REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S.S.

SECRETARY'S CERTIFICATE

RIA CARMELA R. CRUZ, of legal age, Filipino, with office address at 2704 East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City, Metro Manila, being the duly elected and qualified Assistant Corporate Secretary of **COAL ASIA HOLDINGS INCORPORATED** (the "Corporation"), a corporation organized and existing under the laws of the Philippines, under oath, does hereby certify that the Annual Corporate Governance Report ("ACGR") attached herewith as Annex "A" is the Corporation's ACGR for the year 2015 and that the significant changes from the previous year were reported to the Securities and Exchange Commission on 8 January 2016 through a secretary's certificate attached herewith as Annex "B".

IN ATTESTATION OF THE ABOVE, this Certificate was signed this 13 day of April 2016 at Pasig City.

RIA CARMELA R. CRUZ
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this 13 day of April 2016 at Pasig City, affiant exhibiting her Community Tax. Certificate No. 15181376 issued on 01.07.16 in Manila and Philippine Passport No. EC3352347, issued on 3 February 2015, issued at DFA, NCR East, valid until 2 February 2020 as competent evidence of identity in accordance with the 2004 Rules on Notarial Practice.

Doc. No. 133;
Page No. 8;
Book No. I;
Series of 2016.

F:\data\CLIENTS\1356\CORP\SC\Sec Cert re Consolidated ACGR 2015.doc
ABR/TJC/NRCC 1356-204

Annex "A"

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

GENERAL INSTRUCTIONS

(A) Use of Form ACGR

This SEC Form shall be used to meet the requirements of the Revised Code of Corporate Governance.

(B) Preparation of Report

These general instructions are not to be filed with the report. The instructions to the various captions of the form shall not be omitted from the report as filed. The report shall contain the numbers and captions of all items. If any item is inapplicable or the answer thereto is in the *negative*, an appropriate statement to that effect shall be made. Provide an explanation on why the item does not apply to the company or on how the company's practice differs from the Code.

(C) Signature and Filing of the Report

A. Three (3) complete sets of the report shall be filed with the Main Office of the Commission.

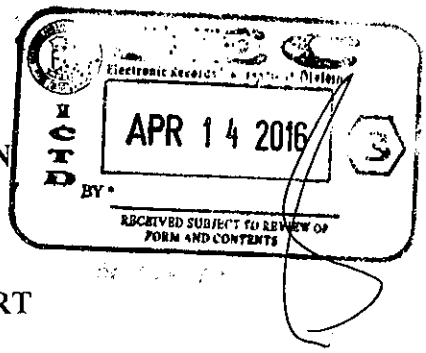
B. At least one complete copy of the report filed with the Commission shall be **manually** signed.

C. All reports shall comply with the full disclosure requirements of the Securities Regulation Code.

D. This report is required to be filed annually together with the company's annual report.

(D) Filing an Amendment

Any material change in the facts set forth in the report occurring within the year shall be reported through SEC Form 17-C. The cover page for the SEC Form 17-C shall indicate "Amendment to the ACGR".



SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is Filed for the Year 2015

2. Exact Name of Registrant as Specified in its Charter
COAL ASIA HOLDINGS INCORPORATED

3. Address of Principal Office
3rd Floor JTKC Center, 2155 Don Chino Roces Ave., Makati City

Postal Code
1231

4. SEC Identification Number
CS201210314

5. (SEC Use Only) Industry Classification Code

6. BIR Tax Identification Number
008-297-271-000

7. Issuer's Telephone number, including area code
(632) 818-6772

8. Former name or former address, if changed from the last report
N/A

TABLE OF CONTENTS

A. BOARD MATTERS

1) BOARD OF DIRECTORS 5
   (a) Composition of the Board 5
   (b) Corporate Governance Policy/ies 5
   (c) Review and Approval of Vision and Vision 6
   (d) Directorship in Other Companies 6
   (e) Shareholding in the Company 7
2) CHAIRMAN AND CEO 7
3) PLAN FOR SUCCESSION OF CEO/MANAGING DIRECTOR/PRESIDENT AND TOP KEY POSITIONS 9
4) OTHER EXECUTIVE, NON-EXECUTIVE AND INDEPENDENT DIRECTORS 9
5) CHANGES IN THE BOARD OF DIRECTORS 14
6) ORIENTATION AND EDUCATION PROGRAM 22

B. CODE OF BUSINESS CONDUCT & ETHICS

1) POLICIES 23
2) DISSEMINATION OF CODE 24
3) COMPLIANCE WITH CODE 24
4) RELATED PARTY TRANSACTIONS
   (a) Policies and Procedures 24
   (b) Conflict of Interest 25
5) FAMILY, COMMERCIAL AND CONTRACTUAL RELATIONS 26
6) ALTERNATIVE DISPUTE RESOLUTION 26

C. BOARD MEETINGS & ATTENDANCE

1) SCHEDULE OF MEETINGS 27
2) DETAILS OF ATTENDANCE OF DIRECTORS 27
3) SEPARATE MEETING OF NON-EXECUTIVE DIRECTORS 27
4) QUORUM REQUIREMENT 27
5) ACCESS TO INFORMATION 27
6) EXTERNAL ADVICE 29
7) CHANGES IN EXISTING POLICIES 29

D. REMUNERATION MATTERS

1) REMUNERATION PROCESS 29
2) REMUNERATION POLICY AND STRUCTURE FOR DIRECTORS 30
3) AGGREGATE REMUNERATION 30
4) STOCK RIGHTS, OPTIONS AND WARRANTS 31
5) REMUNERATION OF MANAGEMENT 32

E. BOARD COMMITTEES

1) NUMBER OF MEMBERS, FUNCTIONS AND RESPONSIBILITIES 32
2) COMMITTEE MEMBERS 36
3) CHANGES IN COMMITTEE MEMBERS 38
4) WORK DONE AND ISSUES ADDRESSED 38
5) COMMITTEE PROGRAM 39

F. RISK MANAGEMENT SYSTEM
1) STATEMENT ON EFFECTIVENESS OF RISK MANAGEMENT SYSTEM..... 39
2) RISK POLICY..... 40
3) CONTROL SYSTEM..... 41

G. INTERNAL AUDIT AND CONTROL
1) STATEMENT ON EFFECTIVENESS OF INTERNAL CONTROL SYSTEM.... 41
2) INTERNAL AUDIT..... 42
(a) Role, Scope and Internal Audit Function
(b) Appointment/Removal of Internal Auditor
(c) Reporting Relationship with the Audit Committee
(d) Resignation, Re-assignment and Reasons
(e) Progress against Plans, Issues, Findings and Examination Trends
(f) Audit Control Policies and Procedures
(g) Mechanisms and Safeguards

H. ROLE OF STAKEHOLDERS..... 45
I. DISCLOSURE AND TRANSPARENCY..... 47
J. RIGHTS OF STOCKHOLDERS..... 49
1) RIGHT TO PARTICIPATE EFFECTIVELY IN STOCKHOLDERS' MEETINGS
2) TREATMENT OF MINORITY STOCKHOLDERS
K. INVESTORS RELATIONS PROGRAM..... 57
L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES..... 58
M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL..... 58
N. INTERNAL BREACHES AND SANCTIONS..... 59

A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	7

Actual number of Directors for the year	7

(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID)	Elected when (Annual /Special Meeting)	No. of years served as director
Harald Tomintz	NED			July 2012	14 July 2015	A	3
Jaime T. Ang	ED			June 2012	14 July 2015	A	3
Dexter Y. Tiu	ED			June 2012	14 July 2015	A	3
Eric Y. Roxas	ED			June 2012	14 July 2015	A	2
Johnson R. Sanhi, Jr	ED			21 July 2014	14 July 2015	A	2
A. Bayani K. Tan	NED			July 2012	14 July 2015	A	3
Aristides Armas	ID		Harald Tomintz	July 2012	14 July 2015	A	3
Juan Kevin Belmonte	ID		Dexter Y. Tiu	July 2012	14 July 2015	A	3

(b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities.

The Company believes that good corporate governance is a necessary component of what constitutes sound strategic business management. The Company commits to undertake every effort to create awareness within the organization of good corporate governance principles as embodied in its Manual for Corporate Governance.

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

The Company periodically reviews the vision and mission of the organization. The review, while not formally done, is incorporated during the Company's annual strategic planning for the coming year's plans and programs.

(d) Directorship in Other Companies

(i) Directorship in the Company's Group[1]

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

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Johnson A. Sanhi, Jr.	Titan Mining and Energy Corporation	ED
Dexter Y. Tiu	Titan Mining and Energy Corporation	ED
Eric Y. Roxas	Titan Mining and Energy Corporation	ED

(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.
A. Bayani K. Tan	I-Remit, Inc.	NED
	First Abacus Financial Holdings, Corp.	NED
	Premium Leisure Corp.	NED
	Asia United Bank	NED
	Vantage Equities, Inc.	NED
	Discovery World Corporation	NED
	TKC Metals Corporation[2]	ED
Dexter Y. Tiu	TKC Metals Corporation[3]	ED
Juan Kevin Belmonte	IP E-Games Ventures	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
Dexter Y. Tiu	JTKC Equities Inc.	Shareholder

[1] The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.
[2] Formerly TKC Steel Corporation
[3] Formerly TKC Steel Corporation

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

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	Please see explanation below.	
Non-Executive Director		
CEO		

The Company has not set any limits on the number of board seats that an individual director or CEO may hold simultaneously. As the executive profile of the Company will show, most directors of the Company have very few concurrent directorships and officerships.

(e) Shareholding in the Company

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

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Harald R. Tomintz	1,000	0	0
Johnson R. Sanhi, Jr.	1,000	0	0
Dexter Y. Tiu	640,000,000	0	16%
Eric Y. Roxas	640,200,000	0	16%
A. Bayani K. Tan	200,001	0	0
Aristides Armas	10,001	0	0
Juan Kevin G. Belmonte	1	0	0
TOTAL	1,280,412,003	0	32%

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 [x] No [ ]

Identify the Chair and CEO:

Chairman of the Board	Harald R. Tomintz
CEO/President	Johnson A. Sanhi, Jr.

(b) Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	• The Chairman shall preside at the meetings of the directors and shareholders. He shall also exercise such powers and perform such duties as the Board of Directors assign to him. • The Chairman, together with the rest of the Board of Directors, provides strategic direction to the Company.	• Supervise and control all the business and affairs of the Company. • In the absence of the Chairman and the Vice Chairman of the Board, preside at all meetings of the Board of Directors and stockholders. • Initiate and develop corporate objectives and policies and formulate long-range projects, plans and programs for the approval of the Board of Directors. • Supervise and manage the affairs of the Company upon the direction of the Board of Directors. • Implement the administrative and operational policies of the Company. • Perform all duties incident to the office(s) of the President and CEO, those provided in the existing laws and regulations and the By-Laws, and such other duties as may be prescribed by the Board of Directors from time to time. • Appoint, remove, suspend, or discipline employees, prescribe their duties, and determine their salaries. • Represent the Company in all functions and proceedings.
Accountabilities	• Attest to the accuracy of the minutes of stockholders' meetings prepared by the Corporate Secretary. • Together with other officers designated by the Board, sign all checks, drafts, or other orders with respect to any funds of the Company maintained in any bank, certificates of stock of the Company, any deed, mortgage, bond, contract, or other instrument which the Board of Directors has authorized to be executed.	• Oversee the preparation of budgets and statements of account of the Company. • Together with other officers designated by the Board, sign all checks, drafts, or other orders with respect to any funds of the Company maintained in any bank, certificates of stock of the Company, any deed, mortgage, bond, contract, or other instrument which the Board of Directors has authorized to be executed.

Deliverables	• Minutes of Stockholders' meetings • Various regulatory submissions that may require the signature of the Chairman of the Board of Directors.	• Budgets and statements of account of the Company • Reports to the Board and stockholders • Signed certificates of stock

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

The Company's senior officers work closely with the CEO/President and under the guidance of the Board of Directors to ensure that they are given ample training and experience in running the Company. This approach exposes the senior officers to the day-to-day demands of Company operations.

