non-audit services;</p> <p>II.5.Retain independent counsel, accountants,</p>

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	Not applicable						
						<p>, and understand their impact on the financial statements;</p> <ul style="list-style-type: none"> •Review with management and external auditors (annual financial statements) the results of audit, including any difficulties encountered; •Review the annual financial statements and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles; •Review interim financial reports with management before filing with regulators, and consider whether they are complete and consistent with the information known to committee members; •Review of disclosures of material information, related party 	<p>or others to advise the committee or assist in the conduct of an investigation;</p> <p>II.6.Seek any information it requires from employees – all of whom are directed to cooperate with the committee’s requests – or external parties;</p> <p>II.7.Meet with company officers, external auditors, or outside counsel as necessary; and</p> <p>II.8.Receive, review, and discuss reports or updates by internal and external counsels and regulatory agencies, when applicable, and ensure that management is taking appropriate actions to address regulatory issues as well as on of litigations, claims, and contingencies,</p>

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	Not applicable						
						<p>transactions, and subsequent events;</p> <ul style="list-style-type: none"> •Review and approval of management representation letter before submission to external auditor.; and •Recommend to the Board of Directors the approval of the Audited Financial Statements <p>V.2.External Audit</p> <ul style="list-style-type: none"> •Review the external auditor’s proposed audit scope and approach, including coordination of audit efforts with internal audit; •Review the performance of external auditor and recommend to the Board the appointment or discharge of the auditors; •Review and confirm the independence of the external auditors by obtaining statements from the auditors on 	if any.

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	Not applicable						
						<p>relationships between the auditors and the company, including non-audit services, and discussing the relationships with the auditors;</p> <ul style="list-style-type: none"> •Ensure that auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions without inferring scope limitation; •Regularly meet with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately; •Review and approve audit related and permitted non-audit services to be rendered by the external auditors. •The Committee shall regularly review and assess external auditors' fees and shall ensure that the fees 	

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	Not applicable						
						<p>charged by the company's external auditors shall be commensurate with their reputation, level of expertise, and required scope of work, and shall be in accordance with current industry standards.</p> <p>V.3.Internal Control System</p> <ul style="list-style-type: none"> •Consider the effectiveness of the company's internal control system, including information technology security and control; •Understand the scope of internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management responses; •Monitor and evaluate the adequacy and effectiveness of the corporation's internal control system, 	

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	Not applicable						
						<p>including financial reporting control and information technology security; and</p> <ul style="list-style-type: none"> •Review frameworks for fraud prevention and detection including whistle blower program, if any. <p>V.4.Internal Audit</p> <ul style="list-style-type: none"> •The Committee shall ensure the existence of a working internal audit group, which shall be headed by a competent business manager, to identify audit issues, propose resolutions to these issues, and provide reasonable assurance that key organizational and procedural controls as promulgated by Management are effective, appropriate, and enforced; •The Committee shall establish a direct reporting line of the internal audit to the Committee to prevent impediments in 	

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	Not applicable						
						<p>the conduct of internal audit activities and the conveyance/presentation of audit findings. The internal audit shall functionally report directly to the Audit Committee;</p> <ul style="list-style-type: none"> •Review with management and the Internal Audit Head the plans, activities, staffing and organizational structure of the internal audit function. The annual internal audit plan must conform to the objectives of the corporation and shall include the audit scope, resources and budget necessary to implement it; •Ensure that there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the Internal Audit Head; •Review the effectiveness of internal audit function, including compliance with 	

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	Not applicable						
						<p>the International Standards for the Professional Practice of Internal Auditing;</p> <ul style="list-style-type: none"> •On a regular basis, meet separately with the Internal Audit Head to discuss any matters that the committee or internal audit believes should be discussed privately; and •The Committee shall periodically review the internal audit charter and amend any revisions thereto as applicable; <p>V.5.Reporting responsibilities</p> <ul style="list-style-type: none"> •Regularly report to the board of directors about committee activities, issues, and related recommendations. •Report annually to the shareholders, describing the committee's composition responsibilities, and how they were discharged, and any other information 	

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	Not applicable						
						<p>required by rule, including approval of non-audit services.</p> <ul style="list-style-type: none"> •Review any reports (e.g. to SEC and PSE) the company issues that relate to committee responsibilities. Coordinate, monitor and facilitate compliance with laws, rules and regulations. <p>V.6. Other Responsibilities</p> <ul style="list-style-type: none"> •Perform other activities related to this charter as requested by the Board of Directors; •Institute and oversee special investigations as needed; •Review and assess the adequacy of committee charter annually, requesting board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation; •Conduct an assessment on the performance 	

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	Not applicable						
						<p>of the Audit Committee on an annual basis or in such shorter intervals as may be set by the Board of Directors and in compliance with the relevant regulatory requirements; and</p> <ul style="list-style-type: none"> • Confirm annually that all responsibilities outlined in this charter have been carried out. <p>V.7. Review and Amendments</p> <p>The Committee shall periodically revisit and/or review this Charter specifically for the purpose of adapting changes hereto in accordance with the Rockwell Land Corporation's Manual on Corporate Governance and in keeping with new standards and emerging trends.</p>	
Nominatio n and Elections	-	3	1		The Nominatio n and Election Committe e shall have the function of		

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	Not applicable						
					reviewing and evaluating the qualification of all persons nominated to the Board and other requirements that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors, selecting directors and passing upon their qualifications.		

2) Committee Members

(a) Executive Committee – Not Applicable

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Oscar J. Hilado	6/2/2016	5	5	100%	2 years
Member (ID)	Monico V. Jacob	6/2/2016	5	2	40%	Less than 1 year
Member	Manuel L. Lopez, Jr.	6/2/2016	5	5	100%	3 years

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
(NED)						
Member (NED)	Francis Giles B. Puno	6/2/2016	5	3	60%	3 years

Disclose the profile or qualifications of the Audit Committee members.

Indicated in SEC 20-IS 2016

Oscar J. Hilado - 79, Filipino

Mr. Hilado has been a Director of Rockwell Land since 2015. He is also an independent director of FPH since 1996. He is the Chairman of the Philippine Investment Management (PHINMA), Inc. and Holcim Phils., Inc. He is currently Chairman of the Board and Chairman of the Executive Committee of Phinma Corporation, Vice Chairman of Trans Asia Power Generation Corp.; Chairman of Trans Asia Oil & Energy Development Corp. and Chairman of Union Galvasteel Corp. He graduated with Highest Honors and with a Gold Medal for General Excellence and a Bachelor of Science in Commerce Degree from De La Salle College (Bacolod). He pursued his Degree of Masters in Business Administration at the Harvard Graduate School of Business Administration from 1960-1962. Mr. Hilado is a Certified Public Accountant. He has been part of the Lopez Group in a directorship capacity within the last five (5) years. Mr. Hilado is likewise an independent director of A. Soriano Corporation and Philex Mining Corporation. He is also a Director of Manila Cordage Company, Seven Seas Resorts & Leisure, Inc.; and Beacon Property Ventures, Inc.

