

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 set 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 2014

2. Exact Name of Registrant as Specified in its Charter CENTRAL AZUCARERA DE TARLAC, INC.

3. San Miguel, Tarlac City
Address of Principal Office 2301
Postal Code

4. SEC Identification Number 727 5.
(SEC Use Only)
Industry Classification Code

6. BIR Tax Identification Number 000229931

7. (632) 8186270 and (632) 8926314
Issuer's Telephone number, including area code

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

TABLE OF CONTENTS

A. BOARD MATTERS.....	5
1) BOARD OF DIRECTORS	
(a) Composition of the Board.....	5
(b) Directorship in Other Companies.....	10
(c) Shareholding in the Company.....	11
2) CHAIRMAN AND CEO.....	12
3) OTHER EXECUTIVE, NON-EXECUTIVE AND INDEPENDENT DIRECTORS.....	13
4) CHANGES IN THE BOARD OF DIRECTORS.....	16
5) ORIENTATION AND EDUCATION PROGRAM.....	23
B. CODE OF BUSINESS CONDUCT & ETHICS.....	26
1) POLICIES.....	26
2) DISSEMINATION OF CODE.....	30
3) COMPLIANCE WITH CODE.....	30
4) RELATED PARTY TRANSACTIONS.....	31
(a) Policies and Procedures.....	31
(b) Conflict of Interest.....	32
5) FAMILY, COMMERCIAL AND CONTRACTUAL RELATIONS.....	32
6) ALTERNATIVE DISPUTE RESOLUTION.....	33
C. BOARD MEETINGS & ATTENDANCE.....	33
1) SCHEDULE OF MEETINGS.....	33
2) DETAILS OF ATTENDANCE OF DIRECTORS.....	34
3) SEPARATE MEETING OF NON-EXECUTIVE DIRECTORS.....	35
4) ACCESS TO INFORMATION.....	35
5) EXTERNAL ADVICE.....	36
6) CHANGES IN EXISTING POLICIES.....	37
D. REMUNERATION MATTERS.....	37
1) REMUNERATION PROCESS.....	37
2) REMUNERATION POLICY AND STRUCTURE FOR DIRECTORS.....	37
3) AGGREGATE REMUNERATION.....	38
4) STOCK RIGHTS, OPTIONS AND WARRANTS.....	39
5) REMUNERATION OF MANAGEMENT.....	39
E. BOARD COMMITTEES.....	39
1) NUMBER OF MEMBERS, FUNCTIONS AND RESPONSIBILITIES.....	39
2) COMMITTEE MEMBERS.....	42
3) CHANGES IN COMMITTEE MEMBERS.....	45
4) WORK DONE AND ISSUES ADDRESSED.....	45
5) COMMITTEE PROGRAM.....	46
F. RISK MANAGEMENT SYSTEM.....	47
1) STATEMENT ON EFFECTIVENESS OF RISK MANAGEMENT SYSTEM.....	47
2) RISK POLICY.....	47

3) CONTROL SYSTEM.....	48
G. INTERNAL AUDIT AND CONTROL.....	49
1) STATEMENT ON EFFECTIVENESS OF INTERNAL CONTROL SYSTEM.....	50
2) INTERNAL AUDIT	
(a) Role, Scope and Internal Audit Function.....	50
(b) Appointment/Removal of Internal Auditor.....	51
(c) Reporting Relationship with the Audit Committee.....	51
(d) Resignation, Re-assignment and Reasons.....	51
(e) Progress against Plans, Issues, Findings and Examination Trends.....	51
(f) Audit Control Policies and Procedures.....	52
(g) Mechanisms and Safeguards.....	52
H. RIGHTS OF STOCKHOLDERS.....	61
1) RIGHT TO PARTICIPATE EFFECTIVELY IN STOCKHOLDERS' MEETINGS.....	61
2) TREATMENT OF MINORITY STOCKHOLDERS.....	67
I. INVESTORS RELATIONS PROGRAM.....	67
J. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES.....	68
K. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL.....	68
L. INTERNAL BREACHES AND SANCTIONS.....	68

A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	8
---	---

Actual number of Directors for the year	8
---	---

(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) ¹	Elected when (Annual /Special Meeting)	No. of years served as director
Jose Cojuangco Jr.	ED		Ernesto G. Teopaco	1976	April 22, 2014	Annual Meeting	37
Ernesto G. Teopaco	ED		Fernando C. Cojuangco	1986	April 22, 2014	Annual Meeting	27
Marie Therese Reyes-McMurray	ED		Ernesto G. Teopaco	31 Jan. 2012	April 22, 2014	Annual Meeting	1
Jose Manuel C. Lopa	NED		Ernesto G. Teopaco	2002	April 22, 2014	Annual Meeting	11
Fernando C. Cojuangco	ED		Ernesto G. Teopaco	31 Jan. 2012	April 22, 2014	Annual Meeting	2
Renato B. Padilla	ID		Fernando C. Cojuangco, no relationship with ID either by affinity or consanguinity, and neither did he have any professional or business relationship with ID	31 Jan. 2012	April 22, 2013	Annual Meeting	2
Benjamin I. Espiritu	ID		Fernando C. Cojuangco, no relationship with ID either by	29 Oct. 2013	April 22, 2014		1