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

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

The Nomination Committee evaluates the nominees for election as directors to ensure that there is diversity of experience and backgrounds. This is part of the duty of the Nomination Committee when they pre-screen and shortlist the nominees for election as directors.

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

Yes. The Chairman, Harald R. Tomintz is presently the Board Supervisor of Zhangzhun Stronghold Steelworks, Corp. He is a former director of Semirara Coal Corporation.

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

	Executive	Non-Executive	Independent Director
Role	• Determine and establish the Corporation's purpose, mission and vision, objectives, policies and procedures, and the strategies and means to carry out its objectives and attain its goals. • Establish minimum internal control mechanisms for monitoring and overseeing management performance. • Install a process of	• Determine and establish the Corporation's purpose, mission and vision, objectives, policies and procedures, and the strategies and means to carry out its objectives and attain its goals. • Establish minimum internal control mechanisms for monitoring and overseeing management performance. • Install a process of	• Determine and establish the Corporation's purpose, mission and vision, objectives, policies and procedures, and the strategies and means to carry out its objectives and attain its goals. • Establish minimum internal control mechanisms for monitoring and overseeing management performance. • Install a process of

	selection to ensure a mix of competent directors and officers and specify minimum qualifications and disqualifications for these positions. • Ensure that the Corporation complies with all relevant laws, regulations and codes of best business practices. • Identify the Corporation's major and other stakeholders and formulate a clear policy on communicating or relating with them through an effective investor relations program. • Adopt a system of internal checks and balances, which shall include checks and balances in case of unified positions. • Identify key risk areas and key performance indicators and monitor these factors with due diligence. • Keep the Board authority within the powers of the institution as prescribed in the Articles of Incorporation, By-Laws and in existing laws, rules and regulation. • Constitute the Executive, Compensation and Remuneration, Audit and Nomination Committees and appoint the	selection to ensure a mix of competent directors and officers and specify minimum qualifications and disqualifications for these positions. • Ensure that the Corporation complies with all relevant laws, regulations and codes of best business practices. • Identify the Corporation's major and other stakeholders and formulate a clear policy on communicating or relating with them through an effective investor relations program. • Adopt a system of internal checks and balances, which shall include checks and balances in case of unified positions. • Identify key risk areas and key performance indicators and monitor these factors with due diligence. • Keep the Board authority within the powers of the institution as prescribed in the Articles of Incorporation, By-Laws and in existing laws, rules and regulation. • Constitute the Executive, Compensation and Remuneration, Audit and Nomination Committees and appoint the	selection to ensure a mix of competent directors and officers and specify minimum qualifications and disqualifications for these positions. • Ensure that the Corporation complies with all relevant laws, regulations and codes of best business practices. • Identify the Corporation's major and other stakeholders and formulate a clear policy on communicating or relating with them through an effective investor relations program. • Adopt a system of internal checks and balances, which shall include checks and balances in case of unified positions. • Identify key risk areas and key performance indicators and monitor these factors with due diligence. • Keep the Board authority within the powers of the institution as prescribed in the Articles of Incorporation, By-Laws and in existing laws, rules and regulation. • Constitute the Executive, Compensation and Remuneration, Audit and Nomination Committees and appoint the members thereof in keeping with the principles

	members thereof in keeping with the principles of good corporate governance and in accordance with the provisions of this Manual. • Provide the stockholder with a balanced and understandable assessment of the corporation's performance, position and prospects. • Explain its responsibility for preparing the accounts, for which there should be a statement by the auditors about its reporting responsibilities. • Require the chief audit executive to render to the Audit Committee and senior management an annual report on the internal audit department's activity, purpose, authority, responsibility and performance relative to the audit plans and strategies approved by the Audit Committee. • Appoint competent, professional, honest, and highly motivated management officers. • Adopt an effective succession-planning program for management. • Provide sound strategic policies and guidelines to management on major capital	members thereof in keeping with the principles of good corporate governance and in accordance with the provisions of this Manual. • Provide the stockholder with a balanced and understandable assessment of the corporation's performance, position and prospects. • Explain its responsibility for preparing the accounts, for which there should be a statement by the auditors about its reporting responsibilities. • Require the chief audit executive to render to the Audit Committee and senior management an annual report on the internal audit department's activity, purpose, authority, responsibility and performance relative to the audit plans and strategies approved by the Audit Committee. • Appoint competent, professional, honest, and highly motivated management officers. • Adopt an effective succession-planning program for management. • Provide sound strategic policies and guidelines to management on major capital	of good corporate governance and in accordance with the provisions of this Manual. • Provide the stockholder with a balanced and understandable assessment of the corporation's performance, position and prospects. • Explain its responsibility for preparing the accounts, for which there should be a statement by the auditors about its reporting responsibilities. • Require the chief audit executive to render to the Audit Committee and senior management an annual report on the internal audit department's activity, purpose, authority, responsibility and performance relative to the audit plans and strategies approved by the Audit Committee. • Appoint competent, professional, honest, and highly motivated management officers. • Adopt an effective succession-planning program for management. • Provide sound strategic policies and guidelines to management on major capital expenditures. • Establish and maintain alternative

	expenditures. • Establish and maintain alternative dispute resolution system that can amicably settle conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties. • Appoint a Compliance Officer, who shall have the rank of at least vice president of the Corporation. • Run the day-to-day operations of the department or unit that he/she heads.	expenditures. • Establish and maintain alternative dispute resolution system that can amicably settle conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties. • Appoint a Compliance Officer, who shall have the rank of at least vice president of the Corporation.	dispute resolution system that can amicably settle conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties. • Appoint a Compliance Officer, who shall have the rank of at least vice president of the Corporation.
Accountabilities	• Conduct fair business transactions with the Corporation and ensure that personal interests do not prejudice Board decisions; act in a manner characterized by transparency, accountability and fairness. • Devote time and attention necessary to properly discharge his duties and responsibilities. • Act judiciously and exercise independent judgment. • Have a working knowledge of the statutory and regulatory requirements affecting the Corporation, including the contents of its Articles of Incorporation and By-Laws, the requirements of the Commission, and where applicable, the requirements of	• Conduct fair business transactions with the Corporation and ensure that personal interests do not prejudice Board decisions; act in a manner characterized by transparency, accountability and fairness. • Devote time and attention necessary to properly discharge his duties and responsibilities. • Act judiciously and exercise independent judgment. • Have a working knowledge of the statutory and regulatory requirements affecting the Corporation, including the contents of its Articles of Incorporation and By-Laws, the requirements of the Commission, and where applicable, the requirements of	• Conduct fair business transactions with the Corporation and ensure that personal interests do not prejudice Board decisions; act in a manner characterized by transparency, accountability and fairness. • Devote time and attention necessary to properly discharge his duties and responsibilities. • Act judiciously and exercise independent judgment. • Have a working knowledge of the statutory and regulatory requirements affecting the Corporation, including the contents of its Articles of Incorporation and By-Laws, the requirements of the Commission, and where applicable, the requirements of

	other regulatory agencies. • Observe confidentiality. • Ensure the continuing soundness, effectiveness and adequacy of the Corporation's control environment. • Attend regular and special meetings of the Board in person or by teleconferencing, subject to existing regulations.	other regulatory agencies. • Observe confidentiality. • Ensure the continuing soundness, effectiveness and adequacy of the Corporation's control environment. • Attend regular and special meetings of the Board in person or by teleconferencing, subject to existing regulations.	other regulatory agencies. • Observe confidentiality. • Ensure the continuing soundness, effectiveness and adequacy of the Corporation's control environment. • Attend regular and special meetings of the Board in person or by teleconferencing, subject to existing regulations.
Deliverables	• Attend Board meetings • Establishment of internal control mechanisms • Policy on communicating with stakeholders • System of internal checks and balances. • Constitute Executive, Compensation and Remuneration, Audit, and Nomination Committees • Succession planning program for Management • Policies and guidelines on major capital expenditures • Alternative dispute resolution system	• Attend Board meetings • Establishment of internal control mechanisms • Policy on communicating with stakeholders • System of internal checks and balances. • Constitute Executive, Compensation and Remuneration, Audit, and Nomination Committees • Succession planning program for Management • Policies and guidelines on major capital expenditures • Alternative dispute resolution system	• Attend Board meetings • Establishment of internal control mechanisms • Policy on communicating with stakeholders • System of internal checks and balances. • Constitute Executive, Compensation and Remuneration, Audit, and Nomination Committees • Succession planning program for Management • Policies and guidelines on major capital expenditures Alternative dispute resolution system

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

The Company defines "independence" as freedom from any business, family, professional, or other relationship that could, or could reasonably be perceived to, materially interfere with an officer's independent judgment in carrying out responsibilities. The Company complies with this view of independence by ensuring that the independent directors elected not only meet the professional criteria of competence but also are able to freely profess their views on the policies and operations of the Company untainted or unhampered by any relationship or other considerations other than what is best for the Company, its stockholders, and the community where the Company operates.

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 has adopted the guidelines set by the SEC in the term limits of independent directors. Consistent with SEC Memorandum Circular No. 9, Series of 2011, the Company has a term limit of five (5) years for independent directors. Following a two (2) year 'rest period,' a person who previously served as independent director may seek re-election for another period of five (5) years. The Company adheres to the maximum limit of ten (10) years set by the SEC. Thus, an independent director who has served for a total of 10 years shall no longer be nominated for election as independent director.

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
Jaime T. Ang	Director, President		Death due to lingering illness
Johnson A. Sanhi, Jr.	Director, President and Chief Operating Officer	(Appointed on 21 July 2014)	To replace Mr. Jaime T. Ang

(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	Nominations for election as directors shall be submitted to the Nomination Committee not later than 30 January of each year. Thereafter, the Nomination Committee meets to consider all nominees in accordance with the qualifications and disqualifications set by the Manual of Corporate Governance and by the Board.	• Holder of at least one (1) share of stock of the Corporation. • At least a college graduate, or in lieu of a formal education, he must have gained sufficient experience in managing the business. • At least 21 years old. • Proven integrity, probity and assiduousness. • Possesses other

		qualifications as shall be prescribed by the Board.
(ii) Non-Executive Directors	Nominations for election as directors shall be submitted to the Nomination Committee not later than 30 January of each year. Thereafter, the Nomination Committee meets to consider all nominees in accordance with the qualifications and disqualifications set by the Manual of Corporate Governance and by the Board.	• Holder of at least one (1) share of stock of the Corporation. • At least a college graduate, or in lieu of a formal education, he must have gained sufficient experience in managing the business. • At least 21 years old. • Proven integrity, probity and assiduousness. • Possesses other qualifications as shall be prescribed by the Board.
(iii) Independent Directors	Nominations for election as directors shall be submitted to the Nomination Committee not later than 30 January of each year. Thereafter, the Nomination Committee meets to consider all nominees in accordance with the qualifications and disqualifications set by the Manual of Corporate Governance and by the Board.	• Holder of at least one (1) share of stock of the Corporation. • At least a college graduate, or in lieu of a formal education, he must have gained sufficient experience in managing the business. • At least 21 years old. • Proven integrity, probity and assiduousness. • Possesses other qualifications as shall be prescribed by the Board.
b. Re-appointment		
(i) Executive Directors	Nominations for election as directors shall be submitted to the Nomination Committee not later than 30 January of each year. Thereafter, the Nomination Committee meets to consider all nominees in accordance with the qualifications and disqualifications set by the Manual of Corporate Governance and by the Board.	• Holder of at least one (1) share of stock of the Corporation. • At least a college graduate, or in lieu of a formal education, he must have gained sufficient experience in managing the business. • At least 21 years old. • Proven integrity, probity and assiduousness. • Possesses other qualifications as shall be prescribed by the Board.
(ii) Non-Executive Directors	Nominations for election as directors shall be submitted to the Nomination Committee not later than 30 January of each year. Thereafter, the Nomination Committee meets	• Holder of at least one (1) share of stock of the Corporation. • At least a college graduate, or in lieu of a formal education, he must