Manuel L. Lopez, Jr. - 49, Filipino

Mr. Lopez has been a Director at Rockwell Land since 2011. He is currently the President of Rockwell Leisure Club, Inc., which he was a Board Member since 2016. He serves as a Director of Lopez Inc., Philippine Trade Foundation, Inc., Stargate Media, and Philippine Commercial Capital, Inc. (PCCI). He is also presently the Executive Vice President of Benpres Insurance Agency, Inc. He has served as a Director of ABS-CBN Broadcasting Corporation, Central CATV, Inc. (Sky Cable), Pilipino Cable Corporation, and Call Center Association of the Philippines (CCAP), among others. He was previously the Chairman and CEO of PacificHub Corporation for 10 years, Mr. Lopez holds a Bachelor of Science degree in Business Administration from De La Salle University.

Francis Giles B. Puno - 52, Filipino

Mr. Puno has been a Director of Rockwell Land since 2013 and is currently the President and Chief Operating Officer of FPH and First Gen Corporation. He was previously FPH's Chief Finance Officer and Treasurer and Executive Vice-President in September 2011. He is also a director in FPH, First Gen, Energy Development Corporation and First Philippine Industrial Park. Before joining FPHC, he worked with The Chase Manhattan Bank as Vice President for Global Power and Environment Group. He has a Bachelor of Science degree in Business Management from the Ateneo de Manila University and a Master in Business Administration degree from Northwestern University's Kellogg Graduate School of Management in Chicago, Illinois.

Monico V. Jacob - 86, Filipino

Mr. Jacob was elected as an independent director of Rockwell Land on April 6, 2016. He has been an independent director of Lopez Holdings Corporation (publicly listed) since 2013. He is currently the Chairman of Total Consolidated Asset Management and Philippine Life Financial Assurance, Inc. (PhilLife). He is the President of Maestro Holdings, Inc. (formerly STI Investments, Inc) which owns Philplans First, Inc. and Philhealthcare, Inc., where he is also a Director. He is the President and CEO of STI Education Systems Holdings, Inc. (publicly listed), STI Education Services Group, Inc. He is a director of Jollibee Foods Corp. (publicly listed), of Asian Terminals, Inc. (publicly listed), of 2GO Group, Inc. (publicly listed), and of Phoenix Petroleum Philippines, Inc. (publicly listed). Prior to his current positions, he was Chairman and CEO of Petron Corporation and Philippine National Oil Company (PNOC), was a General Manager of National Housing Authority (NHA) and also became a CEO of the Home Development Mutual Fund, popularly known as the

PAG-IBIG Fund. He also became Chairman of Meralco Financial Services Corporation and Director of Meralco Industrial Engineering Services Corporation and Clark Electric Distribution Corp. He received his Bachelor of Laws degree from the Ateneo de Manila University in 1971.

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

Audit Committee charter section V.2 on External Audit provides;

- Review the external auditor’s proposed audit scope and approach, including coordination of audit efforts with external audit;
- Review the performance of external auditor and recommend to the Board the appointment or discharge of the auditors.
- Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the company, including non-audit services, and discussing the relationships with the auditors.
- Ensure that the auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions without inferring scope limitation.
- Regularly meet with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.
- Review and approve audit related and permitted non-audit services to be rendered by the external auditors.
- The Committee shall regularly review and assess external auditors’ fees and shall ensure that the fees charged by the company’s external auditors shall be commensurate with their reputation, level of expertise, and required scope of work, and shall be in accordance with current industry standards.”

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (NED)	Manuel M. Lopez	6/2/2016	1	1	100%	4 years
Member (NED)	Oscar M. Lopez	6/2/2016	1	1	100%	4 years
Member (NED)	Eugenio L. Lopez III	6/2/2016	1	1	100%	4 years
Member (ID)	Monico V. Jacob	6/2/2016	N/A	N/A	N/A	Less than 1 year

*Monico Jacob was nominated as an Independent Director last April 6, 2016.

(d) Remuneration Committee – not applicable

(e) Risk Management Committee

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 (NED)	Eugenio L. Lopez III	6/2/2016	1	1	100%	4 years
Member (ED)	Nestor J. Padilla	6/2/2016	1	1	100%	4 years
Member (NED)	Ferdinand Edwin S. CoSeteng	6/2/2016	1	0	0%	3 years
Member (ID)	Oscar J. Hilado	6/2/2016	1	1	100%	1 year

3) Changes in Committee Members

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

Monico V. Jacob replaced Vicente Ayllon in the Audit Committee due to the replacement of Vicente Ayllon's seat in the board.

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	Not applicable	
Audit	<ul style="list-style-type: none"> • Held four regular audit committee meeting and one special audit committee meeting as follows; <ul style="list-style-type: none"> ▪ Feb 4 ▪ March 14 ▪ May 10 ▪ August 9 ▪ November 14 • Approved the 2016 Audit Plan and the subsequent changes thereto; • Reviewed the reports of the Internal Auditors; • Discussed and approved the overall scope of SGV – the company's external auditor, for the audit of 2015 Financial Statements; • Reviewed and discussed the quarterly financial statements and the year-end audited financial statements with Management and SGV; 	<p>Issues presented to the audit committee have a criticality level rating of "medium" to "high" based on internal audit assessment. Internal audit recommendations have been discussed with the respective auditees and monitoring of agreed actions is being done on a quarterly basis. Status of agreed actions on critical issues is reported to the audit committee during the quarterly meetings.</p>

Name of Committee	Work Done	Issues Addressed
	<ul style="list-style-type: none"> Reviewed and approved the non-audit services rendered by SGV to ensure that the nature, scope and the related fees will not impair their independence; Reviewed the report on regulatory compliance. 	
Nomination	Review of Nomination of the Board of Directors	
Remuneration	Not applicable	
Risk Management	Review of corporate risks	
Others (specify)		

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	Not applicable	
Audit	Continue regular quarterly audit committee meetings to discuss internal audit and finance-related issues.	Internal audit Issues to be addressed will depend on engagements to be performed and their resulting observations and issues .
Nomination		
Remuneration	Not applicable	
Others (specify)		

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

Section 7 of the Manual for Corporate Governance provides:

The Risk Management Committee shall have the following powers and functions:

- oversee the formulation and establishment of an enterprise-wide risk management system;
- review, analyse and recommend the policy, framework, strategy, method and/or system of or used by the Corporation to manage risks, threats or liabilities;

- review and assess the likelihood and magnitude of the impact of material events on the Corporation and/or to recommend measures, responses or solutions to avoid or reduce risks or exposures; and
- perform such other duties and functions and/or assume such responsibilities as may be delegated by 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;

Management regularly reviews and updates the risks faced by the Company and presents it to the Board. The Risk Management Committee met in November 15, 2016..