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

			affinity or consanguinity, and neither did he have any professional or business relationship with ID				
Victoria Elisa A. Dee	NED		Ma. Elena A. Cruz	April 22, 2014	April 22, 2014		6 months

Following the successive resignations of Victoria Elisa A. Dee, Marie Therese C. Reyes-McMurray, Jose Manuel C. Lopa, Ernesto G. Teopaco and Jose Cojuangco, Jr. all whom had fully divested their shares in CAT on 15 October 2014, the composition of the Board of Directors of Central Azucarera de Tarlac as at October 15, 2014 is as follows:

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) ²	Elected when (Annual /Special Meeting)	No. of years served as director
MARTIN P. LORENZO	ED						
FERNANDO C. COJUANNGCO	ED						
MARCO P. LORENZO	NED						
VIGOR D. MENDOZA II	NED						
FERNAN VICTOR P. LUKBAN	NED						
RENATO B. PADILLA	ID						
BENJAMIN I. ESPERITU	ID						

(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.

Section 1 of the Company's Manual on Corporate Governance lays down the following objective:

“The Board of Directors and Management, employees and shareholders, believe that corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness within the organization as soon as possible.”

The following are the provisions of the Company's Manual of Corporate Governance relative to the treatment of all shareholders, respect for the rights of minority shareholders, disclosure duties and board responsibilities.

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

“2. The Board of Directors (the “Board”) is primarily responsible for the governance of the corporation. Corollary to setting the policies for the accomplishment of the corporate objectives, it shall provide an independent check on Management.

2.1 Composition of the Board

The Board shall be composed of at least five (5), but not more than fifteen (15), members who are elected by the stockholders.

The corporation shall have at least two (2) independent directors or such number of independent directors that constitutes twenty percent (20%) of the members of the Board, whichever is lesser, but in no case less than two (2).

The membership of the Board may be a combination of executive and non-executive directors (which include independent directors) in order that no director or small group of directors can dominate the decision-making process.

The non-executive directors should possess such qualifications and stature that would enable them to effectively participate in the deliberations of the Board.

xxxxx

2.4 Responsibilities, Duties and Functions of the Board

2.4.1 General Responsibility

It is the Board's responsibility to foster the long-term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders.

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

2.4.2 Duties and Functions

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

- (a) Implement a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. Appoint competent, professional, honest and highly motivated management officers. Adopt an effective succession planning program for Management.
- (b) Provide sound strategic policies and guidelines to the corporation on major capital expenditures. Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance.
- (c) Ensure the corporation's faithful compliance with all applicable laws, regulations and best business practices.

- (d) Establish and maintain an investor relations program that will keep the stockholders informed of important developments in the corporation. If feasible, the corporation's CEO or chief financial officer shall exercise oversight responsibility over this program.
- (e) Identify the sectors in the community in which the corporation operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them.
- (f) Adopt a system of check and balance within the Board. A regular review of the effectiveness of such system should be conducted to ensure the integrity of the decision making and reporting processes at all times. There should be a continuing review of the corporation's internal control system in order to maintain its adequacy and effectiveness.
- (g) Identify key risk areas and performance indicators and monitor these factors with due diligence to enable the corporation to anticipate and prepare for possible threats to its operational and financial viability.
- (h) Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board.
- (i) Constitute an Audit Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities.
- (j) Establish and maintain an alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including the regulatory authorities.
- (k) Meet at such times or frequency as may be needed. The minutes of such meetings should be duly recorded. Independent views during Board meetings should be encouraged and given due consideration.
- (l) Keep the activities and decisions of the Board within its authority under the articles of incorporation and by-laws, and in accordance with existing laws, rules and regulations.
- (m) Appoint a Compliance Officer who shall have the rank of at least vice president. In the absence of such appointment, the Corporate Secretary, preferably a lawyer, shall act as Compliance Officer.

3. Specific Duties and Responsibilities of a Director

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

A director should observe the following norms of conduct:

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

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

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

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

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

c) Act judiciously.

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

d) Exercise independent judgment.

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

e) Have a working knowledge of the statutory and regulatory requirements that affect the corporation, including its articles of incorporation and by-laws, the rules and regulations of the Commission and, where applicable, the requirements of relevant regulatory agencies.

A director should also keep abreast with industry developments and business trends in order to promote the corporation's competitiveness.

f) Observe confidentiality.

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

xxxxx

14. Stockholders' Rights and Protection of Minority Stockholders' Interests

a) The Board shall respect the rights of the stockholders as provided for in the Corporation Code;

namely:

- (1) Right to vote on all matters that require their consent or approval;
- (2) Pre-emptive right to all stock issuances of the corporation;
- (3) Right to inspect corporate books and records;
- (4) Right to information;
- (5) Right to dividends; and
- (6) Appraisal right.

b) The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the corporation. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the bylaws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.