	to consider all nominees in accordance with the qualifications and disqualifications set by the Manual of Corporate Governance and by the Board.	have gained sufficient experience in managing the business. • At least 21 years old. • Proven integrity, probity and assiduousness. • Possesses other qualifications as shall be prescribed by the Board.
(iii) Independent Directors	Nominations for election as directors shall be submitted to the Nomination Committee not later than 30 January of each year. Thereafter, the Nomination Committee meets to consider all nominees in accordance with the qualifications and disqualifications set by the Manual of Corporate Governance and by the Board.	• Holder of at least one (1) share of stock of the Corporation. • At least a college graduate, or in lieu of a formal education, he must have gained sufficient experience in managing the business. • At least 21 years old. • Proven integrity, probity and assiduousness. • Possesses other qualifications as shall be prescribed by the Board.
c. Permanent Disqualification		
(i) Executive Directors	The Nomination Committee pre-screens and shortlists all candidates nominated to become a member of the Board. In case the ground for disqualification arises during the incumbency of a director, he shall automatically cease to become a member and shall immediately vacate the office.	The By-Laws of the Company provide that the following persons shall be disqualified from being elected as members of the Board of Directors: a. any person finally convicted judicially of an offense involving corruption, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false oath, perjury, or other fraudulent acts; b. any person finally found by the Securities and Exchange Commission or a court or other administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of, any provision of the SRC, the Corporation Code, or any other law administered by the Securities and Exchange Commission or the BangkoSentral ng Pilipinas; c. any person judicially declared to be insolvent; d. any person finally found guilty by a foreign court or

		equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs; and e. conviction by final judgment of an offense punishable by imprisonment for a period exceeding 6 years, or a violation of the Corporation Code, committed within 5 years prior to the date of his election or appointment.
(ii) Non-Executive Directors	The Nomination Committee pre-screens and shortlists all candidates nominated to become a member of the Board. In case the ground for disqualification arises during the incumbency of a director, he shall automatically cease to become a member and shall immediately vacate the office.	The By-Laws of the Company provide that the following persons shall be disqualified from being elected as members of the Board of Directors: a. any person finally convicted judicially of an offense involving corruption, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false oath, perjury, or other fraudulent acts; b. any person finally found by the Securities and Exchange Commission or a court or other administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of, any provision of the SRC, the Corporation Code, or any other law administered by the Securities and Exchange Commission or the BangkoSentral ng Pilipinas; c. any person judicially declared to be insolvent; d. any person finally found guilty by a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs; and e. conviction by final judgment of an offense punishable by imprisonment

		for a period exceeding 6 years, or a violation of the Corporation Code, committed within 5 years prior to the date of his election or appointment.
(iii) Independent Directors	The Nomination Committee pre-screens and shortlists all candidates nominated to become a member of the Board. In case the ground for disqualification arises during the incumbency of a director, he shall automatically cease to become a member and shall immediately vacate the office.	Independent directors shall be disqualified if they commit any of the acts that disqualify a regular director or if he fails to meet the requirements or qualifications for an independent director as stated above.
d. Temporary Disqualification		
(i) Executive Directors	If the ground for disqualification is refusal to comply with the disclosure requirements, the disqualification shall be in effect as long as the refusal persists. In case the ground is habitual absence, the disqualification shall apply for purposes of the succeeding election. If the ground is dismissal or termination for cause as director of anycorporation covered by the SRC, the disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination. If the beneficial equity ownership of an independent director in the Company or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock, the disqualification shall be lifted if the limit is later complied with. A temporarily disqualified director shall, within 60 business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.	The Board may provide for the temporary disqualification of a director for any of the following reasons: a. Refusal to comply with the disclosure requirements of the SRC and its Implementing Rules and Regulations. b. Absence in more than 50% of all regular and special meetings of the Board during his incumbency, or any 12-month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. c. Dismissal or termination for cause as director of anycorporation covered by the SRC. d. If the beneficial equity ownership of an independent director in the Company or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock. e. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.
(ii) Non-Executive Directors	If the ground for	The Board may provide for

	disqualification is refusal to comply with the disclosure requirements, the disqualification shall be in effect as long as the refusal persists. In case the ground is habitual absence, the disqualification shall apply for purposes of the succeeding election. If the ground is dismissal or termination for cause as director of anycorporation covered by the SRC, the disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination. If the beneficial equity ownership of an independent director in the Company or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock, the disqualification shall be lifted if the limit is later complied with. A temporarily disqualified director shall, within 60 business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.	the temporary disqualification of a director for any of the following reasons: a. Refusal to comply with the disclosure requirements of the SRC and its Implementing Rules and Regulations. b. Absence in more than 50% of all regular and special meetings of the Board during his incumbency, or any 12-month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. c. Dismissal or termination for cause as director of anycorporation covered by the SRC. d. If the beneficial equity ownership of an independent director in the Company or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock. e. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.
(iii) Independent Directors	If the ground for disqualification is refusal to comply with the disclosure requirements, the disqualification shall be in effect as long as the refusal persists. In case the ground is habitual absence, the disqualification shall apply for purposes of the succeeding election. If the ground is dismissal or termination for cause as director of anycorporation covered by the SRC, the disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination.	The Board may provide for the temporary disqualification of a director for any of the following reasons: a. Refusal to comply with the disclosure requirements of the SRC and its Implementing Rules and Regulations. b. Absence in more than 50% of all regular and special meetings of the Board during his incumbency, or any 12-month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. c. Dismissal or termination for cause as director of anycorporation covered by the

	If the beneficial equity ownership of an independent director in the Company or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock, the disqualification shall be lifted if the limit is later complied with. A temporarily disqualified director shall, within 60 business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.	SRC. d. If the beneficial equity ownership of an independent director in the Company or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock. e. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.
e. Removal		
(i) Executive Directors	The Board, by resolution at a meeting called for the purpose, shall remove a director as soon as the grounds for permanent disqualification are discovered. Moreover, if a director violates any of the provisions of the Revised Manual on Corporate Governance (MCG), he shall likewise be ousted from office.	
(ii) Non-Executive Directors	The Board, by resolution at a meeting called for the purpose, shall remove a director as soon as the grounds for permanent disqualification are discovered. Moreover, if a director violates any of the provisions of the Revised Manual on Corporate Governance (MCG), he shall likewise be ousted from office.	
(iii) Independent Directors	The Board, by resolution at a meeting called for the purpose, shall remove a director as soon as the grounds for permanent disqualification are discovered. Moreover, if a director violates any of the provisions of the Revised Manual on Corporate Governance (MCG), he shall likewise be ousted from office.	
f. Re-instatement		
(i) Executive Directors	If the ground is refusal to comply with the disclosure requirements, the director shall be reinstated after he complies with the said requirements. If the ground is dismissal or	

	termination for cause as director of anycorporation covered by the SRC, the director shall be reinstated after he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination.	
(ii) Non-Executive Directors	If the ground is refusal to comply with the disclosure requirements, the director shall be reinstated after he complies with the said requirements. If the ground is dismissal or termination for cause as director of anycorporation covered by the SRC, the director shall be reinstated after he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination.	
(iii) Independent Directors	If the ground is refusal to comply with the disclosure requirements, the director shall be reinstated after he complies with the said requirements. If the ground is dismissal or termination for cause as director of anycorporation covered by the SRC, the director shall be reinstated after he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination. If the ground is exceeding the 2% beneficial ownership limit, he shall be reinstated as soon as the limit is complied with.	
g. Suspension		
(i) Executive Directors	To strictly observe and implement the provisions of the Company's MCG, suspension is imposed on directors in case of second violation of any of the provisions of the MCG.	The guidelines mandated in the Company's Manual of Corporate Governance and other standards as may be set by the Board of Directors.
(ii) Non-Executive Directors	To strictly observe and implement the provisions of the Company's MCG, suspension is imposed on directors in case of second violation of any of the provisions of the MCG.	The guidelines mandated in the Company's Manual of Corporate Governance and other standards as may be set by the Board of Directors.
(iii) Independent Directors	To strictly observe and implement the provisions of	The guidelines mandated in the Company's Manual of

	the Company's MCG, suspension is imposed on directors in case of second violation of any of the provisions of the MCG.	Corporate Governance and other standards as may be set by the Board of Directors.

Voting Result of the last Annual General Meeting

The following directors were re-elected to the Board during the Company's 2015 annual stockholders' meeting:

Harald R. Tomintz
Johnson A. Sanhi, Jr.
Dexter Y. Tiu
Eric Y. Roxas
A. Bayani K. Tan
Aristides Armas
Juan Kevin Belmonte

The voting for the directors was conducted via *viva voce*. Considering that there were as many nominees as there were seats to be filled, and upon the confirmation of the inspectors appointed by the Board that there was no indication of dissent among the stockholders, the Chairman requested the Corporate Secretary to cast all votes for the nominees.

6) Orientation and Education Program

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

The Company has no specific training program for new directors. New directors are given an orientation on the business of the Company. They are also given access to the Company's directors and officers to address any questions or clarifications that new directors may raise.

New directors are asked to undergo workshops or seminars on corporate governance in order to ensure that they meet the regulatory requirements of the SEC and PSE.

(b) State any in-house training and external courses attended by Directors and Senior Management[4] for the past three (3) years:

Atty. Bayani K. Tan, Director and Corporate Secretary, completed the annual Corporate Governance training requirement on 26 May 2014 as certified by the Institute of Corporate Directors and on 8 September 2015 as certified by the Center for Global Best Practices.

Atty. Ria Carmela R. Cruz, Assistant Corporate Secretary , completed the annual Corporate Governance training requirement on 13 August 2015 as certified by the Center for Training and Development, Inc.

[4] 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.

Name of Director/Officer	Date of Training	Program	Name of Training Institution
None			

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	Everyone is duty bound, under the penalty of perjury, to disclose fully their existing business interests, shareholdings, personal activities or relationships that may directly or indirectly conflict with the performance of their intended duties and responsibilities. The Board determines whether each person's business interests, shareholdings, personal activities or relationships result in conflict with the duties and responsibilities in the Company. All employees shall conduct fair business transactions with the Company and ensure that his personal interests do not conflict with the interests of the Company.		
(b) Conduct of Business and Fair Dealings	The Company shall not enter into arrangements with its competitors to arbitrarily set prices of products and other terms of the market/industry. Customers and suppliers should be dealt with fairly.		
(c) Receipt of gifts from third parties	Acceptance of gifts and other favors from customers, suppliers, or any other third party which might compromise one's ability to make objective decisions or which might affect the performance of one's duty is strictly prohibited.		
(d) Compliance with Laws & Regulations	Compliance with applicable laws, rules and regulations must never be compromised. Moreover, the Company has an anti-bribery policy. Everyone is prohibited from giving anything of value to a government official in exchange for a favorable treatment.		
(e) Respect for Trade Secrets/Use of Non-public Information	Information acquired by virtue of office shall be treated with utmost confidentiality. The Company's non-public information should be safeguarded and shall not be disclosed to third parties. Trading in Company's stocks based on material non-public information will be dealt with criminally.		
(f) Use of Company Funds, Assets and Information	Company assets and funds cannot be used for personal benefit or for the benefit of anyone other than the Company. Everyone is discouraged from engaging in personal activities during working hours.		
(g) Employment & Labor Laws & Policies	Labor Laws are strictly complied with. Moreover, the safety and welfare of all people working in the Company should be prioritized at all times.		
(h) Disciplinary action	The Compliance Officer is responsible for determining violation of the Manual of Corporate Governance through notice and hearing. He recommends to the Chairman of the Board the imposable penalty for such violation, for further review and approval of the Board. The Board shall impose a penalty that is in accordance with the Company's HR policy and commensurate to the transgression of the person involved on other violations.		
(i) Whistle Blower	Whenever a report is made to the Compliance Officer, the Human Resource Department Head, or to any member of the Audit Committee, anonymity and confidentiality consistent with conducting a thorough and fair investigation are		

	prioritized. Since the Company values people who identify issues that need to be addressed, any form of retaliation is proscribed.
(j) Conflict Resolution	Conflicts are resolved internally as much as possible. It should be resolved in the lowest possible level using procedure that addresses and respects the needs, interests and rights of the parties involved.

