

Remuneration Scheme	Date of Stockholders' Approval
Not Applicable	Not Applicable

3) Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued during the most recent year⁹:

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	N/A	N/A	N/A
(b) Variable Remuneration	N/A	N/A	N/A
(c) Per diem Allowance	276,500		
(d) Bonuses	N/A		
(e) Stock Options and/or other financial instruments	N/A	N/A	N/A
(f) Transportation	138,250		
Total	414,750		

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
(1) Advances	N/A	N/A	N/A
(2) Credit granted	N/A	N/A	N/A
(3) Pension Plan / Contributions	N/A	N/A	N/A
(4) Pension Plans, Obligations incurred	N/A	N/A	N/A
(5) Life Insurance Premium	N/A	N/A	N/A
(6) Hospitalization Plan	N/A	N/A	N/A
(7) Car Plan	N/A	N/A	N/A

⁹ The data provided covers compensation for EDs and Officers based on the Annual Report for Fiscal Year 2015-2016.

(8) Others (Specify)	N/A	N/A	N/A
Total	N/A	N/A	N/A

(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
Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(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
Not Applicable	Not Applicable	Not Applicable

(5) Remuneration of Management

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

Name of Officer/Position	Total Remuneration
Wellerita D. Aguas	
Marcelo P. Karaan II	
All other officers and directors as a group	7,720,442.88

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 (MED)	Independent Director (ID)				
Executive	2	1					The by-laws of a corporation may create an executive committee, composed of not less than three members of the board, to be appointed by the board. Said committee may act, by majority vote of all its members, on such specific matters within the competence of the board, as may be delegated to it in the by-laws or on a majority vote of the board, except with respect to: (1) approval of any action for which shareholders' approval is also required; (2) the filing of vacancies in the board; (3) the amendment or repeal of by-laws or the adoption of new by-laws; (4) the amendment or repeal of any resolution of the board which by its express terms is not so amendable or repealable; and (5) a distribution of cash dividends to the shareholders. (Section 36, Corporation Code of the Philippines, as amended)
Audit	1	1	1	Manual on Corporate Governance	Section 9 of the Company's Manual on Corporate Governance provides the functions of the following Committees: "9.1 The Audit Committee shall consist of at least three (3) directors, who shall preferably have accounting and finance backgrounds; one of whom shall be an independent director and another with audit experience. The chair of the Audit Committee should be an independent director. The committee shall have the following functions: (a) Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations; (b) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the corporation. This function shall include regular receipt, from Management of information on risk		
Nomination	1	1	1	Manual on Corporate Governance			

				<p>exposures and risk management activities;</p> <p>(c) Perform oversight functions over the corporation's internal and external auditors. It should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;</p> <p>(d) Review the annual internal audit plan to ensure its conformity with the objectives of the corporation. The plan shall include the audit scope, resources and budget necessary to implement it;</p> <p>(e) 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;</p> <p>(f) Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;</p> <p>(g) Monitor and evaluate the adequacy and effectiveness of the corporation's internal control system, including financial reporting control and information technology security;</p> <p>(h) Review the reports submitted by the internal and external auditors;</p> <p>(i) Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:</p> <ul style="list-style-type: none"> • Any changes in accounting policies and practices • Major judgmental areas • Significant adjustments resulting from the audit • Going concern assumptions • Compliance with accounting standards • Compliance with tax, legal and regulatory requirements. <p>(j) Coordinate, monitor and facilitate compliance with laws, rules and</p>
Remuneration	1	1	1	Manual on Corporate Governance

				<p>regulations:</p> <p>(k) Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the corporation's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the corporation's annual report;</p> <p>(l) Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee. The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties.</p> <p>9.2 The Board may also organize the following committees:</p> <p>(a) A Nomination Committee, which may be composed of at least three (3) members and one of whom should be an independent director, to review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors.</p> <p>(b) A Compensation or Remuneration Committee, which may be composed of at least three (3) members and one of whom should be an independent director, to establish a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the corporation's culture, strategy and the business environment in which it operates."</p>
Others (specify)				

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	Martin P. Lorenzo	Jan. 26, 2016				2 years
Member (ED)	Fernando C. Cojuangco	Jan. 26, 2016				2 years
Member (NED)	Fernan Victor P. Lukban	Jan. 26, 2016				2 years

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Benjamin I. Espiritu	Jan. 26, 2016	1	1	100%	2 years
Member (ED)	Martin P. Lorenzo	Jan. 26, 2016	1	1	100%	2 years
Member (ED)	Fernan Victor P. Lukban	Jan. 26, 2016	1	1	100%	2 years

Disclose the profile or qualifications of the Audit Committee members.