It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights.

The Board should take the appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether in person or by proxy. Accurate and timely information should be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.

Although all stockholders should be treated equally or without discrimination, the Board should give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the corporation.

xxxxx

16. Disclosure and Transparency

The essence of corporate governance is transparency. The more transparent the internal workings of the corporation are, the more difficult it will be for Management and dominant stockholders to mismanage the corporation or misappropriate its assets.

It is therefore essential that all material information about the corporation which could adversely affect its viability or the interests of the stockholders should be publicly and timely disclosed. Such information should include, among others, earnings results, acquisition or disposition of assets, off balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board and Management. All such information should be disclosed through the appropriate Exchange mechanisms and submissions to the Commission.

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

(d) Directorship in Other Companies

(i) Directorship in the Company's Group³

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

³ The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
MARTIN P. LORENZO	Mr. Martin P. Lorenzo is also a Director of Luisita Realty Corporation, a subsidiary of CAT	Mr. Martin P. Lorenzo is also the Chairman of the Board and the Chief Executive Officer of Luisita Realty Corporation
FERNANDO C. COJUANGCO	Mr. Fernando C. Cojuangco is also a Director of Luisita Realty Corporation, a subsidiary of CAT	Mr. Fernando C. Cojuangco is also the President and Chief Operating Officer of Luisita Realty Corporation
FERNAN VICTOR P. LUKBAN	Mr. Fernan Victor P. Lukban is also a Director of Lusita Realty Corporation, a subsidiary of CAT	NED
VIGOR D. MENDOZA II	Mr. Vigor D. Mendoza is a Director of Luisita Realty Corporation, a subsidiary of CAT	NED

(ii) Directorship in Other Listed Companies

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

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Not Applicable	Not Applicable	Not Applicable

(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
Martin P. Lorenzo and Marco P. Lorenzo	who are both Directors of CAT	are brothers.

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

The members of the Board are advised to exercise their sound discretion in accepting or holding directorships in other corporations taking into account the directors' capacity to diligently and efficiently perform their duties and responsibilities to the boards they serve.

Guidelines		Maximum Number of Directorships in other companies
Executive Director	The Board may consider the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock corporations. The optimum number should take into consideration the capacity of a director to diligently and efficiently perform his duties and	Not Applicable

	responsibilities. The Chief Executive Officer ("CEO") and other executive directors may be covered by a lower indicative limit for membership in other boards. A similar limit may apply to independent or non-executive directors who, at the same time, serve as full-time executives in other corporations. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised. (Section 2.2. of the Manual on Corporate Governance)	Not Applicable
Non-Executive Director		
CEO		Not Applicable

(c) Shareholding in the Company

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

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
MARTIN P. LORENZO		20 / PCD Nominee	0.00%
MARTIN P. LORENZO		10,533,823 / CAT Resource Asset & Holdings, Inc. as PCD Participant	37.28%
FERNANDO C. COJUANCCO		20 / PCD Nominee	0.00%
FERNANDO C. COJUANCCO		10,120,731/CAT Resource Asset & Holdings, Inc. as PCD Participant	35.82%
MARCO P. LORENZO		20/P/CD Nominee	0.00%
VIGOR D. MENDOZA II		20/P/CD Nominee	0.00%
FERNAN VICTOR P. LUKBAN		20/P/CD Nominee	0.00%
RENATO B. PADILLA	1		0.00%
BENJAMINI I. ESPIRITU	1		0.00%
TOTAL			73.10%

2) Chairman and CEO

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

Yes

No

Identify the Chair and CEO:

Chairman of the Board and CEO	MARTIN P. LORENZO
President and COO	FERNANDO C. COJUANGCO

(b) Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	The Manual on Corporate Governance provides:	
	2.3 The Chair and Chief Executive Officer	
	The roles of Chair and CEO should, as much as practicable, be separate 'to foster an appropriate balance of power, increased accountability and better capacity for independent decision-making by the Board. A clear delineation of functions should be made between the Chair and CEO upon their election.	
	If the positions of Chair and CEO are unified, the proper checks and balances should be laid down to ensure that the Board gets the benefit of independent views and perspectives.	
Accountabilities	The duties and responsibilities of the Chair in relation to the Board include, among others, the following:	
	(1) Ensure that the meetings of the Board are held in accordance with the by-laws or as the Chair may deem necessary;	
	(2) Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management and the directors; and	
	Maintain qualitative and timely lines of communication and information between the Board and Management.	
Deliverables	Board Meetings are run efficiently and in a collegial manner, communication and information between the Board and the Management thru the COO are maintained	

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

The Board's oversight responsibility pursuant to Section 6.1 of the Manual on Corporate Governance includes the following:

- (a) Definition of the duties and responsibilities of the CEO who is ultimately accountable for the corporation's organizational and operational controls;
- (b) Selection of the person who possesses the ability, integrity and expertise essential for the position of CEO;
- (c) Evaluation of proposed senior management appointments;
- (d) Selection and appointment of qualified and competent management officers; and
- (e) Review of the corporation's human resource policies, conflict of interest situations, compensation

program for employees, and management succession plan.