(c) Period covered by the review;

Year 2016

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

The risk management system and governance structure is reviewed on an annual basis.

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

N/A

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
1. Regulatory Risk	Rockwell regularly monitors its exposures and compliance to laws and regulations to ensure the continuity of its operations	To comply with all applicable laws and regulations
2. Market Risk	Rockwell regularly monitors its projects' performances against competition, geopolitical, macroeconomic, and industry updates	To manage and optimize market positioning
3. Business Interruption Risk	Rockwell continuously enhances its operations and support systems to reduce the likelihood of unscheduled interruptions and, in the case of actual interruptions, to reduce the impact to the company's financial performance.	To ensure continuity of services to its customers.
4. Project Execution Risk	Rockwell continuously reviews and enhances its projects' performance in terms of time, quality and cost	To ensure success of projects in terms of time, quality and cost
5. Credit Risk	The Company trades only with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit	To manage the credit exposures with its customers and/or other third parties

Risk Exposure	Risk Management Policy	Objective
	<p>terms are subject to verification procedures. Default or delinquency on the part of the buyers of condominiums units or club shares are being monitored on an ongoing basis to enable the Company to determine the appropriate action – usually, cancelling the sale and holding the units and club shares open for sale. Lease receivables are closely monitored based on aging of the accounts. Accounts determined to be uncollectible are recommended for write-off. With regard to other financial assets of the Company, these are also monitored regularly with the result that the Company’s exposure to bad debts is significant.</p> <p>Trade receivables from sale of condominium units are secured with pre-completed condominium units. The legal title and ownership of these units will only be transferred to customers upon full payment of the contract price. Receivables from lease are guaranteed by security deposits. For other receivables, since the Company trades only with recognized third parties, there is no requirement for collateral.</p>	

(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:

Not applicable

(c) Minority Shareholders

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

Risk to Minority Shareholders
<p>Article I of the Corporate By-Laws provides:</p> <p>Section 5. Quorum – At all meetings of stockholders, annual or special, in order to constitute a quorum, there shall be present either in person or by proxy the holders of record of the majority of the stock issued and outstanding and entitled to vote of a greater proportion. In the absence of a quorum, the holders of record of the majority of the shares present and entitled to vote may adjourn the meeting from time to time until a quorum shall be present, and no notice of such adjourned meeting shall be required.</p> <p>Section 6. Voting – Except as otherwise provided by law, each stockholder of record shall be entitled at every meeting of stockholders to one vote for each share of stock standing in his name on the stock and transfer books of the Corporation, which vote may be given personally or by power of attorney or proxy</p>

authorized in writing. The instrument authorizing a proxy to act shall be exhibited to the Secretary if so requested. In the election of Directors, each stockholder entitled to vote may cumulate and distribute his votes in accordance with the provisions of the Corporation Code.

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)
1. Regulatory Risk	Annual risk identification, evaluation, and monitoring	<ul style="list-style-type: none"> Regular monitoring of changes or updates to relevant laws and regulations Close monitoring of the Company's compliance, applicable to both legal and regulatory Close coordination with regulatory agencies
2. Market Risk	Annual risk identification, evaluation, and monitoring	<ul style="list-style-type: none"> Regular review of projects' performances against competition To monitor geopolitical and macro-economic updates To monitor the industry (e.g. level of remaining inventory, performance of income segments, etc.)
3. Business Interruption Risk	Annual risk identification, evaluation, and monitoring	<ul style="list-style-type: none"> Regular monitoring of operations Regular repair and maintenance of key equipment, systems and processes Regular review, revision and practice of Business Continuity Management plans
4. Project Execution	Annual risk identification, evaluation, and monitoring	<ul style="list-style-type: none"> Regular review of projects' performance in terms of time, quality and cost Regular review of contractor performance To monitor macro-economic indicators to forecast possible threats (e.g. supply of skilled-labor and materials)
5. Credit Risk	Annual risk identification, evaluation, and monitoring	<ul style="list-style-type: none"> Regular review and analysis of customer financial and credit performances Close coordination with customers to discuss emerging risks

(b) Group

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

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
1. Regulatory Risk	Annual risk identification, evaluation, and monitoring	<ul style="list-style-type: none"> Regular monitoring of changes or updates to relevant laws and regulations Close monitoring of the Company's compliance, applicable to both legal and regulatory Close coordination with regulatory agencies

2. Market Risk	Annual risk identification, evaluation, and monitoring	<ul style="list-style-type: none"> • Regular review of projects' performances against competition • To monitor geopolitical and macro-economic updates • To monitor the industry (e.g. level of remaining inventory, performance of income segments, etc.)
3. Business Interruption Risk	Annual risk identification, evaluation, and monitoring	<ul style="list-style-type: none"> • Regular monitoring of operations • Regular repair and maintenance of key equipment, systems and processes • Regular review, revision and practice of Business Continuity Management plans
4. Project Execution	Annual risk identification, evaluation, and monitoring	<ul style="list-style-type: none"> • Regular review of projects' performance in terms of time, quality and cost • Regular review of contractor performance • To monitor macro-economic indicators to forecast possible threats (e.g. supply of skilled-labor and materials)
5. Credit Risk	Annual risk identification, evaluation, and monitoring	<ul style="list-style-type: none"> • Regular review and analysis of customer financial and credit performances • Close coordination with customers to discuss emerging risks

(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:

Section 7 of the Manual for Corporate Governance provides:

The Risk Management Committee shall have the following powers and functions:

- oversee the formulation and establishment of an enterprise-wide risk management system;
- review, analyse and recommend the policy, framework, strategy, method and/or system of or used by the Corporation to manage risks, threats or liabilities;
- review and assess the likelihood and magnitude of the impact of material events on the Corporation and/or to recommend measures, responses or solutions to avoid or reduce risks or exposures; and
- perform such other duties and functions and/or assume such responsibilities as may be delegated by the Board of Directors.

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;

Internal control is defined as a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: a) Effectiveness and efficiency of operations; b) Reliability of financial reporting; and c) Compliance

with laws and regulations

(b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;

The Audit Committee submits to the Board of Directors an annual report on the Committee’s oversight function on reliability of financial reporting and the effectiveness of internal control system.

(c) Period covered by the review;

Year 2016

(d) How often internal controls are reviewed and the directors’ criteria for assessing the effectiveness of the internal control system; and

Internal Audit presents its findings and recommendations for its Audit Engagements which includes evaluation of controls to the audit committee on a quarterly basis.