Benjamin I. Espiritu Ph. D., age 64, Filipino, is an Independent Director of the Company. He is a practicing Certified Public Accountant, President & CEO of Change Management International, Inc. and Chairman of Banco de Mindoro, Inc. He was Dean of Far Eastern University Makati, and Chair of the Accounting, Finance, Business and Governance Department of the De La Salle University Graduate School of Business. He served as Governor of the Province of Oriental, Mindoro. He earned his Ph.D., Major in Public Administration from the University of Santo Tomas, Master in National Security Administration from the National Defense College of the Philippines, Master of Business Administration and Bachelor of Science in Commerce, Major in Accounting degrees from De La Salle University.

Martin Ignacio P. Lorenzo, age 51, Filipino, is currently the Chairman & Chief Executive Officer of CAT. Concurrently, he is also the Chairman and Chief Operating Officer of CAT Resource & Asset Holdings Inc. He holds the same position in the investment holding company of CAT, First Lucky Holdings Corporation, and its subsidiaries, namely, Restaurants Concepts Group, Inc., Amang Rodriguez Holdings, Inc. Cocosobetero Holdings, Inc., Hospitality School Management Group, Inc. Mr. Lorenzo is likewise the Chairman and Chief Executive Officer of Marlor Investments Corporation and holds the same position in its subsidiaries: Blue Mountains Corporation and LAC-DC. He is also the Chairman and President of First Lucky Property Corporation. He currently holds position in other investment companies, namely, St. Tropez Holdings Corporation and Sierra Madre Capital. He is a Director in Familia Lorenzo Foundation, Incorporated. Mr. Lorenzo has over 20 years of extensive experience in investments and operations in various industries including agriculture, manufacturing and food retail. He obtained his BS Management Engineering degree at Ateneo de Manila University in 1986. He obtained his Masters in Business

Administration in Wharton Graduate School, University of Pennsylvania, in 1990.

Fernan Victor P. Lukban, age 55, Filipino, is a Director of the Company. He is one of the top Strategy and Family Business consultants in the Philippines. He is a founding fellow at the Institute of Corporate Directors in Manila and is also an International Fellow of the Australian Institute of Company Directors. He holds undergraduate degrees in Engineering from De La Salle University and graduate degrees in Industrial Economics from the Center for Research & Communication, now University of Asia & the Pacific, Manila. He also has a Master's degree in Business Administration from IESE, Barcelona, Spain.

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

The Audit Committee's responsibility relative to the external auditor is described in the Company's Manual on Corporate Governance, the pertinent provision of which reads:

"9.1 The Audit Committee shall consist of at least three (3) directors, who shall preferably have accounting and finance backgrounds, one of whom shall be an independent director and another with audit experience. The chair of the Audit Committee should be an independent director. The committee shall have the following functions:

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(c) Perform oversight functions over the corporation's internal and external auditors. It should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;

(d) Review the annual internal audit plan to ensure its conformity with the objectives of the corporation. The plan shall include the audit scope, resources and budget necessary to implement it;

(e) 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;

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(h) Review the reports submitted by the internal and external auditors;

(j) Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:

- Any change/s in accounting policies and practices
- Major judgmental areas
- Significant adjustments resulting from the audit
- Going concern assumptions
- Compliance with accounting standards
- Compliance with tax, legal and regulatory requirements.

(j) Coordinate, monitor and facilitate compliance with laws, rules and regulations;

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

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(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Fernando C. Cojuangco	Jan. 26, 2016	1	1	100%	2 years
Member (NED)	Fernan Victor P. Lukban	Jan. 26, 2016	1	1	100%	2 years
Member (ID)	Renato B. Padilla	Jan. 26, 2016	1	1	100%	2 years

(d) Remuneration / Compensation Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Martin P. Lorenzo	Jan. 26, 2016	1	1	100%	2 years
Member (NED)	Ferran Victor P. Lukban	Jan. 26, 2016	1	1	100%	2 years
Member (ID)	Renato B. Padilla	Jan. 26, 2016	1	1	100%	2 years

(e) Others (Specify)

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

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	Not Applicable	Not Applicable
Audit	Not Applicable	Not Applicable
Nomination	Not Applicable	Not Applicable
Remuneration	Not Applicable	Not Applicable

Others (specify)	Not Applicable	Not Applicable
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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		
Audit	Reviewed the Company's unaudited interim quarterly and audited annual financial statements and discussed said financial statements with Management and the Company's External Auditor, SGV & Co., before submission to the Board;	Compliance with accounting standards; compliance with tax, legal and regulatory requirements; going concern assumptions
	Reviewed and discussed the overall scope of the engagement of the External Auditor, SGV & Co.	
Nomination	Reviewed the qualifications and determined the eligibility of the persons nominated as Directors as well as those nominated to positions requiring the approval of the Board of Director	Those nominated as Directors and other positions requiring board approval possessed the qualifications and none of the disqualifications in accordance with the Manual on Corporate Governance; By-Laws, and the SEC Guidelines on the Nomination and Election of Independent Directors
Remuneration	Reviewed and approved the compensation and remuneration of the executive directors and officers	Compensation and remuneration of the executive directors officers are adequate and equitable.