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.

Yes. It is the function of the nomination committee to identify and recommend candidates nominated by a stockholder for election or re-election to the board or for appointment to fill-up any vacancy in the board. It is also the function of the committee to review on an annual basis after taking into account the board's anticipated needs for the ensuing year, the appropriate size and the current position of the board in light of the characteristics of independence, diversity, age, skills, experience, availability of service to the company, and such other attributes as the committee shall deem relevant to an individual's qualification to serve on the board.

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. Among the criteria of the nomination committee in identifying and recommending candidates for election or re-election to the board is the candidate's relevant experience in the sector or industry the company belongs to, in this instance the sugar industry.

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

	Executive	Non-Executive	Independent Director
Role	Executive directors provide entrepreneurial and strategic leadership for the business of the company.	The Non-Executive Directors provide critical scrutiny of management and performance through their commendable experience in management, knowledge and experience of the business. They cater to enhance decision-making of the Board, work environment, and the working relationship between management / executive directors and independent directors.	The Independent Directors provide an impartial evaluation of the corporate performance resulting in the formulation of necessary guidelines and advice based on their competence and expertise.
Accountabilities	It is the Board's responsibility to foster the long-term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders.		
Deliverables	The Executive Directors	The Non-Executive	The Independent

	propose strategies, policies, standards and the over-all general direction of the company. Further, they oversee and monitor that the approved resolutions of the Board concerning such strategies, policies, standards and over-all general direction of the company is properly implemented.	Directors provide assurance of having fair and reasonable management plans, proposals and course of actions	Directors further assures unbiased structure of management plans, proposals and course of actions that will be beneficial for and is at par with the objectives of the company.

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

Based on the Company's Manual on Corporate Governance, Section 2.1. thereof provides that "The corporation shall have at least two (2) independent directors or such number of independent directors that constitutes twenty percent (20%) of the members of the Board, whichever is lesser, but in no case less than two (2).

SEC Memorandum Circular No. 16, Series of 2002, provides in part that –

A. independent director means a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in any corporation that meets the requirements of Section 17.2 of the Securities Regulation Code and includes, among others, any person who:

- i. Is not a director or officer or substantial stockholder of the corporation or of its related companies or any of its substantial shareholders (other than as an independent director of any of the foregoing);
- ii. Is not a relative of any director, officer or substantial shareholder of the corporation, any of its related companies or any of its substantial shareholders. For this purpose, relatives includes spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
- iii. Is not acting as a nominee or representative of a substantial shareholder of the corporation, any of its related companies or any of its substantial shareholders;
- iv. Has not been employed in any executive capacity by that public company, any of its related companies or by any of its substantial shareholders within the last five (5) years;
- v. Is not retained as professional adviser by that public company, any of its related companies or any of its substantial shareholders within the last five (5) years, either personally or through his firm;
- vi. Has not engaged and does not engage in any transaction with the corporation or with any of its related companies or with any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms length and are immaterial or insignificant.

- B. When used in relation to a company subject to the requirements above:
- i. Related company means another company which is: (a) its holding company, (b) its subsidiary, or (c) a subsidiary of its holding company; and
 - ii. Substantial shareholder means any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.

C. An independent director shall have the following qualifications:

- i. He shall have at least one (1) share of stock of the corporation;
- ii. He shall be at least a college graduate or he shall have been engaged or exposed to the business of the corporation for at least five (5) years;
- iii. He shall possess integrity/probity; and
- iv. He shall be assiduous.

D. An independent director shall be disqualified as such during his tenure under the following instances or causes:

- (i) He becomes an officer or employee of the Corporation, or becomes any of the persons enumerated under letter (A) above and
- (ii) His beneficial security ownership exceeds 10% of the outstanding capital stock of the Corporation where he is such director;;
- (iii) Fails without justifiable cause, to attend at least 50% of the total number of board meetings during his incumbency unless such absences are due to grave illness or death of an immediate family.

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 Board is aware of and shall comply with SEC Memorandum Circular No. 9, series of 2011 (which took effect on January 2, 2012) putting a limit on the number of years that an independent may serve as such. Prior to the issuance and effectivity of said memorandum circular, the company does not observe a term limit for its independent directors, as long as the independent director has all the qualifications and none of the disqualifications.