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

Not applicable

2) Internal Audit

(a) Role, Scope and Internal Audit Function

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

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
To provide an independent, objective assurance and consulting services designed to add value and improve the organization’s operations. It assists the organization achieve its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and	As provided in the duly approved Internal Audit Charter: The scope of audit coverage is company-wide and no team or business units of Rockwell Land and its subsidiaries is exempt from audit or review. The scope of work of the Internal Audit is to determine whether the organization’s network of risk management,	In-house		As provided in the duly approved Internal Audit Charter: The Internal Audit Group, reports functionally to the Audit Committee and administratively to the President and CEO . Its activities are guided and performed in accordance with the “International Standards for the Professional Practice of

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
governance process.	<p>control and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure that:</p> <ul style="list-style-type: none"> • Actual discrepancies and anomalies in operations are timely identified; • Sufficient and adequate controls are in place for optimized operational transactions; • Risks are appropriately identified and managed; • Significant financial, managerial, and operating information is accurate, reliable and timely; • Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations; • Resources are acquired economically, used efficiently, and adequately protected; • Quality and 		Romeo G. del Mundo Jr.	Internal Auditing” and “Code of Ethics” developed by the Institute of Internal Auditors (IIA) and/or any other auditing standards as may be adopted by the Internal Audit.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
	<p>continuous improvement are fostered in the organization's control process;</p> <ul style="list-style-type: none"> • Programs, plans and objectives are achieved; • Significant legislative or regulatory issues impacting the organization are recognized and addressed appropriately; <p>and</p> <ul style="list-style-type: none"> • Interaction with various governance groups occurs as needed; <p>Opportunities for improving management control, profitability, and the organization's image which are identified during the audits shall be communicated to the management.</p>			

(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. In paragraph 4 of Section V.5 of the Audit Committee Charter, provides that the Audit committee: Shall review and concur in the appointment, replacement or dismissal of the Internal Audit Head.

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

The following are provided in Section V.5 INTERNAL AUDIT of the Audit Committee Charter:

- The Committee shall establish a direct reporting line of the internal audit to the Committee to prevent impediments in the conduct of internal audit activities and the conveyance/presentation of audit findings. The internal audit shall functionally report directly to the Audit Committee;
- The Committee shall review the effectiveness of internal audit function, including compliance with the International Standards for the Professional Practice of Internal Auditing;
- The Committee shall meet separately with the Internal Audit Head to discuss any matters that the committee or internal audit believes should be discussed privately;
- The Committee shall ensure that internal auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions without inferring scope limitation;

(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.

The following are the resignations and re-assignment/transfers of internal audit staff in 2016.

Name of Audit Staff	Reason
1. Kristine Joy A. Divinagracia	Resignation, Better Opportunity
2. Mark Anthony U. Gumayan	Resignation, Better Opportunity
3. Hazelene A. Portes	Transfer to Finance & Accounting Team
4. Bianca Katrina B. Reyes	Transfer to Subsidiary, Rockwell Primaries Development Corp.

Note: Resignation of probationary staff is not included above.

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

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

Progress Against Plans	The progress of Annual Internal Audit Plan vs. Actual is being monitored on a quarterly basis and is reported to Audit Committee and Management
Issues⁸	Issues are discussed with the Auditee during closing or exit meetings and their responses are incorporated in an audit report. The audit report contains a summary of observations, recommendations and agreed actions.
Findings⁹	Findings are reported to the Management and to Audit Committee through the Quarterly and Annual Internal Audit Reports.
Examination Trends	Examinations are being done mostly on high risk areas/processes and taking into consideration inputs and suggestions from Management and the Audit Committee.

[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:

⁸ “Issues” are compliance matters that arise from adopting different interpretations.

⁹ “Findings” are those with concrete basis under the company’s policies and rules.

Reiterate here the engagement cycle

- 1) Preparation of an audit plan inclusive of a timeline and milestones;

The Internal Audit Process includes Managing the Internal Audit Activities, part of which is the preparation of the Annual Internal Audit Plan.

Planning and managing the internal audit activity

- 1.1. Understanding the business and control environment
- 1.2. Risk Assessment
- 1.3. Managing the internal audit activity
 - 1.3.1. Planning work schedules
 - 1.3.2. Staffing and budgets
 - 1.3.3. Approval by Board (Audit Committee) and Senior Management

The Annual Internal Audit Plan is being submitted to the Audit Committee for approval.

- 2) Conduct of examination based on the plan;

The process of conducting the examination based on the plan is also part of the Internal Audit Process under "Internal audit engagement". It includes the following:

- 2.1. Engagement planning
 - 2.1.1. Familiarization, preliminary survey/research and setting of initial objectives and scope
 - 2.1.2. Opening conference with auditee
 - 2.1.3. Preparation of audit engagement work program and allocation of audit resources
- 2.2. Performing the Engagement
 - 2.2.1. Identifying, gathering data
 - 2.2.2. Analyzing/Evaluating data/information
 - 2.2.3. Documenting/recording data/information
- 2.3. Communicating Results
 - 2.3.1. Draft audit report
 - 2.3.2. Review of draft audit report
 - 2.3.3. Exit conference with auditee
 - 2.3.4. Preparation of final audit report
 - 2.3.5. Disseminate approved audit report
- 2.4. Follow-up and monitoring
 - 2.4.1. Audit follow-up
 - 2.4.2. Disseminate approved report

- 3) Evaluation of the progress in the implementation of the plan;

The progress in the implementation of the plan is being monitored on a regular basis by the Internal Audit Head. The audit plan or schedule/list of audit engagements together with the Quarterly/Annual Internal Audit results are also presented to the audit committee.

- 4) Documentation of issues and findings as a result of the examination;

Documentation of the audit engagement (including issues and findings) is done thru the auditor's work papers. There is a duly approved process and procedures for the proper preparation of audit's work papers. Portion of the approved work paper preparation process/procedures are shown below:

- 4.1. Work Paper preparation

The work paper file documents the work the auditor has done. The work papers serve as the connecting link between the audit assignment, the auditor’s fieldwork and the final report. Work papers contain the records of planning and preliminary surveys, the audit program, audit procedures, fieldwork and other documents relating to the audit. Most importantly, the work papers document the auditor’s conclusions and the reasons those conclusions were reached. The disposition of each audit finding identified during the audit and its related corrective action should be documented.

4.1.1. In the preparation of the audit work papers, the following should be observed:

- Work papers should be completed throughout the audit;
- The work papers should provide a basis for evaluating the Internal Audit’s quality assurance program and demonstrate compliance with the International Standards for the Professional Practice of Internal Auditing (ISPPA);
- Work papers should be economical to prepare and not difficult to review.
- Work papers should be complete but concise--a usable record of work performed. Auditors should include in their work papers only what is essential; and, they should ensure that each work paper included serves a purpose that relates to an audit procedure. Work papers that are created and later determined to be unnecessary should be deleted.

Also, the findings, issues and other relevant information in the audit engagement are further documented in the minutes of the closing meeting, and the final internal audit engagement report.

- 5) Determination of the pervasive issues and findings (“examination trends”) based on single year result and/or year-to-year results;

Through the follow up and monitoring process, the status of the audit findings and issues are tracked as to the Auditee’s committed implementation plans.