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

Yes. All directors, members of senior management, and employees were furnished copies of the Company's code of ethics upon their assumption of their respective positions in the Company.

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

Everyone is mandated to report any violation of the Company's Code of Business Conduct and Ethics to the Compliance Officer, Human Resource Department Head, or to any member of the Audit Committee.

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	The Company adopts a policy of full disclosure with regard to related party transactions. All terms and conditions of related party transactions are reported to the Board of Directors.
(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)
Dexter Y. Tiu	• Lease of office space with JTKC Equities, Inc., where the Company's Treasurer, Mr. Dexter T. Tiu, is a director.
	• The Company has advances to PacificoSulMineraCao Corporation in the amount of P1,587,341.
	• The Company has advances to Colossal Petroleum Corporationin the amount of P706,691.
	• The Company has advances from Stronghold Steel Corporation in the amount of P821,745.

The Company entered all of the foregoing transactions with full disclosure to the Board of Directors of the related parties involved therein. Moreover, the terms and conditions of these contracts were made on an arms-length basis. Aside from the foregoing, the Company has not identified any actual or probable conflict of interest situation between the Company and its directors, officers, or shareholders holding at least 5% of the Company's outstanding capital stock.

(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	Among the duties of the Compensation and Remuneration Committee is to insure that all incoming officers and directors disclose fully their existing business interests or shareholdings that may directly or indirectly conflict with the performance of their intended duties and responsibilities, under the penalty of perjury, and to review the existing Human Resources Development or Personnel Handbook or its equivalent, to strengthen provisions on conflict of interest. On the other hand, the Nomination Committee considers the possibility of conflicting interest in determining the number of directorships that may be held by a director.
Group	

5) Family, Commercial and Contractual Relations

(a) Indicate, if applicable, any relation of a family,[5] 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:

[5]Family relationship up to the fourth civil degree either by consanguinity or affinity.

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
Dexter Y. Tiu and Alexander Y. Tiu	Family	Siblings

(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:

Names of Related Significant Shareholders	Type of Relationship	Brief Description
N/A		

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

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
None.		

6) Alternative Dispute Resolution

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

	Alternative Dispute Resolution System
Corporation & Stockholders	Conflicts are usually resolved through mediation between the parties. A mediator will be selected by the parties to facilitate communication and negotiation and to assist them in reaching a voluntary agreement regarding the issue involved. Failing such an amicable settlement, the Company would suggest that the issue be settled by arbitration in a neutral forum and preferable in accordance with the UNCITRAL rules.
Corporation & Third Parties	
Corporation & Regulatory Authorities	

C. BOARD MEETINGS & ATTENDANCE

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

As far as practicable, schedules of Board of Directors' meetings are determined at the beginning of the year. However, actual details as to date, time, and venue thereof are subject to change depending on the availability of directors and senior management.

2) **Attendance of Directors**

Board	Name	Date of Re-election	No. of Meetings Held during the year	No. of Meetings Attended*	%
Chairman	Harald R. Tomintz	14 July 2015	4	4	100
Member	Johnson A. Sanhi, Jr.	14 July 2015	4	4	100
Member	Dexter Y. Tiu	14 July 2015	4	4	100
Member	Eric Y. Roxas	14 July 2015	4	4	100
			4		
Member	A. Bayani K. Tan	14 July 2015	4	4	100
Independent	Aristides Armas	14 July 2015	4	4	100
Independent	Juan Kevin Belmonte	14 July 2015	4		100

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

No. The non-executive directors of the Board do not meet separately.

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

The Company uses the minimum quorum requirement as set forth in the Corporation Code. Thus, when majority of the directors are present, the Board proceeds with transaction of business as stated in the agenda for each meeting.

5) **Access to Information**

(a) How many days in advance are board papers[7] for board of directors meetings provided to the board?

Eric Y. Roxas is an incorporator of the Company and Corporate Secretary. Concurrently, he is the President of Husky Trading Corp., Supra Finishing Corp., Phil. Welding Technology Skills & Services Center, Inc., and Husky Calibration Specialists, Inc. He is also the Treasurer of Eagle Equities, Inc. He holds a Bachelor of Science degree in Industrial Engineering from De La Salle University.

While he has not been specifically trained in legal, accountancy, or company secretarial practices, Mr. Roxas' sufficient corporate experience has equipped him with the skills to perform the duties of a corporate secretary.

Mr. Roxas is assisted in his corporate secretary responsibilities by Atty. Ria Carmela R. Cruz, the Company's Assistant Corporate Secretary. Atty. Cruz, has valuable training and experience in corporate secretarial work and corporate servicing. She holds a Juris Doctor degree and a Bachelor of Art Degree in Public Administration, cum laude, both from the University of the Philippines. She

[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.

was admitted to the Philippine Bar in 2011.

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

Yes. The Company's Manual of Corporate Governance provides that directors shall enjoy independent access to Management and the Corporate Secretary, especially in regard to access to information and documents.

(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?

As part of its Manual of Corporate Governance, the Company has prescribed that the role of the Corporate Secretary be, as follows:

- Gather and analyze all documents, records and other information essential to his duties;
- Attend all board meetings, except in justifiable cases;
- Ensure strict compliance with Board procedures and rules and regulations;
- Inform the directors of agenda of meetings and the Board materials thereon;
- Keep in custody and preserve the integrity of minutes of the Board meetings and other official records;
- Assist the Board in making business judgments;
- Work fairly and objectively with the Board of Directors, Management, and stockholders; and
- Have adequate knowledge of the rules an regulations necessary in the performance of his duties and responsibilities, as well as the strategic objectives, policies, and procedures of the Company.

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

Eric Y. Roxas is an incorporator of the Company and Corporate Secretary. Concurrently, he is the President of Husky Trading Corp., Supra Finishing Corp., Phil. Welding Technology Skills & Services Center, Inc., and Husky Calibration Specialists, Inc. He is also the Treasurer of Eagle Equities, Inc. He holds a Bachelor of Science degree in Industrial Engineering from De La Salle University.

While he has not been specifically trained in legal, accountancy, or company secretarial practices, Mr. Roxas' sufficient corporate experience has equipped him with the skills to perform the duties of a corporate secretary. Mr. Roxas is assisted in his corporate secretary responsibilities by Atty. Ria Carmela R. Cruz, the Company's Assistant Corporate Secretary. Atty. Cruz, has ample training and experience in company secretarial practices. She holds a Juris Doctor degree and a Bachelor of Art Degree in Public Administration, cum laude, both from the University of the Philippines. She was admitted to the Philippine Bar in 2011.

(c) 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 [x] No [ ]

Committee	Details of the procedures
Executive	The Manual of Corporate Governance ensures that the members of the Board have unhampered access to the reports produced by the different committees as well as to the individual members of the committees and senior officers of the Corporation. Inquiries can be made by a member of the Board at any time to enable him to properly perform his duties and responsibilities.
Audit	
Nomination	
Remuneration	
Others (Risk)	

6) External Advice

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

Procedures	Details
The Manual of Corporate Governance provides that the members of the Board, whether individually or as a Board, shall have access to independent professional advice at the Corporation's expense.	This independent professional advice may be sourced from the Corporation's retained external legal counsel or auditors. The Board may likewise choose to engage professionals in specific matters.

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:

There were no significant changes introduced by the Board during the period covered by this report that may have a material effect on the business of the Company. In compliance with the requirements of the Securities Regulation Code, any such changes are immediately reported to the SEC and the PSE.

Existing Policies	Changes	Reason
N/A		

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	The Compensation and Remuneration Committee is tasked with coming up with a formal and transparent procedure for developing a policy for executive remuneration and fixing the remuneration packages for corporate officers and directors, and provide oversight over remuneration of senior management and key personnel to ensure that compensation levels are consistent with the Corporation's culture, strategy, and environment. The Committee also determines the amount of remuneration of directors and officers. The Committee ensures that their remuneration is sufficient to attract and retain personnel.	
(2) Variable remuneration		
(3) Per diem allowance		
(4) Bonus		
(5) Stock Options and other financial instruments		
(6) Others (specify)		

2) **Remuneration Policy and Structure for Executive and Non-Executive Directors**
Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	Coal's directors do not receive regular compensation for their services as they are seconded from Titan Mining and Energy Corporation. There are no other arrangements for compensation either by way of payments for committee participation or special assignments other than reasonable per diems. In 2013, directors were allocated a per diem allowance of P5,000.00		
Non-Executive Directors			

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

Remuneration Scheme	Date of Stockholders' Approval
The remuneration scheme, as disclosed to the stockholders via SEC Form 20-IS, is ratified by the stockholders as part of the acts of the Board of Directors of the Company on the previous year during each annual stockholders' meeting.	14 July 2015

3) **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			

(b) Variable Remuneration			
(c) Per diem Allowance	P5,000.00	P5,000.00	P5,000.00
(d) Bonuses			
(e) Stock Options and/or other financial instruments			
(f) Others (Specify)			
Total	P5,000.00	P5,000.00	P5,000.00

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

4) Stock Rights, Options and Warrants

(a) Board of Directors

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

Director's Name	**Number of Direct Option/Rights/ Warrants**	**Number of Indirect Option/Rights/ Warrants**	**Number of Equivalent Shares**	**Total % from Capital Stock**
None of the members of the Board own or is entitled to stock rights, options or warrants over the Company's shares				

(b) Amendments of Incentive Programs

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

Incentive Program	Amendments	Date of Stockholders' Approval
The Company has no existing incentive program.		

Incentive Program	Amendments	Date of Stockholders' Approval
N/A		

5) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Name of Officer/Position	Total Remuneration
Enrique Payawal	₱7,665,517.00(Total for all Executive Officers)
Gizella Greta DJ Gonzales	
Arnold Manat	

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	N/A						
Audit	2		1	Y	Its oversight function covers financial reporting and disclosures, risk management and internal controls, management and internal audit, and external audit.	Its responsibilities include assisting the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations; providing	It has the power to disallow any non-audit work that will conflict with the duties of the External Auditor or may pose a threat to his independence. It also has the power

						oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company and over the Company's Internal and External Auditors; reviewing the annual internal audit plan and organize an internal audit department; monitoring and evaluating the adequacy and effectiveness of the internal control system; and coordinating, monitoring and facilitating compliance with laws, rules and regulations.	to call attendees as required, including having open access to Managem ent and auditors. It has the right to seek additional informatio n as necessary to fulfill its responsibi lities.
Nomination	1	1	1	N	It is responsible for reviewing the structure, size and compositio n of the Board and ensuring that both are comprised of the right balance of skills, knowledge and experience.	Its responsibilities include pre-screening and shortlisting all candidates nominated to become a member of the Board and re-defining the role, duties and responsibilities of the Chief Executive Officer by integrating the dynamic requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance.	It has the power to seek any informatio n that it requires from employees of the Company, all of whom are directed to co-operate with any request it makes. Moreover, it has the power to employ the services of such advisers as it deems

							necessary to fulfill its responsibilities.
Remuneration	2		I	N	It's function is to establish a formal and transparent procedure for developing a policy on remuneration packages of corporate officers, directors, senior management and other key personnel to ensure that the compensation levels are consistent with the Company's culture, strategy and control environment.	Its responsibilities include determining the amount of remuneration for the Company's directors and officers; ensuring that all incoming officers and directors disclose fully their existing business interests or shareholdings that may directly or indirectly conflict with the performance of their intended duties and responsibilities; reviewing the existing Human Resources Development or Personnel Handbook to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements.	It has the power to engage an adviser as it deems necessary to carry out its duties. It also has unrestricted access to members of management, employees and relevant information.
Others (Risk) *The Company has an Audit and Risk Committee.				N	It is established to assist the Board in overseeing the Company's practices	It will assist the Board in providing framework to identify, assess, monitor and manage the risks associated with	It has the power to recommend to the Board changes or improvements to

					and processes relating to risk assessment and risk manageme nt; maintainin g an appropriate risk culture, reporting of financial and business risks and associated internal controls.	the Company's business; it helps the Board to adopt practices designed to identify significant areas of business and financial risks and to effectively manage those risks in accordance with Company's risk profile; it will develop a formal risk management policy that guides the Company's risk management and compliance processes and procedures.	key elements of its processes and procedure s.