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
JOSE COJUANNGCO JR.	Chairman	15 October 2014	Divested/sold shares
ERNESTO G. TEOPACO	Director	15 October 2014	Divested/sold shares
MARIE THERESE C. REYES-MCMURAY	Director	15 October 2014	Divested/sold shares
JOSE MANUEL C. LOPA	Director	15 October 2014	Divested/sold shares
VICTORIA ELISA A. DEE	Director	15 October 2014	Divested/sold shares

(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	Nominees for the Board are submitted to the Nominations Committee, which evaluates the nominee's/candidate's qualifications and/or eligibility to become a Director. The Committee also considers the skills and characteristics necessary and appropriate for directors in the context of the Company's current needs and the Board's current composition, in order to achieve a Board composed of individuals with a mix of background and experience in various areas of core competency relevant to the business of the Company.	Section 4 of the Company's Manual on Corporate Governance, which states: "4. Qualifications of Directors In addition to the qualifications for membership in the Board provided for in the Corporation Code, Securities Regulation Code and other relevant laws, the Board may provide for additional qualifications which include, among others, the following: a) College education or equivalent academic degree; b) Practical understanding of the business of the corporation; c) Membership in good standing in relevant industry, business or professional organizations; and d) Previous business experience."
(ii) Non-Executive Directors	Upon determining that the nominee or candidate is qualified/eligible or disqualified, then the Committee either accepts or denies the nomination, and submits its recommendation to the Board of Directors.	Same as above (Section 4. Of the Company's Manual on Corporate Governance) and SEC Memorandum Circular No. 16, Series of 2002 - Guidelines on the Nomination and Election of Independent Directors
(iii) Independent Directors		
b. Re-appointment		
(i) Executive Directors		Director maintains the qualifications and none of the disqualifications as enumerated and defined under the Company's Manual on Corporate Governance and the Revised Rules on Corporate Governance
(ii) Non-Executive Directors	Same as above	SEC Memorandum Circular No. 16, Series of 2002 - Guidelines on the Nomination and Election of Independent Directors
(iii) Independent Directors	Same as above	
c. Permanent Disqualification		

		<p>Section 5, Subsection 5.1 of the Company's Manual on Corporate Governance, provides:</p> <p>"5.1 Permanent Disqualification. The following shall be grounds for the permanent disqualification of a director:</p> <p>(a) Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;</p> <p>(b) Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.</p> <p>The disqualification shall also</p>
(i) Executive Directors	Same as above	
(ii) Non-Executive Directors	Same as above	

		<p>apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;</p> <p>(c) Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;</p> <p>(d) Any person who has been adjudged by final judgment or order of the Commission, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law administered by the Commission or SSP, or any of its rule, regulation or order;</p> <p>(e) Any person earlier elected as independent director who becomes an officer, employee or consultant of the same corporation;</p>

		<p>(f) Any person judicially declared as insolvent;</p> <p>(g) Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in Sub-paragraphs (1) to (5) above;</p> <p>(h) Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.”</p> <p>A temporary disqualified director who fails to take action to remedy or correct the qualification within a period of sixty (60) days from such disqualification shall be disqualified permanently (2nd paragraph, Section 5.2 of the Company’s Manual on Corporate Governance.</p>
(iii) Independent Directors		<p>Same as above (Section 5, sub-section 5.1 of the Company’s Manual on Corporate Governance) and SEC Memorandum Circular No. 16, Series of 2002 - Guidelines on the Nomination and Election of Independent Directors</p>
d. Temporary Disqualification		
		<p>Section 5, sub-section 5.2 of the Company’s Manual on Corporate Governance provides:</p> <p>“5.2. Temporary Disqualification. The Board may provide for the temporary disqualification of a director for any of the following reasons:</p> <p>(a) Refusal to comply with the</p>
	Same as above	

		<p>disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists.</p> <p>(b) Absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election.</p> <p>(c) Dismissal or termination for cause as director of any corporation covered by this Code. 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.</p> <p>(d) If the beneficial equity ownership of an independent director in the corporation 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.</p>
(ii) Non Executive Directors	Same as above	
(iii) Independent Directors		Same as above (Section 5, Sub-section 5.2 of the Company's Manual on Corporate Governance) and SEC Memorandum Circular No. 16, Series of 2002 - Guidelines on the Nomination and Election of Independent Directors
e. Removal		
	Section 28 of the Corporation Code provides:	Section 5, Subsection 5.1 of the Company's Manual on Corporate Governance, provides:
(i) Executive Directors	" Sec. 28. Removal of directors or trustees. - Any director or trustee of a corporation may be removed from office by a vote of the stockholders holding or	"5.1 Permanent Disqualification. The following shall be grounds for the permanent disqualification of a director:

	<p>representing at least two-thirds (2/3) of the outstanding capital stock, or if the corporation be a non-stock corporation, by a vote of at least two-thirds (2/3) of the members entitled to vote: Provided, That such removal shall take place either at a regular meeting of the corporation or at a special meeting called for the purpose, and in either case, after previous notice to stockholders or members of the corporation of the intention to propose such removal at the meeting. A special meeting of the stockholders or members of a corporation for the purpose of removal of directors or trustees, or any of them, must be called by the secretary on order of the president or on the written demand of the stockholders representing or holding at least a majority of the outstanding capital stock, or, if it be a non-stock corporation, on the written demand of a majority of the members entitled to vote. Should the secretary fail or refuse to call the special meeting upon such demand or fail or refuse to give the notice, or if there is no secretary, the call for the meeting may be addressed directly to the stockholders or members by any stockholder or member of the corporation signing the demand. Notice of the time and place of such meeting, as well as of the intention to propose such removal, must be given by publication or by written notice prescribed in this Code. Removal may be with or without cause: Provided, That removal without cause may not be used to deprive minority stockholders or members of the right of representation to which they may be entitled under Section 24 of this Code.</p>	<p>Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;</p>
(ii) Non-Executive Directors	<p>representing at least two-thirds (2/3) of the outstanding capital stock, or if the corporation be a non-stock corporation, by a vote of at least two-thirds (2/3) of the members entitled to vote: Provided, That such removal shall take place either at a regular meeting of the corporation or at a special meeting called for the purpose, and in either case, after previous notice to stockholders or members of the corporation of the intention to propose such removal at the meeting. A special meeting of the stockholders or members of a corporation for the purpose of removal of directors or trustees, or any of them, must be called by the secretary on order of the president or on the written demand of the stockholders representing or holding at least a majority of the outstanding capital stock, or, if it be a non-stock corporation, on the written demand of a majority of the members entitled to vote. Should the secretary fail or refuse to call the special meeting upon such demand or fail or refuse to give the notice, or if there is no secretary, the call for the meeting may be addressed directly to the stockholders or members by any stockholder or member of the corporation signing the demand. Notice of the time and place of such meeting, as well as of the intention to propose such removal, must be given by publication or by written notice prescribed in this Code. Removal may be with or without cause: Provided, That removal without cause may not be used to deprive minority stockholders or members of the right of representation to which they may be entitled under Section 24 of this Code.</p>	<p>Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.</p>
(iii) Independent Directors	<p>representing at least two-thirds (2/3) of the outstanding capital stock, or if the corporation be a non-stock corporation, by a vote of at least two-thirds (2/3) of the members entitled to vote: Provided, That such removal shall take place either at a regular meeting of the corporation or at a special meeting called for the purpose, and in either case, after previous notice to stockholders or members of the corporation of the intention to propose such removal at the meeting. A special meeting of the stockholders or members of a corporation for the purpose of removal of directors or trustees, or any of them, must be called by the secretary on order of the president or on the written demand of the stockholders representing or holding at least a majority of the outstanding capital stock, or, if it be a non-stock corporation, on the written demand of a majority of the members entitled to vote. Should the secretary fail or refuse to call the special meeting upon such demand or fail or refuse to give the notice, or if there is no secretary, the call for the meeting may be addressed directly to the stockholders or members by any stockholder or member of the corporation signing the demand. Notice of the time and place of such meeting, as well as of the intention to propose such removal, must be given by publication or by written notice prescribed in this Code. Removal may be with or without cause: Provided, That removal without cause may not be used to deprive minority stockholders or members of the right of representation to which they may be entitled under Section 24 of this Code.</p>	<p>The disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities</p>

		<p>Regulation Code or any other law administered by the Commission or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;</p> <p>Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;</p> <p>Any person who has been adjudged by final judgment or order of the Commission, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law administered by the Commission or SSP, or any of its rule, regulation or order;</p> <p>Any person earlier elected as independent director who becomes an officer, employee or consultant of the same corporation;</p> <p>(f) Any person judicially declared as insolvent;</p> <p>Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts,</p>
--	--	--

		violations or misconduct similar to any of the acts, violations or misconduct enumerated in Sub-paragraphs (1) to (5) above;
		Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.”
		A temporary disqualified director who fails to take action to remedy or correct the qualification within a period of sixty (60) days from such disqualification shall be disqualified permanently (2 nd paragraph, Section 5.2 of the Company's Manual on Corporate Governance.
		SEC Memorandum Circular No. 16, Series of 2002 - Guidelines on the Nomination and Election of Independent Directors

f. Re-Instatement		
(i) Executive Directors	Proposals for the reinstatement of a Director is submitted to Nominations Committee. Upon determining that the Director is qualified for re-instatement, then the Committee submits its recommendation to the Board of Directors, for the latter's appropriate action.	
(ii) Non-Executive Directors		
(iii) Independent Directors		Same as above
g. Suspension		
(i) Executive Directors		
(ii) Non-Executive Directors	Same as above	Same as above
(iii) Independent Directors		

Voting Result of the last Annual General Meeting held on 22 April 2014

Name of Director	Votes Received
Jose Cojuangco Jr.	70%
Ernesto G. Teopaco	70%
Marie Therese C. Reyes-McMurray	70%
Jose Manuel C. Lopa	70%

Ferrando C. Cojuangco	70%
Victoria Elisa A. Dee	70%
Renato B. Padilla	70%
Benjamin I. Espiritu	70%

6) Orientation and Education Program

(a) Disclose details of the company's orientation program for new directors, if any. Newly elected directors are furnished a copy of the Company's Manual on Corporate Governance, and encouraged to attend a seminar on corporate governance.