- 6) Conduct of the foregoing procedures on a regular basis.

As evidenced by quarterly and annual internal audit reports, audit engagements including the necessary audit engagement procedures are performed / implemented on a regular basis.

(f) Audit Control Policies and Procedures

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

Policies & Procedures	Implementation
Internal Audit Charter	Revisions to the Internal Audit Charter have been presented and approved by the Audit Committee in March 14, 2016

Policies & Procedures	Implementation
<p>There is a documented policy on the following audit processes;</p> <ol style="list-style-type: none"> 1) Annual Audit Planning 2) Planning and managing the internal audit activities 3) Planning the Audit Engagement 4) Preliminary Survey 5) Opening Meeting 6) Engagement Risk Assessment 7) Engagement Work Program 8) Fieldwork 9) Report Preparations 10) Communication of Audit Results 11) Documentation and Filing of Engagement Working Papers 12) Follow up and Monitoring 13) Quality Assurance and Improvement Program 14) Knowledge Sharing Program 15) Policy on Assurance and Consultancy Engagements 16) Documents Control 17) Manpower Augmentation 	<p>These processes and its corresponding policy have been formally documented and implemented. Annual review of these processes is also in place to make the necessary revisions if applicable.</p>

(g) Mechanism and Safeguards

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

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
1. Direct Reporting to the Audit Committee	Section 10 of Manual on Corporate Governance:		
2. Annual declaration/undertaking of Non-Conflict of Interests by the Internal Auditors	Internal Auditor:		
3. Duly approved Audit Committee Charter and Internal Audit Charter	The Corporation have in place an independent audit system which shall be performed by an Internal Auditor or a group of Internal Auditors, through which its Board, senior management, and shareholders shall be provided with reasonable assurance that key organization and procedural controls are effective, appropriate, and complied with. The internal audit system to be adopted shall take into account the nature and complexity of the Corporation's business and the business culture, the volume, size and complexity of the transactions, the degree of risks, the degree of centralization and delegation of authority, the extent and effectiveness of information technology and the extent of regulatory compliance. The internal control system for management's operational responsibility shall center on the Chief Executive Officer.		
4. Duly approved Internal Audit Policies and Procedures	The Internal Auditor shall report to the Audit Committee.		

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

The Chairman, President and Chief Executive Officer and the Compliance Officer of the Company will attest, to the best of his knowledge, to the Company's full compliance with the SEC Code of Corporate Governance.

H. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' welfare	No written policy	Dedicated Customer Service Team
Supplier/contractor selection practice	To deal with contractors with utmost competence and integrity	The foregoing has been observed in the company's selection of suppliers and contractors
Environmentally friendly value-chain	No written policy	Adherence to ESH Policies and participation with FPH's Corporate Sustainability Group's initiatives on reducing carbon emission
Community interaction	No written policy	CSR activities
Anti-corruption programmes and procedures?	No written policy	The company abides by the applicable law, rules and regulation on this.
Safeguarding creditors' rights	No written policy	Regular updates and meetings

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

Yes, a section on corporate responsibility was included in the annual report.

3. Performance-enhancing mechanisms for employee participation.

i. What are the company's policy for its employees' safety, health, and welfare?

Rockwell ESH Team Environment, Safety and Health Policy

- Administer our business with integrity by taking into account the protection and enhancement of the environment, and the education of safety and health awareness that is fair to the people and the community;
- Develop and maintain a vigorous Environmental, Safety and Health Management System best suited to all our business units thereby achieving excellence and maintaining leadership resulting in a healthy and friendly surrounding consistent with our business concerns;
- Devise business-like and innovative programs as well as establish worthy standards in all our operations that will continually improve working conditions and practices thereby gaining higher productivity and avoiding distress, damage to environment and financial loss;
- Establish a mindset that will challenge and motivate all staff, service providers, suppliers, business partners and clients to actively participate as a team and voluntarily conform to the Environment, Safety and Health programs, standards and regulations;
- Promote public safety and security management programs; and
- Comply with all regulatory laws and legal requirements mandated by law with regards to Environment,

Safety and Health.

ii. **Show data relating to health, safety and welfare of its employees.**

Rockwell conducts the following activities under the ESH system:

- 1) Fire drills (twice a year)
- 2) Earthquake drill
- 3) First Aid seminar

The company held its Annual Physical Examination to employees last December 5 and December 6, 2016 through its HMO provider, Health Maintenance Inc., Sto. Domingo Diagnostic and Medical Center Corp.

Immunization Program (Number of People Immunized)

Nature	Male	Female	Total No. of Cases
Influenza	35	69	104

i. **State the company's training and development programmes for its employees. Show the data.**

Group/Employee Category	Average Training Hours (in house) Y2016
Rank and File	39
Supervisor/Specialist	40
Assistant Manager	47
Manager	45
Senior Manager	40
AVP	56
SVP and VP	50
Total Average training hours	47

ii. **State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures**

The ESOP aims to recognize and reward performance. Each year, for five consecutive years, the Company may offer employees with Stock Options which they can purchase following a vesting schedule.

In recognition of an employee's contribution to the achievement of the Company's business goals he will be awarded with shares of common stock of Rockwell Land. These Options are personal to the employee and shall not be transferred, charged, pledged, assigned or otherwise disposed of.

Rockwell Land Corporation also has an established retirement benefit plan known as the "Rockwell Land Corporation Retirement Plan".

Its objective is to provide, through a retirement fund to be established by the company, for the payment of benefits to its employees when they are retired, or separated from service, the payment of definite amounts to their beneficiaries, subject to the conditions and limitations set in the plan.

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

The Company adopted a whistle-blowing policy last January 01, 2015.

I. DISCLOSURE AND TRANSPARENCY

1. Ownership Structure

i. Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
First Philippine Holdings Corporation	5,296,015,375	86.582%	First Philippine Holdings Company
First Philippine Holdings Corporation	2,750,000,000 preferred	100%	First Philippine Holdings Company

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Enrique I. Quiason	3,575	-	0.0001%
Esmeraldo C. Amistad	-	-	0.0000%
Valerie Jane L. Soliven	-	-	0.0000%
Maria Lourdes L. Pineda	132,818	8,454 (Paolo Pineda)	0.0023%
Estela Y. Dasmariñas	1,882	-	0.0000%
Ellen V. Almodiel	-	-	0.0000%
Davy T. Tan	-	-	0.0000%
Abel L. Roxas	-	-	0.0000%
Adela D. Flores	4,340	-	0.0001%
TOTAL	142,615	8,454	0.0025%

2. Does the Annual Report (17-A) disclose the following:

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	Yes
Dividend policy	Yes
Details of whistle-blowing policy	No
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Yes
Training and/or continuing education programme attended by each director/commissioner	No
Number of board of directors/commissioners meetings held during the year	No
Attendance details of each director/commissioner in respect of meetings held	No
Details of remuneration of the CEO and each member of the board of directors/commissioners	Yes

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

Details of whistle-blowing – Not required.