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		
Audit	To continue performing its oversight functions pursuant to the Company's Manual on Corporate Governance, more particularly the review of the Company's unaudited interim quarterly and	<ul style="list-style-type: none"> Any change/s in accounting policies and practices Major judgmental areas Significant adjustments resulting from

	audited annual financial statements, and to monitor the Company's compliance with tax, legal and regulatory requirements.	the audit <ul style="list-style-type: none"> • Going concern assumptions • Compliance with accounting standards • Compliance with tax, legal and regulatory requirements.
Nomination	To review and evaluate the qualifications of the persons nominated as Directors as well as those nominated to positions requiring the approval of the Board of Directors	To ensure that persons nominated for the position of Board of Director and those appointed requiring approval of the Board of Directors possess all the qualifications and non of the qualifications, in accordance with the Company's Manual on Corporate Governance and By-laws
Remuneration	To review the remuneration of executive directors more particularly the CEO and the COO	To ensure that the remuneration/compensation of the CEO and the COO is competitive and equitable

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

It is the belief of CAT that risks are inherent in its business, but if properly managed can lead to opportunity and profitability. Thus, it is the policy of CAT to ensure that all risks are identified and measured, and that the appropriate control measures are put in place.

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

The directors regularly review the effectiveness of the risk management system and have found the same to be adequate.

(c) Period covered by the review;

End of fiscal year:

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

The risk management system is reviewed at least once a year. However, should an extraordinary event or new developments not previously contemplated occur, then a review of the system, actual risks and measures, is undertaken.

The primary criteria for assessing the effectiveness of the system are: its ability to prevent the risk from occurring; mitigate the effects of the risks should they happen, and the ability of the Company to effectively respond to the situation.

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

2) Risk Policy

(a) Company

Give a general description of the company's risk management policy, setting out and assessing the risks/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
Insufficient supply of sugar cane	It is the policy of CAT to ensure adequate supply of sugar cane and improve sugar cane farm yield	To maximize the capacity utilization of the sugar mill
Typhoons, strong winds and other like events that cause damage to crops, and equipment and properties of the Company	It is the policy of CAT to reduce, minimize and if possible prevent damage to equipment and properties of the Company from typhoons, strong winds and like events	To minimize, if not prevent damage to crops, and equipment and properties of the Company
Entry of cheap sugar and sugar by-products	It is the policy of CAT to remain competitive in a globally competitive economic environment	To produce quality sugar and sugar by-products at a competitive price

(b) Group

Give a general description of the Group's risk management policy, setting out and assessing the risks/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
Not applicable	Not applicable	Not applicable

(c) Minority Shareholders

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

Risk to Minority Shareholders
CRAHI is the owner of 71.4% of the Company's shares. Manual on Corporate Governance however, protects the rights of the minority shareholders.

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 Assessment (Monitoring and	Risk Management and Control (Structures,

Risk Exposure	Measurement Process	Procedures, Actions Taken)
Insufficient supply of sugar cane	Monitoring undertaken by the Field Services Department to determine areas planted with sugar cane and the estimated yield thereof	Sugar cane farming intensification and expansion programs
Typhoons, strong winds and other like events that cause damage to crops, and equipment of the Company	Mancom headed by the COO regularly monitors weather forecasts and other events that may affect CAT operations; close coordination with PAG ASA and AGROMET	Weather monitoring, disaster prevention and preparedness measures; devotion to First Friday Mass; and insurance coverage
Entry of cheap sugar and sugar by-products	Monitoring and assessment by Mancom and Marketing Department; close coordination with SRA and PSMA	Cost control to bring down cost of production without sacrificing quality

(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)
Not Applicable	Not Applicable	Not Applicable

(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
Audit Committee		The Audit Committee shall oversee the Management's activities in managing credit, market, liquidity, operational, legal and other risks of the corporation, including regular receipt from the Management of information on risk exposures and risk management activities

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

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

(a) Explain how the internal control system is defined for the company:

The Company's Manual on Corporate Governance provides:

"6. Internal Control Responsibilities of the Board

The control environment of the corporation consists of (a) the Board which ensures that the corporation is properly and effectively managed and supervised; (b) a Management that actively manages and operates the corporation in a sound and prudent manner; (c) the organizational and procedural controls supported by effective management information and risk management reporting systems; and (d) an independent audit mechanism to monitor the adequacy and effectiveness of the corporation's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts.

6.1 The minimum internal control mechanisms for the performance of the Board's oversight responsibility may include:

- (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.

6.2 An internal audit system shall be established that can reasonably assure the Board, Management and stockholders that its key organizational and operational controls are faithfully complied with.