(b) State any in-house training and external courses attended by Directors and Senior Management⁴ for the past three (3) years:

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Marie Therese C. Reyes-McMurray	December 01, 2011	Corporate Governance	Institute of Corporate Governance
Renato B. Padilla	September 13, 14, 20 & 21, 2012	Corporate Governance	Institute of Corporate Governance

(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
Martin P. Lorenzo	December 5, 2014	Corporate Governance Seminar	ROAM, Inc.
Fernando C. Cojuangco	March 4, 2014	Corporate Governance Seminar	ROAM, Inc.
Marco P. Lorenzo	December 5, 2014	Corporate Governance Seminar	ROAM, Inc.
Vgor D. Mendoza	December 5, 2014	Corporate Governance Seminar	ROAM, Inc.
Fernan Victor P. Lukban	December 5, 2014	Corporate Governance Seminar	ROAM, Inc.
Renato B. Padilla	March 4, 2014	Corporate Governance Seminar	
Wellerita D. Aguas	December 5, 2014	Corporate Governance Seminar	ROAM, Inc.
Cecile D. Macalalay	December 5, 2014	Corporate Governance Seminar	ROAM, Inc.
Janette L. Peña	December 5, 2014	Corporate Governance Seminar	ROAM, Inc.
Addison B. Castro	March 4, 2014 & October 21, 2014	Corporate Governance Seminar /Corporate Governance Forum	ROAM, Inc. / SEC & PSE

⁴ Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

B. CODE OF BUSINESS CONDUCT & ETHICS

- 1) Discuss 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	Based on the Company's Manual on Corporate Governance, more particularly Section 3 thereof. 3. Specific Duties and Responsibilities of a Director	Must observe the same norms of conduct as directors, more particularly: a) Conduct fair business transactions with the corporation, and ensure that his personal interest does not conflict with the interests of the corporation. b) Devote the time and attention necessary to properly and effectively perform his duties and responsibilities	Transacting personal business on company premises whether the employee is on or off-duty is prohibited and subject to disciplinary action ranging from reprimand to dismissal. Any employee who commits an act of immorality and whose immoral conduct interferes with the proper performance of his duties, or cause actual harm to the interest of the Company or has a reasonable tendency to cause such harm shall be penalized with termination of employment
(b) Conduct of Business and Fair Dealings	A director's office is one of trust and confidence. A director should act in the best interest of the corporation in a manner characterized by transparency, accountability and fairness. He should also exercise leadership, prudence and integrity in directing the corporation towards sustained progress. A director should observe the following norms of conduct: a) Conduct fair business transactions with the corporation, and ensure that his personal interest does not conflict with the interests of the corporation.	Violation of the non-compete clause in the employment contract is a ground for termination due to loss of trust and confidence.	Any employee who by any of the means falsified document to the damage or detriment of the interest of the Company, or with the intention of causing such damage or detriment to Company interests shall be penalized with termination of employment.
(c) Receipt of gifts from third parties	The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid	Must not use his position to profit or gain some benefit or advantage for himself and/or his related interests.	
(d) Compliance with Laws & Regulations		Based on the Company's Code of Conduct:	

Central Azucarera de Tarlac (CAT), an integrated sugar manufacturing plant producing raw and refined

	<p>situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision making process. A director who has a continuing material conflict of interest should seriously consider resigning from his position.</p>	<p>sugar, molasses, alcohol, carbon dioxide and yeast is committed to manage and continuously improve its Safety Management System (SMS) that shall provide a safe and healthy workplace; prevent and/or minimize accidents, injuries, and occupational health hazards relevant to the activities, products, and services of the organization.</p> <ul style="list-style-type: none"> The company shall also commit itself to comply with the current applicable Occupational Health and Safety (OHS) legislations; and with the other requirements to which it subscribes. <p><i>Central Azucarera de Tarlac (CAT)</i>, an integrated sugar manufacturing plant producing raw and refined sugar, molasses, alcohol, carbon dioxide and yeast is committed to implement and continuously improve a consistent Environmental Management System (EMS) that shall help minimize the negative impacts of the above operations to land, air, and water; and to provide a clean, safe, and healthy environment for the reciprocal benefit of its employees, stakeholders, and the community where we operate.</p> <p>To achieve this commitment, CAT shall adhere to these principles that lead to the following statements:</p>
	<p>A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the corporation, or stands to acquire or gain financial advantage at the expense of the corporation.</p>	<p><u>Continuous Improvement to Sustain Development</u></p> <ul style="list-style-type: none"> CAT shall develop, put in place, and continuously improve, effective controls and procedures to conserve energy, water, and raw materials. CAT shall endeavor to re-use and recycle resources to reduce environmental impact to a minimum.
	<p>b) Devote the time and attention necessary to properly and effectively perform his duties and responsibilities.</p> <p>A director should devote sufficient time to familiarize himself with the corporation's business. He should be constantly aware of and knowledgeable with the corporation's operations to enable him to meaningfully contribute to the Board's work. He should attend and actively participate in Board and committee meetings, review meeting materials and, if called for, ask questions or seek explanation.</p>	<p><u>Prevention</u></p> <ul style="list-style-type: none"> CAT shall seek to prevent pollution at its source, reduce solid/liquid waste generated at our facilities; establish and support pollution-prevention procedures/programs that shall prevent, if not minimize, adverse effects of activities and/or conditions to its employees and to the environment. CAT shall reduce water consumption to prevent depletion of water sources by implementing and supporting set programs in water conservation. CAT shall treat chemical wastes or spent chemicals before proper disposal.