Training and/or continuing education programme attended by each director/commissioner – Not required

Number of board of directors/commissioners meetings held during the year - Not required, but was

disclosed in 17-C report filed to SEC and uploaded to PSE website last January 05, 2017.
Attendance details of each director/commissioner in respect of meetings held - Not required, but was disclosed in 17-C report filed to SEC and uploaded to PSE website last January 05, 2017.

3. External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
SGV & Co.	P3.2 million	P1.9 million

4. Medium of Communication

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

Information is disseminated via the Rockwell website, registered mail, mail via courier, personal delivery, telephone calls, emails and other modes of communication.

5. Date of release of audited financial report:

April 17, 2017

6. Company Website

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

Business operations	Yes
Financial statements/reports (current and prior years)	Yes
Materials provided in briefings to analysts and media	Yes
Shareholding structure	Yes
Group corporate structure	Yes
Downloadable annual report	Yes
Notice of AGM and/or EGM	Yes
Company's constitution (company's by-laws, memorandum and articles of association)	Yes

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

Not applicable

7. Disclosure of RPT

Related Party Disclosures (from SEC Form 20-IS)

The Company, in the ordinary course of business, engages in transactions with Meralco and its subsidiaries, FPHC, its subsidiaries and affiliates, and directors and officers and their close family members.

Except as disclosed in Note 27 of the Company's audited consolidated financial statements, there is no material transaction or proposed transaction to which the Company was or is to be a party, in which any of its directors or executive officers, or any individual owning, directly or indirectly, significant voting power of the Company, or any close family members or individuals, had or is to have a direct or indirect material interest.

The following table summarizes these significant transactions with related parties:

Related Parties	Relationship	Nature of Transaction	Period	Transaction Amount	Amounts		Terms	Conditions
					Owed from (to)	Related Parties		
Rockwell - Meralco BPO	Joint venture	Advances (see Note 17)	2016	₱267,840	(₱519,395)	90-day; noninterest-bearing	Unsecured	
			2015	172,060	(251,555)			
		Management fee (see Note 13)	2016	4,290	6,552	On demand; non-interest-bearing	Unsecured, no impairment	
			2015	1,407	3,431			
Advances to officers and employees		Advances (see Note 8)	2016	18,261	45,985	30-day; noninterest-bearing	Unsecured; no impairment	
			2015	65,102	27,724			
FPHC	Parent	Charges for construction of 8 Rockwell (see Note 17)	2016	-	(18,155)	On demand; noninterest-bearing	Unsecured	
			2015	-	(18,155)			

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?

Purchases from related parties are made at normal market prices. Outstanding balances at year-end are unsecured, interest-free, settlement occurs in cash and collectible/payable on demand. There have been no guarantees provided for or received for any related party receivables or payables. For the years ended December 31, 2016, 2015 and 2014, the Company has not made any provision for doubtful accounts relating to amounts owed by related parties. This assessment is undertaken at each financial year through examination of the financial position of the related party and the market in which the related party operates.

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.

Quorum Required	Article I Section 5 of the By-Laws: At all meetings of stockholders, annual or special, in order to constitute a quorum, there shall be present either in person or by proxy the holders of record of the majority of the stock issued and outstanding and entitled to vote, and except in those cases where the Corporation Code requires the affirmative vote of a greater proportion. In the absence of a quorum, the holders of record of the majority of the shares present and entitled to vote may adjourn the meeting from time to time until a quorum shall be present, and no notice of such adjourned meeting shall be required.
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(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	Voting Procedures (from SEC Form 20-IS) A quorum for any meeting of stockholders shall consist of the majority of the outstanding capital stock of the Corporation, and a majority of such quorum shall
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	<p>decide any question in the meeting except those matters which the Corporation Code requires a greater proportion of affirmative vote.</p> <p>At each meeting of the stockholders, every stockholder entitled to vote on a particular question or matter involved shall be entitled to vote for each share of stock standing in his name in the books of the Company at the time of the closing of the stock and transfer books for such meeting.</p> <p>Regarding the election of members of the Board of Directors, nominees who receive the highest number of votes shall be declared elected pursuant to Section 24 of the Corporation Code of the Philippines. Likewise, the nominee – for the Company’s external auditor – who receives the highest number of votes shall be declared elected.</p> <p>The manner of voting is non-cumulative, except as to the election of directors and each stockholder shall have one vote for each share entitled to vote and registered in his name. Unless a motion is duly made and seconded, voting shall be made viva voce and counted manually by the Corporate Secretary. Voting shall be done by balloting upon motion duly made and seconded and the transfer agent shall count and canvass the ballots.</p> <p>In accordance with Section 23 of the Corporation Code, at each election of directors, every stockholder entitled to vote at such election have the right to vote, in person or by proxy, the number of shares owned by him as of the relevant record date for as many persons as there are directors to be elected and for whose election he has a right to vote, or to cumulate his votes by giving one candidate the number of votes equal to the number of directors to be elected multiplied by the number of his shares shall be equal or by distributing such votes on the same principle among any number of candidates as the stockholder shall see fit.</p> <p>In the election of directors, the top eleven (11) nominees with the most number of votes will be elected as directors. If the number of nominees does not exceed the number of directors to be elected all the shares present or represented at the meeting will be cast in favor of the nominees.</p> <p>Unless a motion is duly made and seconded, voting shall be made viva voce and counted manually by the Corporate Secretary. Voting shall be done by balloting upon motion duly made and seconded and the transfer agent shall count and canvass the ballots.</p> <p>Other than the nominees’ election as directors, no director, executive officer, nominee or associate of the nominees has any substantial interest, direct or indirect by security holdings or otherwise in any way of the matters to be taken upon during the meeting.</p>
Description	Same as explanation above.

(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
The shareholders have the right to receive timely and transparent information about the Corporation.	To encourage attendance and participation, we provide free parking, meals and tokens during Annual and Special Stockholders’ Meetings.
The Board recognizes and shall respect the rights of the stockholders under the law, the articles of incorporation and the by-laws, specifically the stockholders’ right to vote, pre-emptive rights,	

power of inspection, right to dividend and appraisal rights.	
Stockholders' meetings shall be conducted fairly and in a transparent manner and the stockholders shall be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the by-laws, the exercise of that right shall not be unduly restricted and any doubts about the validity of a proxy should be resolved in the stockholders' favor.	
The Board shall promote the rights of stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for the breach of their rights.	
The Board shall take appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether by in person or by proxy. Accurate and timely information should be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration and approval.	
The Board shall give minority stockholders the right to propose the items for discussion that relate directly to the business of the corporation.	