2) Committee Members

(a) Executive Committee

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

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Aristides S. Armas	15 July 2015	3	3	100	3
Member (ED)	Johnson R. Sanhi, Jr.	15 July 2015	3	3	100	3
Member	Eric Y. Roxas	15 July 2015	3	3	100	3

Disclose the profile or qualifications of the Audit Committee members.

Aristides S. Armas is the President of UCPB Leasing and Financing Corporation from November 2003 to present. He has 40 years of experience in banking and financing. He

previously held executive positions in BA Finance Corporation and UCPB Savings Bank. He earned his Bachelor of Arts degree and Bachelor of Science degree in Commerce from the De La Salle University.

Johnson A. Sanhi, Jr.,50 was elected as Director and President of Coal Asia Holdings Incorporated. last 21 July 2014. He has been with Titan Mining and Energy Corporation from 2010 to the present. He is concurrently the Chief Operating Officer of Stronghold Steel Corporation. He was a former Vice President and Plant Manager at Cathay Pacific Steel Corporation where he worked for 23 years. Mr. Sanhi, Jr. holds a Master of Science degree in Chemical Engineering from the University of the Philippines. He obtained his Bachelor of Science degree in Chemical Engineering from the De La Salle University.

Eric Y. Roxas is an incorporator of the Company and Corporate Secretary. Concurrently, he is the President of Husky Trading Corp., Supra Finishing Corp., Phil. Welding Technology Skills & Services Center, Inc., and Husky Calibration Specialists, Inc. He is also the Treasurer of Eagle Equities, Inc. He holds a Bachelor of Science degree in Industrial Engineering from De La Salle University.

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

The Company's Manual of Corporate Governance enumerates the responsibilities of the Audit Committee relative to the external auditor, to wit:

- Perform oversight functions over the Company's Internal and External Auditors. It should ensure that the Internal and External Auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;

- Prior to the commencement of the audit, discuss with the External Auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;

- Review the reports submitted by the External Auditors; and

- Evaluate and determine the non-audit work, if any, of the External Auditor, and review periodically the non-audit fees paid to the External Auditor in relation to their significance to the total annual income of the External Auditor and to the Company's overall consultancy expenses; The Committee shall disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Company's annual report.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Harald R. Tomintz	14 July 2015	1	1	100	3
Member (ED)	Dexter Y. Tiu	14 July 2015	1	1	100	3
Member (ID)	Juan Kevin Belmonte	14 July 2015	1	1	100	3

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Johnson A. Sanhi, Jr.	14 July 2015	None			2
Member (ED)	Eric Y. Roxas	14 July 2015	None			2
Member (NED)						
Member (ID)	Aristides Armas	14 July 2015	None			2
Member						

(e) Others (Specify) – Risk 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	The Company has an Audit and Risk Committee.					
Member (ED)						
Member (NED)						
Member (ID)						
Member						

3) Changes in Committee Members

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

Name of Committee	Name	Reason
Executive	N/A	
Audit	Jaime T. Ang replaced by Johnson A. Sanhi, Jr.	Death due to lingering illness.
Nomination	None	
Remuneration	None	
Others (Risk)	Jaime T. Ang replaced by Johnson A. Sanhi, Jr.	Death due to lingering illness.

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	N/A	
Audit	The Committee passed upon and approved the Company's audited financial statements before endorsing for the approval of the Board of Directors.	No significant issues addressed.
Nomination	The Committee passed upon the list of nominees for election as member of the Board of Directors and prepared the final short list of nominee.	No significant issues addressed.
Remuneration	None.	None.
Others (Risk)	None.	None.

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	N/A	N/A
Audit	None.	No significant issues addressed.
Nomination	None.	No significant issues addressed.
Remuneration	None.	No significant issues addressed.
Others (specify)	None.	No significant issues addressed.

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

The Company's risk management program focuses on safeguarding shareholder value to manage unpredictability of risks and minimize potential adverse impact on its operating performance and financial condition.

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

The Company's Board of Directors is directly responsible for risk management and the Management carries out risk management policies approved by the Board. After the Management identifies, evaluates reports and monitors significant risks, and submits appropriate recommendations, the Board approves formal policies for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk and liquidity risk.

(c) Period covered by the review;

The period covered by the review is from 1 January 2015 up to 31 December 2015.

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

(e) The Risk Committee annually reviews the Company's approaches to risk management and recommends to the Board the changes or improvements to key elements of its processes and procedures. After submission of the Committee's recommendation, the Board then reviews the risk management system. No significant issued were addressed by the Committee in 2013.

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

No significant issued were addressed by the Committee in 2013.

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
Financial Risks	The Company policy is to ensure that the scheduled principal and interest payments are well within its ability to generate cash from its business operations. It is likewise committed to maintain adequate capital at all times to meet shareholders' expectations, withstand adverse business conditions and take advantage of business opportunities.	The Company's objective is to protect investment in the event there would be significant fluctuations in the exchange rate. On the other hand, the Company's objectives to manage its liquidity are: a) to ensure that adequate funding is available at all times; b) to meet commitments as they arise without incurring unnecessary costs; and c) to be able to access funding when needed at the least possible cost. The long-term strategy is to sustain a healthy debt-to-equity ratio.
Operational Risks	It is the policy of the Company to be prepared for any event which triggers a material business impact or modifies the existing risk profile	The Company's objective is to protect investment in the event there would be significant events that would result in material impact to the Company's operations.

(b) Group

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

Risk Exposure	Risk Management Policy	Objective
N/A		

Since the Company is the parent of Titan Mining and Energy Corporation, the Company's risk management policy has been adopted by its wholly-owned subsidiary.

(c) Minority Shareholders

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

Risk to Minority Shareholders
N/A

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)
Financial Risk	It monitors potential sources of the risk through monitoring of investments and assets, and projected cash flows from operations. The Company also maintains a financial strategy that the scheduled principal and interest payments are well within the Company's ability to generate cash from its business operations.	The Company regularly monitors financial trends. The Company regularly keeps track of its capital position and assesses business conditions to ensure early detection and determination of risks, and its consequent adverse impact. It adopts measures, as may be deemed necessary and appropriate, to mitigate risks.
Operational Risks	The Company closely monitors demand and trends in the coal mining and power industry. The Company likewise closely monitors any regulatory amendments that may affect the Company's operations. Finally, the Company maintains good working relationship with the local government leaders in its mining sites and work with them in monitoring peace and order concerns.	Any operational risks monitored are brought to the attention of the Risk Committee and addressed therein, together with inputs from corporate officers. The findings and recommendations are then brought to the Board for approval. There has been no significant operational risk determined by the Company in its operations in the past year.

(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)
Financial Risk	N/A	
Operational Risks		

Since the Company is the parent, conduct of a risk assessment on its subsidiary is done whenever a risk assessment of the parent company is conducted.

(c) Committee

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

Committee/Unit	Control Mechanism	Details of its Functions
Risk Committee	Policies with respect to risk assessment and risk management including the Company's major financial and business risk exposures are laid out. The culture of risk management which includes determining the appropriate risk appetite (risk-taker or risk-averse) or level of exposure as a whole or on any relevant individual issue, and determining what types of risk are acceptable and which are not, are set up.	The Risk Committee assists the Board in overseeing the Company's practices and processes relating to risk assessment and risk management, and maintaining an appropriate risk culture, reporting of financial and business risks and associated internal controls. It assists the Board in providing framework to identify, assess, monitor and manage the risks associated with the Company's business. It helps the Board to adopt practices designed to identify significant areas of business and financial risks and to effectively manage those risks in accordance with Company's risk profile.

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 system pertains to the Company's corporate governance processes with regard to integrity of financial statements and disclosures; effectiveness of internal control systems; independence and performance of internal and external auditors; compliance with accounting standards, legal and regulatory requirements; and evaluation of management's process to assess and manage the risk issues.

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

One of the responsibilities of the Board as stated in the Manual of Corporate Governance is to adopt a system of check and balance within the Board, conduct a regular review of the effectiveness of such system to ensure the integrity of the decision-making and reporting processes at all times and perform a continuing review of the Company's internal control system in order to maintain its adequacy and effectiveness.

(c) Period covered by the review;

The period covered by the review is from 1 January 2015 up to 31 December 2015.

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

The Audit Committee regularly updates the Board on its activities and makes recommendations whenever necessary. The Audit Committee likewise ensures that the Board is aware of matters that may significantly impact the financial condition or the Company's operations.

The Management formulated, under the supervision of the Audit Committee, the rules and procedures on internal control in accordance with the following guidelines:

1. An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the Company should be maintained; and
2. On the basis of the approved audit plans, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the Company's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules and regulations.

(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
The internal auditor provides reasonable assurance that the Company's key organizational and procedural controls are effective, appropriate, and complied with.	Internal audit examinations cover the evaluation of the adequacy and effectiveness of controls that cover the Company's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules and regulations.	In house		The Internal Auditor submits to the Audit Committee and Management an annual report on the internal audit department's activities, responsibilities and performance relative to the audit plans and strategies as approved by the Audit Committee. The annual report includes significant risk exposures and control issues.

(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?

One of the duties of the Audit Committee as stated in the Manual of Corporate Governance and the Audit Committee Charter is to organize an internal audit department and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal. Since the Audit Committee has oversight functions over the Internal Auditor, the removal of the latter is subject to the affirmation of the former.

(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 Audit Committee reviews the activities and organizational structure of the internal audit function, including the need to outsource certain internal audit activities, and ensures that no unjustified restrictions or limitations are made. It likewise approves the strategic and operational plans of the Internal Audit unit and ensures that the internal audit reporting process is operating as planned.

The Audit Committee and the Internal Audit Unit meets periodically to discuss the results of audit work and the implications of audit findings on the overall quality of internal control and procedures within the organization. Moreover, the internal auditor is given direct access to the board and to all records, properties and employees of the Company to enable him to fulfill his duties and responsibilities.

(d) Resignation, Re-assignment and Reasons

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

Name of Audit Staff	Reason
Not applicable.	

(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	
Issues[8]	
Findings[9]	
Examination Trends	

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

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

(f) Audit Control Policies and Procedures

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

Policies & Procedures	Implementation
The internal audit controls, policies, and procedures are based on the Audit Charter and Manual of Corporate Governance.	

(g) Mechanisms and Safeguards

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

[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.

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
The Audit Committee disallows any non-audit work that will conflict with the duties of the External Auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Company's annual report. In compliance with the SRC, the engagement of the Company's external auditor does not exceed 5 consecutive years.	The Company engages the services of an external financial analyst so that individual independence is not put at risk. A general impartiality requirement is implemented to provide a distance between the analyst and the analyzed security.	The Company ensures that the investment bank is accredited by regulatory agencies and does not own shares of stocks of the Company. A rotations scheme is likewise implemented to avoid occurrence or appearance of biases	The Company ensures that the rating agency it engages does not own shares of stocks of the Company. A rotations scheme is likewise implemented to avoid occurrence or appearance of biases.

(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.

Messrs. Harald Tomintz and Mr. Johnson A. Sanhi, Jr. Ang shall attest to the Company's full compliance with the Revised Code of Corporate Governance.

H. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' welfare	The Company works closely with clients to ensure that their satisfaction with the quality of the coal they source from the Company.	
Supplier/contractor selection practice	The Company ensures that any supplier or contractor engaged for services related to the mines have the correct equipment and sufficient professional experience to carry out the service.	
Environmentally friendly value-chain	The Company works closely with the community and the local government leaders of its mine sites to ensure environmental concerns are addressed. The Company strictly implements the regulatory requirements on environmental compliance as	

	mandated by the DENR and the DOE.	
Community interaction	The Company works closely with the community and the local government leaders of its mine sites to improve the area.	
Anti-corruption programmes and procedures?	N/A	
Safeguarding creditors' rights	The Company ensures that operations and investments are managed so as not to impair the Company's ability to repay its creditors.	