	<p>c) Act judiciously.</p> <p>Before deciding on any matter brought before the Board, a director should carefully evaluate the issues and, if necessary, make inquiries and request clarification.</p>	<p><u>Strict Compliance</u></p> <ul style="list-style-type: none"> CAT shall commit to comply with all relevant/applicable national and local environmental laws and regulations and shall continuously manage, check, and improve ways and means of controlling air emissions, land, and water discharges to assure compliance. 	
<p>(e) Respect for Trade Secrets/Use of Non-public Information</p>	<p>d) Exercise independent judgment.</p> <p>A director should view each problem or situation objectively. If a disagreement with other directors arises, he should carefully evaluate and explain his position. He should not be afraid to take an unpopular position. Corollarly, he should support plans and ideas that he thinks are beneficial to the corporation.</p>	<p>Violation of non-disclosure agreement / clause, as the case may be, is a ground for termination of employment by reason of loss of trust and confidence.</p>	<p>Any employee whose duties or functions entail knowledge of or accesses to any confidential information and who divulges the same, with or without prompting, to unauthorized persons shall be penalized with termination of employment.</p>
<p>(f) Use of Company Funds, Assets and Information</p>	<p>e) Have a working knowledge of the statutory and regulatory requirements that affect the corporation, including its articles of incorporation and by-laws, the rules and regulations of the Commission and, where applicable, the requirements of relevant regulatory agencies.</p> <p>A director should also keep abreast with industry developments and business trends in order to promote the corporation's competitiveness.</p>	<p>Any employee who steals, pilfers or misappropriates Company funds or its equivalent, materials, property or asset for personal gain or the gain of another shall be penalized with termination of employment</p>	<p>Any employee who while operating, using, utilizing, manipulating, or while in custody of any vehicle, equipment, machine, or instrument of the Company, by negligence causes physical injury to, or the death of any person shall be subjected to disciplinary action ranging from suspension to dismissal, depending on the amount of damage and frequency of the offense.</p>
<p>(g) Employment & Labor Laws & Policies</p>	<p>f) Observe confidentiality.</p> <p>A director should keep</p>	<p>The Anti-Sexual Harassment Policy and</p>	<p>In addition to the Anti-Sexual Harassment and</p>
	<p>Drug Free Workplace</p>	<p>Drug Free Workplace</p>	<p>Drug Free Workplace</p>

	<p>secure and confidential all non-public information he may acquire or learn by reason of his position as director. He should not reveal confidential information to unauthorized persons without the authority of the Board.</p>	<p>Policy are in place..</p>	<p>Policy, there is an existing Collective Bargaining Agreement between the Company and the Union (Central Azuarere de Tarlac Labor Union-NLU) which governs the terms and conditions of the employment of covered rank and file employees. The benefits granted to covered rank and file employees are above the minimum standards set by law.</p>
<p>(h) Disciplinary action</p>		<p>Types of Disciplinary Actions under the Company's Code of Conduct:</p> <p>Any employee who commits any of the offenses in the Company Policies and Rules and Regulations may be disciplined in accordance with the following Table of Penalties:</p> <ol style="list-style-type: none"> 1. Written Warning – notice or advice given to an employee for having committed an offense, reminding or calling his/her attention of sterner penalties which may be imposed in case of repetition of the same offense. 2. Suspension – this place an employee under suspension without pay for the specified period of day(s), and all fringe benefits may also be considered suspended during the period of suspension. 3. Dismissal – this is termination of An employee for commission of an extremely serious violation or any repeated offenses. <p>Violation of non-disclosure agreement / clause, as the case may be, is a ground for termination of employment by reason of loss of trust and confidence.</p> <p>Violation of the non-compete clause in the employment contract is a ground for termination due to loss of trust and confidence</p>	
<p>(i) Whistle Blower</p>			<p>This policy provides a formal procedure for a whistle blower, who may be a director, officer, employee, or other third party, who may raise his/her concerns regarding an illicit or unethical event inside the Corporation.</p> <p>The whistleblower may send a report through any</p>