Dividends

Declaration Date	Record Date	Payment Date
July 28, 2016	August 11, 2016	September 6, 2016

(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.**

The amended By-Laws and Corporate Governance Manual can be downloaded from <http://www.e-rockwell.com/investor-relation/corporate-governance> and <http://www.e-rockwell.com/policies-and-manuals>.

2. **State the company policy of asking shareholders to actively participate in corporate decisions regarding:**
 - a. Amendments to the company's constitution
 - b. Authorization of additional shares
 - c. Transfer of all or substantially all assets, which in effect results in the sale of the company

Shareholders are notified for annual meetings or special meetings. Based on our by-laws, notice of time and place are served either personally or by mail for stockholders of record of the Corporation that are entitled to vote at such meeting. Notice should be given not less than (10) calendar days before the schedule of the meeting. However, for (2) consecutive annual meetings since 2012, notice of the annual meeting follows the

SEC's prescribed period of giving notice with at least (15) business days prior to the meeting date.

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?

The Company sends out notices of the Annual Stockholders' Meeting at least (15) business days prior to the meeting date.

- a. Date of sending out notices:
For the 2016 Annual Stockholders' Meeting (ASM held last June 2, 2016), all notices were sent out on May 12, 2016.
- b. Date of the Annual/Special Stockholders' Meeting: June 2, 2016

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

Question	Answer
No questions were asked during the 2016 ASM held last June 2, 2016	

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

Resolution and Matters for Approval	For	Against	Abstain
Approval of the Minutes of the Annual Stockholders' Meeting held on May 27, 2015	8,046,015,375 (99.98%)	0%	1,550,158 (0.02%)
Report of the Chairman and the President	8,046,015,375 (99.98%)	0%	1,550,158 (0.02%)
Approval of the December 31, 2015 Reports and the Audited Financial Statements	8,046,015,375 (99.98%)	0%	1,550,158 (0.02%)
Ratification of the Acts of the Board of Directors and of Management	8,046,015,375 (99.98%)	0%	1,550,158 (0.02%)
Appointment of Sycip, Gorres, Velayo & Co. as external auditor of the Corporation	8,046,015,375 (99.98%)	0%	1,550,158 (0.02%)

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

Results of the Annual Stockholders Meeting were published on June 2, 2016.

(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:

Not applicable

(f) Stockholders' Attendance

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

Type of Meeting	Names of Board members / Officers	Date of Meeting	Voting Procedure (by	% of SH Attending	% of SH in Proxy	Total % of SH
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	present		poll, show of hands, etc.)	in Person		attendance
Annual	*For the directors and officers present during the meeting, please see the list below	June 2, 2016	Voting was by viva voce	0.02%	90.74%	90.76%

*The directors present during the annual stockholders' meeting held on June 2, 2016 were Manuel M. Lopez, Manuel L. Lopez, Jr., Miguel L. Lopez, Nestor J. Padilla, Ferdinand Edwin S. CoSeteng and Monico V. Jacob. The officers present at the said meeting were Valeria Jane L. Soliven, Maria Lourdes L. Pineda, Estela Y. Dasmariñas, Ellen V. Almodiel, Davy T. Tan, Abel L. Roxas, Adela D. Flores, Divino M. Villanueva, Jr., Enrique I. Quiason, and Esmeraldo C. Amistad

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

The Company's stock transfer agent, STSI, counts and validates the votes at the ASM. STSI is 100% owned by FPH.

(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.

Rockwell's common shares have voting rights (one vote for one share).

(g) Proxy Voting Policies

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

From Article I Section 7 of the By-Laws:

Company's Policies	
Execution and acceptance of proxies	Voting at any annual or special meeting of the stockholders may be made by proxy and shall be in writing, provided that no proxies shall be voted at any meeting unless such proxies shall have been placed on file with the Secretary of the Corporation for verification, at least ten (10) calendar days prior to the date on which shall meeting shall convene. Any proxy, duly executed and filed, shall continue in full force until a written revocation of the proxy or a duly executed proxy covering the same shares and bearing a later date is filed. Any proxy may by its terms be limited for use at a single specified meeting of the stockholders.
Notary	Stockholders may submit their proxies in lieu of personal attendance at the stockholders' meetings. If the proxy is being signed by an authorized signatory, please attach a duly notarized power of attorney (in case of individual stockholder) or a certified board resolution (in case of corporate stockholders) as proof of authorization to execute the proxy. For shares held for the benefit of another person (i.e. brokers/dealers), a certification under oath that the written consent of the beneficial owner/s of the shares covered by the proxy has/have been secured must be attached to the proxy. Proxies executed abroad must be duly authenticated by the Philippine Embassy or Consular Office.
Submission of Proxy	Before each meeting of the stockholders, all proxies filed before the meeting shall be submitted to and examined by the Secretary.

Company's Policies	
Several Proxies	The company accepts this.
Validity of Proxy	Proxies may be effective for a maximum period of five (5) years.
Proxies executed abroad	Proxies executed abroad must be duly authenticated by the Philippine Embassy or Consular Office.
Invalidated Proxy	Any proxy is automatically suspended or revoked, as the case may be, when the person executing the proxy is present at a stockholders' meeting and elects to vote.
Validation of Proxy	In the validation of proxies, a special committee of inspectors may be designated or appointed by the Board of Directors which shall be empowered to pass on the validity of proxies of the Corporation, and no shares may be represented or voted under a proxy that is found to be invalid or irregular. Each proxy filed with the Secretary prior to a meeting shall be examined by him as promptly as possible after filing.
Violation of Proxy	When there is a violation of proxy requirements, said proxy form is set aside and the votes are not counted.

(h) Sending of Notices

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

Policies	Procedure
<p>Section 2 of Article I of the By-Laws states:</p> <p>Notice of the time and place of holding such Annual Meeting shall be served either personally or by mail upon each stockholders of record of the Corporation entitled to vote at such meeting not less than ten (10) calendar days before the date fixed in such notice for the meeting; if mailed, it shall be directed, except as otherwise provided by law, to each stockholder to his postal address as it appears on the books of the corporation. The Board of Directors shall fix the record date for the determination of stockholders entitled to notice and participate in the scheduled annual stockholders' meeting.</p>	<p>Annual Stockholders' Meeting was held last June 02, 2016 and notices were sent out on May 12, 2016, following the prescribed period of 15 days prior to meeting date for notice and definitive information statement.</p> <p>The By-laws provide for 10 calendar days before the meeting date.</p>
<p>Section 4 of Article I of the By-Laws states:</p> <p>Notice of each such special meeting, unless otherwise provided by law, may be given as herein provided for giving notice of the Annual Meeting. The Board of Directors shall fix the record date for such special stockholders meeting.</p>	<p>No special meeting was called in 2016.</p>

(i) Definitive Information Statements and Management Report

2016 ASM (June 2, 2016)

Number of Stockholders entitled to receive Definitive Information Statements and	There are 48,241 shareholders as of April 20, 2016, the record date fixed for the ASM.
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Management Report and Other Materials	
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	May 12, 2016
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	May 12, 2016
State whether CD format or hard copies were distributed	CD Format of Definitive Information Statement were distributed to shareholders
If yes, indicate whether requesting stockholders were provided hard copies	Hard copies are available. However, no requests were received.