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

The Company has a corporate responsibility section and sustainability section in its Annual Report that discusses the key issues that may affect the long-term sustainability of the Company.

3) **Performance-enhancing mechanisms for employee participation.**

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

The Company aims to provide quality and timely health and welfare services to its employees in order to avoid interruption on their jobs and to prevent conditions (physical, mental or social) that will preclude them from giving their full attention to their work.

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

None available.

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

At the beginning of each project, the Company conducts training programs to its employees. Employee training is also conducted in instances required by government regulatory bodies.

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

None.

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

Employees are encouraged to promptly report concerns about any illegal and unethical behavior. Reports can be made anonymously to the Company's Compliance Officer, Human Resource Department Head, or to any member of the Audit Committee. To enable the Company to verify and act on the report, employees are encouraged to make reports that contain as much information as

possible, including the person involved, any witnesses, the location of any other information that would assist in investigating the concerns, and any supporting documentation. All whistle blower reports are handled in a confidential manner and confidentiality will be maintained to the fullest extent possible, consistent with the need to conduct an adequate investigation of the report and to perform subsequent remedial measures.

All reports received are forwarded to the Audit and Risk Committee that will make the preliminary assessment of the issues raised. The Audit Committee will then determine whether there is justification for an investigation and how it should be handled, should one be necessary. Depending on the issues involved, the Audit Committee may, in some cases, decide to delegate responsibility for an investigation to the Compliance Officer or to a legal counsel who will report directly to the Audit Committee.

Prompt and appropriate corrective action will be taken in response to any finding of illegal and unethical behavior. If after the investigation, the Audit and Risk Committee concludes that disciplinary measures are necessary, it will recommend such measures to the Board of Directors.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
JTKC Equities	640,000,000	16.00%	
Dexter Y. Tiu	640,000,000	16.00%	
Eric Y. Roxas	640,200,000	16.00%	
Gertim Chuahiong	640,000,000	16.00%	
Alexander Y. Tiu	640,000,000	16.00%	

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Johnson R. Sanhi, Jr.	1,000	Nil	0%
Dexter Y. Tiu	640,000,000	Nil	16.00%
Eric Y. Roxas	640,200,000	Nil	16.00%
TOTAL			32.00%

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

Key risks	Y
Corporate objectives	Y
Financial performance indicators	Y
Non-financial performance indicators	Y
Dividend policy	Y
Details of whistle-blowing policy	N

Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Y
Training and/or continuing education programme attended by each director/commissioner	N
Number of board of directors/commissioners meetings held during the year	N
Attendance details of each director/commissioner in respect of meetings held	N
Details of remuneration of the CEO and each member of the board of directors/commissioners	Y

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

- Details of whistle-blowing policy - While the Company adopts an open stance toward corporate whistle-blowers and is receptive to any information coming from them, the Company presently does not have a formal and written whistle-blowing policy.
- Training and/or continuing education program attended by each director/commissioner – The Company discloses the educational background, continuing education information, and general training of each director. However, training or specific seminars attended by each director during a reporting period is not disclosed since the Company does not obtain these information from the directors.
- Number of directors/commissioners meetings held during the year – While not included in the annual report, this information is submitted to the SEC each year and also made available to the public as part of the Company's corporate disclosures via the PSE and its own website.
- Attendance details of each director/commissioner in respect of meetings held – This information is also submitted to the SEC and disclosed to the public via the PSE and the Company's website.

3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
Reyes Tacandong& Co.	P500,000.00	0

4) Medium of Communication

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

In communicating with its shareholders, the Company makes use of the following:

- Direct mailing of Company materials;
- Disclosures via the PSE website; and
- Posting to the Company website.

5) Date of release of audited financial report: 27 April 2015

6) Company Website

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

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

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

7) Disclosure of RPT

RPT	Relationship	Nature	Value
Lease of office space from JTKC Equities Inc.	Mr. Dexter Y. Tiu, the Treasurer, is a director of JTKC Equities, Inc.		Rental expense in the amount of P3,610,032.00 was paid in 2013.
Stronghold Steel Corporation	Mr. Dexter Y. Tiu, the Treasurer, is a director of Stronghold Steel Corporation.		The Company received advances fromP821,745.00 from Stronghold.
Pacific SulMineracao	Common ownership with the Company.		Advances to Pacific of P1,587,341.00
Colossal Petroleum Corporation	Common ownership with the Company.		Advances to Colossal of P706,691.00

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?

Full disclosure of the nature of these related party transactions are made to, and the terms and conditions thereof are approved by, the Board of Directors. Shareholders are informed of these transactions via the annual reports and definitive information statements. Information on these transactions are likewise passed upon by the external auditor. The Company ensures that contracts with related parties are made on an arms-length basis.

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	Presence, in person or by proxy, of stockholders holding 50% + 1 of the outstanding capital stock of the Company

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	Ratification by stockholders during the annual stockholders meetings.
Description	The actions of the Company's board of directors and senior management are presented to the stockholders during the annual stockholders meeting. These are ratified by the stockholders during the meeting.

(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 not in The Corporation Code**
The rights of the stockholders under the Corporation Code are duly recognized by the Company. No deviations or modifications were implemented by the Company.	

Dividends

Declaration Date	Record Date	Payment Date
None.		

(d) Stockholders' Participation

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

Measures Adopted	**Communication Procedure**
All stockholders who will not, are unable, or do not expect to attend the meeting in person are encouraged to fill out, date, sign and send a proxy.	The annual stockholders meeting provides the avenue for shareholders to exercise their rights, including the right to raise questions or issues concerning the Company. During the annual stockholders meeting, the Chairman of the Board or the officers of the Company addresses the

	questions and suggestions of the stockholders.
The date of the Annual Stockholders Meeting is announced through disclosure in the Philippine Stock Exchange more than a month before the scheduled date.	The website of the Company indicates its contact information which the stockholders may utilize to voice their concerns.

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**

The Company complies with the requirements of the Corporation Code that a stockholders' meeting be called to approve the forgoing matters. A vote of stockholders holding at least 2/3 of the Company's outstanding capital stock is required to approve the foregoing matters.

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 complies with the requirement under the Securities Regulation Code that notice of an annual or special stockholders' meeting be sent to stockholders not later than 15 business days before the meeting.

   a. **Date of sending out notices:** 23 June 2015
   b. **Date of the Annual/Special Stockholders' Meeting:** 14 July 2015

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

- One proxy holder, Mr. Philip Turner, raised questions regarding the precautions taken by the Company to protect against dust while transporting coal to Sarangani. Engr. Enrique Payawal, VP for Mining and Exploration of TMEC, assured the stockholders that proper covering was used while delivery was being made to Sarangani Energy. Mr. Turner also asked whether the Company has a permit to sell coal. Engr. Payawal clarified that the Company currently holds a special permit to transport and sell coal. Mr. Turner also asked for updates on the Zamboanga project, to which Engr. Payawal replied that the Company will be conducting a feasibility study and will be submitting the same to the Department of Energy who will then give the go signal before the Company can conduct mining operations. Lastly, Mr. Turner asked regarding the penalty imposed on the Company for non-submission of certain reports. Chairman Tomintz answered that problems arose because only one person in the Philippines was accredited as competent person and accredited to accomplish said report and this was Engr. Rufino Bomasang. Chairman Harald R. Tomintz also promised to give Engr. Bomasang an opportunity to express his impressions and observations regarding the Company's mine operations later in the meeting.

- Another shareholder, Mr. Alfredo Abueg, Jr., then asked regarding the production targets of the Company to which Engr. Payawal replied that the Company was making

progress, considering its recent delivery of coal to Sarangani Energy. Mr. Abueg also asked about the grade of the coal the Company's mining operations were able to produce to which Chairman Tomintz answered that they were currently mining and producing medium and high grade coal.

- Chairman Tomintz invited Engr. Rufino Bomasang, the independent Competent Person-Mining Engineer engaged by the company to accomplish the Technical Report, to provide his observations and overall impressions on the mining operations of the Company, after his mine visits in June 2015. Engr. Bomasang explained that while it would take him about three (3) months to accomplish his report, he could see that there were several positive aspects to be noted about the Company's mining operations in Macopa. He noted the good drainage system, the thick and large coal seam, and the good quality of the coal, which in his opinion, did not exhibit signs of susceptibility to spontaneous combustion. He also expressed good hopes for the growth of the Company's mining operations as the Company has already become the second largest, after Semirara, even after just a few years of operation.

  Mr. Turner and Mr. Abueg again asked several questions regarding environmental concerns of the combustibility of the coal during storage and coal prices, which Engr. Bomasang and Chairman Tomintz answered. Engr. Bomasang again noted that the coal did not seem susceptible to spontaneous combustion. Chairman Tomintz stated that coal prices were depressed now but were projected to go up again in the future.

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

Resolution	Approving	Dissenting	Abstaining
Approval of the Minutes of the Previous Meeting of the Stockholders	3,234,744,060	0	0
Approval of the 2014 Operations	3,234,744,060	0	0
Ratification of all acts of the Board of Directors and Officers from the date of the last meeting up to the date of the present meeting	3,234,744,060	0	0
Election of Directors	Harald R. Tomintz 3,234,744,060 Dexter Y. Tiu 3,234,744,060 Eric Y. Roxas 3,234,744,060 Johnson A. Sanhi, Jr. 3,234,744,060 A. Bayani K. Tan 3,234,744,060 Juan Kevin G. Belmonte 3,234,744,060 Aristides S. Armas 3,234,744,060		
Appointment of Reyes Tacandong & Co. as External Auditor for 2015-2016	3,234,744,060	0	0

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

The results of the annual stockholders were disclosed to the public via the PSE Edge on 14July 2015

(e) Modifications

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

Modifications	Reason for Modification
None.	

(f) Stockholders' Attendance

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

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	Harald R. Tomintz Johnson A. Sanhi, Jr. Aristides S. Armas Juan Kevin G. Belmonte Dexter R. Tiu Eric Y. Roxas A. Bayani K. Tan Rosanna Desiderio Ria Carmela Cruz Enrique C. Payawal Gizella Greta D.J. Gonzales Arnold S. Manat	14 July2015	Viva voce			80.86%

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

An inspector is appointed by the Board of Directors before or at each meeting of the stockholders at which an election of directors is to take place. If no appointment shall have been made or if the inspector appointed by the Board refuses to act or fails to attend, the appointment shall be made by the presiding officer of the meeting.

Mr. Eric Y. Roxas, the Company's Corporate Secretary, was tasked to validate the ballots and counts the votes.

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

The Company's common shares are entitled to one vote for each share.

(g) Proxy Voting Policies

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

	Company's Policies
Execution and acceptance of proxies	All stockholders who will not, are unable, or do not expect to attend the meeting in person were encouraged to fill out, date, sign and send a proxy to the Company's Corporate Secretary. For corporate stockholders, the proxies should be accompanied by a Secretary's Certification on the appointment of the Company's authorized signatory.
Notary	Proxy should be duly notarized. A Notary Public is available at the office of the Corporate Secretary to notarize the proxy executed by the shareholders.
Submission of Proxy	The stockholders were informed in the Notice that the proxy should be submitted to the Company's Corporate Secretary at 2704 East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, 1605 Pasig City or at the Company's offices at 3rd Floor JTKC Center, 2155 Chino Roces Ave., Makati City. To be considered, all proxies should be received by the Corporate Secretary on or before 28 May 2013.
Several Proxies	Where one stockholder names several proxy holders, it is their responsibility to determine among themselves which of them will cast the vote, and how.
Validity of Proxy	Unless otherwise provided in the proxy, it is considered valid only for the meeting at which it has been presented to the Secretary.
Proxies executed abroad	Proxies executed abroad must be duly authenticated by the Philippine Embassy or Consular Office.
Invalidated Proxy	Proxies may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary, prior to scheduled meeting or by their personal presence at the meeting.
Validation of Proxy	Proxies submitted were validated by a Committee of Inspectors 30 May 2013 at 10 o'clock in the morning at the aforementioned address.
Violation of Proxy	Votes cast in violation of the proxy are considered as stray votes.