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

Each resolution to be taken up deals with only one item.	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	Yes
The auditors to be appointed or re-appointed.	Yes
An explanation of the dividend policy, if any dividend is to be declared.	Yes
The amount payable for final dividends.	Not applicable
Documents required for proxy vote.	No, we have voting power held by FPH

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.

Section 15 of the Manual for Corporate Governance:

The Board shall give minority stockholders the right to propose the items for discussion that relate directly to the business of the corporation.

Policies	Implementation
No specific policy except for Section 15 of the Manual on Corporate Governance, which states: The Board shall give minority stockholders the right to propose the items for discussion that relate directly to the business of the corporation.	

(b) 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.**

The President, Corporate Secretary or Assistant Corporate Secretary and Chief Finance Officer reviews and approves major company announcements.

The company undertakes specific activities (e.g. conducting no-deal road shows and accommodating invitations/requests for meetings from its investors to respond to queries) to listen and learn investor requirements, needs and changing expectations.

The company takes the effort to meet its institutional investors and/or communicates person-to-person with shareholders through STSI.

Internal Communications are done through:

1. Bi-monthly CEO Meetings
2. Monthly Board Meetings
3. Board Committee Meetings
4. Townhall Meetings
5. Memos and Announcements
6. Periodic reports
7. Emails
8. Telephone Calls
9. Website
10. Portal

While external communications are through:

1. One-on-One Meetings
2. Investors Conferences
3. Non-Deal Roadshows
4. Annual Stockholders’ Meeting
5. Disclosures
6. Press Releases

- 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	To provide fair, timely, accurate and reliable financial and related information to stakeholders
(2) Principles	The Company has an Investor Relations Officer that coordinates with various teams for different stakeholders.
(3) Modes of Communications	Disclosure, Investor Conference, One-on-One Meeting, Letter, E-mail, Telephone, Fax, Website, Brochure, Annual and Quarterly Reports, Annual Stockholders’ Meetings
(4) Investors Relations Officer	Investor Relations are handled by the following cross functional teams: <ol style="list-style-type: none"> 1. Corporate Communications for Media 2. Finance for Institutional Investors 3. Legal and Stock Transfer Office for individual investors

- 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 Company seeks approval from its BOD, the two of which are independent directors. Whenever necessary, the Company appoints a third party for valuations.

In instances where the law requires shareholder action, the same is presented to the shareholders for their approval during an annual or special meeting.

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

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiative	Beneficiary
School Rebuilding Project of DepEd and EDC <ul style="list-style-type: none"> Financed the construction of 6 buildings of 2 classroom units across 6 municipalities in the provinces of Iloilo, Bicol and Bukidnon (October 2016) 	1. San Dionisio, Iloilo – Hacienda Conchita National High School and Anabo National High School 2. Sorsogon City, Sorsogon – Rizal Integrated National School 3. Manito, Albay – Nagotgot Elementary School 4. Impasug-ong, Bukidnon – Impasug-ong School 5. Baungon, Bukidnon – Imbatug School
Medical missions in 6 cities in Metro Manila (QC, Pasig, Muntinlupa, San Juan, Makati and Mandaluyong) for the children and the elderly	Almost 1,200 beneficiaries
Support to scholars of Bantay Bata 163 (through Bantay Edukasyon)	Bantay Bata 163 Scholars
Support to Sts. Peter and Paul Parish (Barangay Poblacion, Makati City)	Sts. Peter and Paul Parish
Volunteer works for Servathon and the Tree Planting project of EDC	EDC beneficiaries
Support to White Cross and Bayan ni Juan (by ABS-CBN Foundation)	White Cross Foundation and Bayan ni Juan

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		A Governance Self-Assessment Form is given to the Board annually. This is intended to assess the performance of the Board as a whole, the Chairman, the individual members of the Board, Board meetings, Board committees and Board matters. The directors are advised to go over each guide question carefully and assign a number from 1 - 10 [the lowest (1) meaning strongly disagree and the highest (10) meaning strongly agree] which reflects their personal view of the degree of the company's compliance to certain corporate governance mechanisms. The results are then tallied and presented to the Board for evaluation and appropriate action.
Board Committees		
Individual Directors		
CEO/President		

No implementation for 2016.

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:

Section 18 of the Manual for the Corporate Governance


To strictly observe and implement the provisions of this Manual, the Board may take appropriate actions, after notice and hearing, on the individual directors, officers, and employees, such as censure, suspension or removal from office depending on the gravity of the offense as well as the frequency of [the violation].

The commission of a serious violation of a material provision of this Manual by any member of the Board of the Corporation shall be sufficient cause for removal from directorship.

Violations	Sanctions
Penalties for Non-compliance with the Manual	
To strictly observe and implement the provisions of this Manual, the Board may take appropriate actions, after notice and hearing, on the individual directors, officers and employees, such as censure, suspension or removal from office depending on the gravity of the offense as well as the frequency of the violation.	
The Commission of a serious violation of a material provision of this Manual by any member of the Board of the Corporation shall be sufficient cause for removal from directorship.	
As applicable , the Corporation's Code of Discipline likewise governs any act or omission that constitutes a breach of this Manual. The penalties range from warnings, suspensions to dismissal.	

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 MAY 30 2017.

SIGNATURES


 MANUEL M. LOPEZ
 Chairman of the Board


 NESTOR J. PADILLA
 Chief Executive Officer


 OSCAR J. HILADO
 Independent Director


 MONICO V. JACOB
 Independent Director



 ENRIQUE I. QUIASON
 Compliance Officer

SUBSCRIBED AND SWORN to before me this MAY 30 2017 day of 2017, affiant(s) exhibiting to me their Passport No., as follows:

NAME	PASSPORT NO.	DATE OF ISSUE	PLACE OF ISSUE
Manuel M. Lopez	DE0003367	June 10, 2013	PE Tokyo
Nestor J. Padilla	EB7323729	February 7, 2013	DFA, Manila
Oscar J. Hilado	EC0407396	February 25, 2014	DFA, Manila
Monico V. Jacob	EC7728486	May 17, 2016	DFA, NCR East
Enrique I. Quiason	EC1299905	June 3, 2014	DFA, NCR Central

NOTARY PUBLIC

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 Book No. 570
 Series of 2017.


RUBEN T.M. RAMIREZ
 NOTARY PUBLIC
 UNTIL DEC. 31, 2017
 2734 MA. AURORA ST., MAKATI CITY
 IBP NO. 1052369/11-22-16/CY 2017
 ROLL NO. 28947/MCL 4 NO. 0006324
 FTR NO. 5009552/1-3-2017
 APPOINTMENT NO. 8-13