(h) Sending of Notices

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

Policies	Procedure
The Company shall exercise transparency and fairness in the conduct of the Company's annual and special stockholders' meetings. The stockholders are encouraged to personally attend such meetings.	Pursuant to the By-Laws of the Company, notices for regular or special meetings of stockholders may be sent by the Secretary by personal delivery or by mail at least 2 weeks prior to the date of the meeting to each stockholder of record at his last known post office address or by publication in a newspaper of general circulation. The notice shall state the place, date and hour of the meeting, and the purpose and purposes for which the meeting is called. In case of special meetings, only matters stated in the notice can be the subject of motions or deliberations at such meeting. However, considering that the Securities Regulation Code requires notices of stockholders' meetings to be sent 15 business days prior to the meeting, the Company adheres to the requirements of the SRC.

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	19 (Including PCD Nominee Corp-Fil and PCD Nominee Corp-Non Fil)
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	23 June 2015
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	23 June 2015
State whether CD format or hard copies were distributed	CD format copies were provided.
If yes, indicate whether requesting stockholders were provided hard copies	Yes. During the annual stockholders meeting stockholders who requested to be given hard copies of the reports were provided with the same.

(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.	Yes
Documents required for proxy vote.	Yes

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

2) Treatment of Stockholders

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

The Company's Manual of Corporate Governance provides for the protection of minority stockholders' rights in terms of voting, inspection of corporate records, right to information, right to dividends, and the exercise of appraisal rights.

The Manual of Corporate Governance vests in the Board of Directors the duty to promote shareholder rights, remove impediments to exercise of shareholder's rights, and allow possibilities to seek redress for violation of their rights. The Board is also tasked to encourage the shareholders to exercise their voting rights and the solution of collective action problems through appropriate mechanisms. The Board shall also be instrumental in removing excessive costs and other administrative or practical impediments to shareholder participation.

Policies	Implementation
Voting rights	All shareholders, including minority shareholders, have the right to elect, remove, and replace directors. They also have the right to vote on certain corporate acts, as provided under the Corporation Code. With the use of cumulative voting, minority shareholders may vote together to ensure the election of a director.
Inspection of corporate records	All shareholders are allowed to inspect the corporate books and records during office hours. They may also be furnished with annual reports, including financial statements, without cost or restrictions.
Right to information	Aside from the right to be provided with copies of periodic reports upon request, minority shareholders shall have the right to propose the holding of a meeting. Minority shareholders shall also have access to any and all information relating to matters for which the management is accountable. The minority shareholders may propose the inclusion of matters pertaining to management accountability in the agenda of the stockholders' meeting.
Right to dividends	All stockholders are entitled to receive dividends upon the declaration thereof by the Board of Directors. The Board may also make arrangements with stockholders whereby dividends and other distributions may be reinvested in new shares instead of being paid in cash to stockholders.
Appraisal right	Shareholders have the appraisal right or the right to dissent and demand payment of the fair value of their shares as provided under Section 82 of the Corporation Code under any of the following circumstances: a. Amendment of articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of

	outstanding shares of any class, or of extending or shortening the term of corporate existence; b. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and c. In case of merger or consolidation.

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

Yes. All shareholders have the right to nominate candidates for the board of directors. However, they must conform to the eligibility requirements under the Corporation Code and Manual of Corporate Governance, as well as the guidelines set by the Nomination Committee.

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 Company has an internal vetting process for communications to ensure that all information disseminated are accurate. Communications are also reviewed by the Compliance Officer to ensure that the regulatory requirements of the PSE and SEC are met. Finally, in cases where there may be legal implications or repercussions to the Company, the opinion of the Corporate Secretary is also sought. No specific committee has been assigned to review and approve major company announcements. However, major communications of the Company are reviewed by the President.

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.

The Company's Compliance Officer, Ms. Rosanna Desiderio, is charge of investor relations. She may be contacted at the following:

Telephone numbers: (632) 813-8892 to 97
Address: 3rd Floor, JTKC Center, 2155 Chino Roces Ave., Makati City
Email Address: rosanna.desiderio@titanmining.com
Website: www.coalasiaholdings.com

	Details
(1) Objectives	To establish and maintain an investor relations program that will keep stockholders informed of the important developments in the Company and ensure them that the Company values their investment.
(2) Principles	Accuracy, transparency, and timeliness are the core principles that guide the Company's Investor Relations Program.
(3) Modes of Communications	The Company sends notices of meetings via direct mail to its stockholders. Updates on the Company's activities and other periodic reports to regulatory bodies are posted to the Company

	website.
(4) Investors Relations Officer	Rosanna Desiderio Compliance Officer (632) 8138892-97 rosanna.desiderio@titanmining.com

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?

In all of its transactions, particularly in extraordinary matters such as mergers and sales of substantial corporate assets, the Company ensures that it obtains the terms and conditions most beneficial to the corporation and maximizes shareholder value. The Company conducts due diligence in assessing the transaction and engages the services of consultants, legal counsel or independent auditors. The findings and recommendations of these experts are taken into account by the Board in making decisions and the corresponding approvals of the stockholders, in cases where the law prescribes that approval be obtained, are sought.

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

The Company engages the services of consultants, external legal counsel, or external auditors to evaluate and determine the fairness of the transaction price.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

The Company takes an active role in the industry. In the past year, the Company participated in the following conferences organized by their partners in the industry.

Initiative	Beneficiary
The Company conducts CSR projects through its subsidiary TMEC concerning surrounding communities and areas of the operation site, including the rehabilitation and maintenance of the Barangay Road from San Ignacio Pier to the Macopa mine camp and its Reforestation Project concerning Sitio Quisol, Barangay Old Macopa where COAL teamed up with DENR.	

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	Annual self-assessment of Board performance	Criteria used to evaluate performance are based on the

		standards set in the Company's Manual of Corporate Governance.
Board Committees	Each committee likewise conducts a self-assessment.	Criteria used are also based on the standards set in the Company's Manual of Corporate Governance. In the case of the Audit Committee, the performance evaluation is based on the standards set by the Audit Committee Charter.
Individual Directors	The Board of Directors evaluates the performance of individual directors. On the other hand, the Nomination Committee likewise passes upon the performance of a director when it examines fitness of nominees for re-election as directors.	Criteria used are based on the standards set in the Manual of Corporate Governance.
CEO/President	The Board evaluates the performance of the CEO.	Criteria used are based on the standards set in the Manual of Corporate Governance.

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

Violations	Sanctions
First violation	Reprimand
Second violation	Suspension from office, the duration of which shall depend on the seriousness of the violation.
Third violation	Removal from office.

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 Pasig City on ___ June 2013.

SIGNATURES

(Sgd.) Harald R. Tomintz
Chairman of the Board

(Sgd.) Johnson A. Sanhi, Jr.
Chief Executive Officer/President

(Sgd.) Juan Kevin G. Belmonte
Independent Director

(Sgd.) Aristides S. Armas
Independent Director

(Sgd.) Rosanna T. Desiderio
Compliance Officer

SUBSCRIBED AND SWORN to before me this ____ th day of June 2013, affiants exhibiting to me their Competent Evidence of Identity as follows:

NAME	CTC/DATE/PLACE OF ISSUE	COMPETENT EVIDENCE OF IDENTITY
Harald R. Tomintz	22019289/01.09.13/Makati City	TIN: 123-069-283-000
Johnson A. Sanhi, Jr.		TIN: 105-618-140
Juan Kevin G. Belmonte	01362106/01.25.13/Makati City	TIN: 102-081-718-000
Aristides S. Armas	01462943/01.09.13/Manila	TIN: 105-802-254-000
Rosanna T. Desiderio	10778151/06.25.13/Makati City	TIN: 111-575-187-000

Doc No. ;
Page No. ;
Book No. ;
Series of 2013.

F:\data\CLIENTS\1356\LT\COAL Asia 2015 ACGR.doc
ABKT\JCNRCC 1356-204

Annex "B"

101082016001771

SECURITIES AND EXCHANGE COMMISSION

SECBuilding,EDSA,Greenhills,MandaluyongCity,MetroManila,Philippines
Tel:(632)726-0931to39Fax:(632)725-5293Email:mis@sec.gov.ph

Barcode Page

The following document has been received:

Receiving Officer/Encoder : Buen Jose Mose - COS
Receiving Branch : SEC Head Office
Receipt Date and Time : January 08, 2016 04:24:22 PM
Received From : Head Office

Company Representative

Doc Source

Company Information

SEC Registration No.	CS201210314
Company Name	COAL ASIA HOLDINGS INCORPORATED
Industry Classification	Financial Holding Company Activities
Company Type	Stock Corporation

Document Information

Document ID	101082016001771
Document Type	LETTER/MISC
Document Code	LTR
Period Covered	January 06, 2015
No. of Days Late	0
Department	CED/CFD/CRMD/MRD/NTD
Remarks	

COVER SHEET

C	S	2	0	1	2	1	0	3	1	4	

SEC Registration Number

COAL ASIA HOLDINGS INCORPORATED

(Company's Full Name)

3F JTKC CENTER, 2155 DON CHINO ROCES AVE. MAKATI CITY

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

RIA CARMELA R. CRUZ

632-0905
Company Telephone Number

1	2

Month

3	1

Day

Fiscal Year

0	4

Month

3	0

Day

Annual Meeting

Letter dated 6 January 2016
re Consolidated Changes on ACGR Report for 2015

Form Type

Secondary License Type, if applicable

Department Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be Accomplished by SEC Personnel Concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

Coal Asia Holdings
Reliable energy resources through responsible mining

6 January 2015

SECURITIES AND EXCHANGE COMMISSION
SEC Bldg. EDSA, Greenhills
Mandaluyong City, Metro Manila

Attention: **Atty. Justina F. Callangan**
Acting Director
Corporate Governance Finance Department

Re: **Coal Asia Holdings Incorporated –**
"Consolidated changes in Annual Corporate Governance Report for the year 2015"

Gentlemen:

In Compliance with the SEC Memorandum Circular No. 12, Series of 2014, **Coal Asia Holdings Incorporated** (the 'Corporation') hereby submits its Consolidated Changes in the Annual Corporate Governance Report for the year 2015.

Thank you for your kind attention.

Very truly yours,

RIA CARMELA R. CRUZ
Assistant Corporate Secretary

E:\data\clients\1356\corp\l\sec\sec coverletter updates on 2015 acgr.doc
ABKT/JCN/RCC/ 1356-204

REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S.S.
QUEZON CITY

SECRETARY'S CERTIFICATE

RIA CARMELA R. CRUZ, of legal age, Filipino, with office address at 2704 East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City, Metro Manila, being the duly elected and qualified Assistant Corporate Secretary **COAL ASIA HOLDINGS INCORPORATED** (the "Corporation"), a corporation organized and existing under the laws of the Philippines, under oath, does hereby certify that the contents of the advisement letter on the Consolidated Updates on the Annual Corporate Governance Report for 2014 dated 6 January 2016 are true and correct as per records of the Corporation on pertinent matters.

This Secretary's Certificate is issued in compliance with SEC Memorandum Circular No. 12, Series of 2014.

IN ATTESTATION OF THE ABOVE, this Certificate was signed this JAN 0 6 2016 day of January 2016 in Pasig City. QUEZON CITY.

RIA CARMELA R. CRUZ
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this JAN 0 6 2016 day of January 2016 at Pasig City, QUEZON CITY, affiant exhibiting her Community Tax. Certificate No. 12567210 issued on 01.09.15 in Manila and Philippine Passport No. EC3352347, issued on 3 February 2015, issued at DFA, NCR East, valid until 2 February 2020 as competent evidence of identity in accordance with the 2004 Rules on Notarial Practice.

Doc. No. 77;
Page No. 17;
Book No. II;
Series of 2016.

IAN ABELLE P. LAYNO
Notary Public for Quezon City
Adm. Matter No. NP 148 (2015-2016)
Commission Expires on December 31, 2016
No. 71 Scout Tuazon Street
Brgy. South Triangle, Quezon City
PTR No. 0712237 / 01.21.15 / Quezon City
IBP LRN No. 012742 / 03.26.14 / Quezon Chapter
Roll of Attorneys No. 63260

COAL ASIA HOLDINGS INCORPORATED
CONSOLIDATED CHANGES IN THE
ANNUAL CORPORATE GOVERNANCE REPORT
FOR THE YEAR 2015

A. BOARD MATTERS

1) Board of Directors

(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type (Executive (ED), Non-Executive (NED) or Independent Director (ID))	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID)	Elected when (Annual / Special Meeting)	No. of years served as director
Harald R. Tomintz	ED			July 2012	14 July 2015	A	3
Dexter Y. Tiu	ED			June 2012	14 July 2015	A	3
Eric Y. Roxas	NED			June 2012	14 July 2015	A	3
Johnson R. Sanhi, Jr	ED			21 July 2014	14 July 2015	A	2
A. Bayani K. Tan	NED			July 2012	14 July 2015	A	3
Aristides Armas	ID		Harald R. Tomintz	July 2012	14 July 2015	A	3
Juan Kevin Belmonte	ID		Dexter Y. Tiu	July 2012	14 July 2015	A	3

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

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

Voting Result of the last Annual General Meeting

The following directors were re-elected to the Board during the Company's 2015 Annual Stockholders' meeting:

Harald R. Tomintz
Johnson A. Sanhi, Jr.
Dexter Y. Tiu
Eric Y. Roxas
A. Bayani K. Tan
Aristides Armas
Juan Kevin Belmonte

The voting for the directors was conducted via *viva voce*. Considering that there were as many nominees as there were seats to be filled, and upon the confirmation of the inspectors appointed by the Board that there was no indication of dissent among the stockholders, the Chairman requested the Corporate Secretary to cast all votes for the nominees.

6) Orientation and Education Program

(b) State any in-house training and external courses attended by Directors and Senior Management[1] for the past three (3) years:

Atty. Bayani K. Tan, Director and Corporate Secretary, completed the annual Corporate Governance training requirement on 26 May 2014 as certified by the Institute of Corporate Directors and on 8 September 2015 as certified by the Center for Global Best Practices.

Atty. Ria Carmela R. Cruz, Assistant Corporate Secretary , completed the annual Corporate Governance training requirement on 13 August 2015 as certified by the Center for Training and Development, Inc.

B. BOARD MEETINGS & ATTENDANCE

2) Attendance of Directors

Board	Name	Date of Re-election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Harald R. Tomintz	14 July 2015	4	4	100
Member	Johnson A. Sanhi, Jr.	14 July 2015	4	4	100
Member	Dexter Y. Tiu	14 July 2015	4	4	100
Member	Eric Y. Roxas	14 July 2015	4	4	100
Member	A. Bayani K. Tan	14 July 2015	4	4	100
Independent	Aristides Armas	14 July 2015	4	4	100
Independent	Juan Kevin Belmonte	14 July 2015	4	4	100

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

5) Access to Information

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

Eric Y. Roxas is an incorporator of the Company and Corporate Secretary. Concurrently, he is the President of Husky Trading Corp., Supra Finishing Corp., Phil. Welding Technology Skills & Services Center, Inc., and Husky Calibration Specialists, Inc. He is also the Treasurer of Eagle Equities, Inc. He holds a Bachelor of Science degree in Industrial Engineering from De La Salle University.

While he has not been specifically trained in legal, accountancy, or company secretarial practices, Mr. Roxas' sufficient corporate experience has equipped him with the skills to perform the duties of a corporate secretary.

Mr. Roxas is assisted in his corporate secretary responsibilities by Atty. Ria Carmela R. Cruz, the Company's Assistant Corporate Secretary. Atty. Cruz, has valuable training and experience in corporate secretarial work and corporate servicing. She holds a Juris Doctor degree and a Bachelor of Art Degree in Public Administration, cum laude, both from the University of the Philippines. She was admitted to the Philippine Bar in 2011.

C. REMUNERATION MATTERS

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

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

Remuneration Scheme	Date of Stockholders' Approval
The remuneration scheme, as disclosed to the stockholders via SEC Form 20-IS, is ratified by the stockholders as part of the acts of the Board of Directors of the Company on the previous year during each annual stockholders' meeting.	14 July 2015

5) Remuneration of Management

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Name of Officer/Position	Total Remuneration
Enrique Payawal	₱7,665,517.00(Total for all Executive Officers)
Gizella Greta DJ Gonzales	
Arnold Manat	

D. BOARD COMMITTEES

2) Committee Members

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Aristides S. Armas	14 July 2015	3	3	100	3
Member (ED)	Johnson R. Sanhi, Jr.	14 July 2015	3	3	100	2
Member	Eric Y. Roxas	14 July 2015	3	3	100	3

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Harald R. Tomintz	14 July 2015	1	1	100	3
Member (ED)	Dexter Y. Tiu	14 July 2015	1	1	100	3
Member (ID)	Juan Kevin Belmonte	14 July 2015	1	1	100	3

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Johnson A. Sanhi, Jr.	14 July 2015	None			2
Member (ED)	Eric Y. Roxas	14 July 2015	None			2
Member (ID)	Aristides Armas	14 July 2015	None			2

E. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(c) Period covered by the review;

The period covered by the review is from 1 January 2015 up to 31 December 2015.

F. INTERNAL AUDIT AND CONTROL

1) Internal Control System

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

(c) Period covered by the review;

The period covered by the review is from 1 January 2015 up to 31 December 2015.

G. DISCLOSURE AND TRANSPARENCY

3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
Reyes Tacandong& Co.	P500,000.00	0

5) Date of release of audited financial report: 27April 2015

H. RIGHTS OF STOCKHOLDERS

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

(d) Stockholders' Participation

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 complies with the requirement under the Securities Regulation Code that notice of an annual or special stockholders' meeting be sent to stockholders not later than 15 business days before the meeting.

a. Date of sending out notices: 23 June 2015
b. Date of the Annual/Special Stockholders' Meeting: 14 July 2015

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

- One proxy holder, Mr. Philip Turner, raised questions regarding the precautions taken by the Company to protect against dust while transporting coal to Sarangani. Engr. Enrique Payawal, VP for Mining and Exploration of TMEC, assured the stockholders that proper covering was used while delivery was being made to Sarangani Energy. Mr. Turner also asked whether the Company has a permit to sell coal. Engr. Payawal clarified that the Company currently holds a special permit to transport and sell coal. Mr. Turner also asked for updates on the Zamboanga project, to which Engr. Payawal replied that the Company will be conducting a feasibility study and will be submitting the same to the Department of Energy who will then give the go signal before the Company can conduct mining operations. Lastly, Mr. Turner asked regarding the penalty imposed on the Company for non-submission of certain reports. Chairman Tomintz answered that problems arose because only one person in the Philippines was accredited as competent person and accredited to accomplish said report and this was Engr. Rufino Bomasang. Chairman Harald R. Tomintz also promised to give Engr. Bomasang an opportunity to express his impressions and observations regarding the Company's mine operations later in the meeting.

- Another shareholder, Mr. Alfredo Abueg, Jr., then asked regarding the production

targets of the Company to which Engr. Payawal replied that the Company was making progress, considering its recent delivery of coal to Sarangani Energy. Mr. Abueg also asked about the grade of the coal the Company's mining operations were able to produce to which Chairman Tomintz answered that they were currently mining and producing medium and high grade coal.

- Chairman Tomintz invited Engr. Rufino Bomasang, the independent Competent Person-Mining Engineer engaged by the company to accomplish the Technical Report, to provide his observations and overall impressions on the mining operations of the Company, after his mine visits in June 2015. Engr. Bomasang explained that while it would take him about three (3) months to accomplish his report, he could see that there were several positive aspects to be noted about the Company's mining operations in Macopa. He noted the good drainage system, the thick and large coal seam, and the good quality of the coal, which in his opinion, did not exhibit signs of susceptibility to spontaneous combustion. He also expressed good hopes for the growth of the Company's mining operations as the Company has already become the second largest, after Semirara, even after just a few years of operation.

  Mr. Turner and Mr. Abueg again asked several questions regarding environmental concerns of the combustibility of the coal during storage and coal prices, which Engr. Bomasang and Chairman Tomintz answered. Engr. Bomasang again noted that the coal did not seem susceptible to spontaneous combustion. Chairman Tomintz stated that coal prices were depressed now but were projected to go up again in the future.

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

Resolution	Approving	Dissenting	Abstaining
Approval of the Minutes of the Previous Meeting of the Stockholders	3,234,744,060	0	0
Approval of the 2014 Operations	3,234,744,060	0	0
Ratification of all acts of the Board of Directors and Officers from the date of the last meeting up to the date of the present meeting	3,234,744,060	0	0
Election of Directors	Harald R. Tomintz 3,234,744,060 Dexter Y. Tiu 3,234,744,060 Eric Y. Roxas 3,234,744,060 Johnson A. Sanhi, Jr. 3,234,744,060 A. Bayani K. Tan 3,234,744,060 Juan Kevin G. Belmonte 3,234,744,060 Aristides S. Armas 3,234,744,060		
Appointment of Reyes Tacandong & Co. as External Auditor for 2015-2016	3,234,744,060	0	0

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

The results of the annual stockholders were disclosed to the public via the PSE Edge on 14 July 2015.

(b) Stockholders' Attendance

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

Type of Meeting	Names of Board members/ Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	Harald R. Tomintz Johnson A. Sanbi, Jr. Aristides S. Armas Juan Kevin G. Belmonte Dexter R. Tiu Eric Y. Roxas A. Bayani K. Tan Rosanna Desiderio Ria Carmela Cruz Enrique C. Payawal Gizella Greta D.J. Gonzales Arnold S. Manat	14 July 2015	Viva voce			80.86%

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

An inspector is appointed by the Board of Directors before or at each meeting of the stockholders at which an election of directors is to take place. If no appointment shall have been made or if the inspector appointed by the Board refuses to act or fails to attend, the appointment shall be made by the presiding officer of the meeting.

Mr. Eric Y. Roxas, the Company's Corporate Secretary, and Ms. Ria Carmela R. Cruz, the Assistant Corporate Secretary, were tasked to validate the ballots and counts the votes.

(d) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	19 (Including PCD Nominee Corp-Fil and PCD Nominee Corp-Non Fil)
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	23 June 2015
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	23 June 2015

State whether CD format or hard copies were distributed	CD format copies were provided.
If yes, indicate whether requesting stockholders were provided hard copies	Yes. During the annual stockholders meeting stockholders who requested to be given hard copies of the reports were provided with the same.

J. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

The Company takes an active role in the industry. In the past year, the Company participated in the following conferences organized by their partners in the industry.

Initiative	Beneficiary
The Company conducts CSR projects through its subsidiary TMEC concerning surrounding communities and areas of the operation site, including the rehabilitation and maintenance of the Barangay Road from San Ignacio Pier to the Macopa mine camp and its Reforestation Project concerning Sitio Quisol, Barangay Old Macopa where COAL teamed up with DENR.	

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 Pasig City on ___ June 2013.

SIGNATURES

(Sgd.) Harald R. Tomintz
Chairman of the Board

(Sgd.) Johnson A. Sanhi, Jr.
Chief Executive Officer/President

(Sgd.) Juan Kevin G. Belmonte
Independent Director

(Sgd.) Aristides S. Armas
Independent Director

(Sgd.) Rosanna T. Desiderio
Compliance Officer

SUBSCRIBED AND SWORN to before me this ____ th day of June 2013, affiants exhibiting to me their Competent Evidence of Identity as follows:

NAME	CTC/DATE/PLACE OF ISSUE	COMPETENT EVIDENCE OF IDENTITY
Harald R. Tomintz	22019289/01.09.13/Makati City	TIN: 123-069-283-000
Johnson A. Sanhi, Jr.		TIN: 105-618-140
Juan Kevin G. Belmonte	01362106/01.25.13/Makati City	TIN: 102-081-718-000
Aristides S. Armas	01462943/01.09.13/Manila	TIN: 105-802-254-000
Rosanna T. Desiderio	10778151/06.25.13/Makati City	TIN: 111-575-187-000

Doc No. ;
Page No. ;
Book No. ;
Series of 2013.