The Board shall appoint an Internal Auditor to perform the audit function, and require him to report to a level in the organization that allows the internal audit activity to fulfill its mandate. The Internal Auditor shall be guided by the International Standards on Professional Practice of Internal Auditing."

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

The directors have reviewed the effectiveness of the internal control system and found the same to be adequate and effective.

(c) Period covered by the review;

End of fiscal year 2016.

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

internal control system; and

Once a year, and if the need arises.

(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
<p>Maintain an effective system of internal control that will ensure the protection of the assets of the Company</p>	<p>Section 13.1 (c) of the Company's Manual on Corporate Governance provides: "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 corporation's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, and protection of assets, contracts, laws, rules and regulations;"</p>	<p>In-house</p>	<p>Allan Liwanag Sycip Gorres Velayo & Company</p>	<p>Section 9.1(f) of the Company's Manual on Corporate Governance provides that the Audit Committee shall have the following functions: "xxx Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee. The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties."</p>

(b) Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?

Yes. It is provided under Section 9.1(f) of the Company's Manual on Corporate Governance that it is the function of the Audit Committee 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".

(c) Discuss the internal auditor's reporting relationship with the audit committee. Does the internal auditor

have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel?

The Internal Auditor reports to the Audit Committee directly. Yes, the Internal Auditor has direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel.

(d) Resignation, Re-assignment and Reasons

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

Name of Audit Staff	Reason
n/a	n/a

(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	On track
Issues¹⁰	No significant issues
Findings¹¹	No significant findings
Examination Trends	No significant findings and issues

[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
Risk Management Policy	Implemented
Internal Audit and Control	Implemented

¹⁰ "Issues" are compliance matters that arise from adopting different interpretations.

¹¹ "Findings" are those with concrete basis under the company's policies and rules.

Budget Policies	Implemented
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(g) Mechanism and Safeguards

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

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
The external auditor's engagement is limited to audit services and does not include non-audit services; the internal auditor reports directly to the Audit Committee and it has complete access to all records, properties and personnel	The Company has not engaged the services of any financial analyst, but if it does then the financial analyst shall be required to execute a non-disclosure agreement with a stipulation prohibiting said financial analyst from trading in the Company's shares	Investments banks if any will be required to execute a non-disclosure agreement or a confidentiality stipulation that it shall not trade in the Company's shares	The Company has not engaged the services of any rating agencies, but in the event that it does, then the rating agency/ies will be required to execute a non-disclosure agreement or confidentiality agreement with a stipulation that it shall not trade in the Company's shares

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

The Company's Chairman of the Board & Chief Executive Officer, President & Chief Operating Officer, Chairman of the Audit Committee who is an Independent Director, Independent Director and Compliance Officer, to the best of their knowledge, will attest to the Company's full compliance with the Securities and Exchange Commission's Corporate Governance Rules as set out in the SEC Memorandum Circular No. 5, Series of 2009.

H. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customer's Welfare	Corporate Values based on the Company's Code of Conduct and Employee's Manual	Training for Attitudes, Skills and Knowledge Enhancement Program

	<p>"VI. We Care for our Customers, Customer Friendly - Genuine Concern, Fairness, Equity.</p> <p>We recognize the value of our customers as the foundation of our sustained existence. Aware of this, we will do our best to meet their requirements from the macro needs of quality, quantity, on time delivery and price up to the micro level of ensuring consistency in weight.</p> <p>We will therefore continuously exert efforts to have a complete understanding of their needs."</p>	
<p>Supplier/contractor selection practice</p>	<p>CAT maintains a shortlist of suppliers who were selected based on standing accreditation process. The accreditation involves a three-tier review to ensure that track record, dependability, reliability, quality, financial security and absence of conflict of interest are considered.</p>	
<p>Environmentally friendly value-chain</p>	<p>Environmental Management System Policy based on the Company's Code of Conduct and Employee's Manual</p> <p>"Central Azucarera de Tarlac (CAT), 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 it operates.</p> <p><u>Continuous Improvement to Sustain Development</u></p> <p>* CAT shall develop, put in place, and continuously improve.</p>	<p>Advance Training Course on Air Quality Management , Renewable Energy</p> <p>CAT practices waste segregation and re-use of its available scrap materials. Scrap materials are re-purposed and donated to the communities.</p> <p>CAT facilitated the cleaning and declogging of irrigation canal going to Brgy. Mapalacasio-SCTEX.</p> <p>CAT spearheaded the sand bagging of irrigation at Brgy. Mapalacasio to prevent soil erosion</p>

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.

Prevention

- 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.

Strict Compliance

- 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.

Safety

- CAT shall encourage employees at all levels to actively participate and support all programs of continuous improvement of production; and of protection of human health, occupational safety, and protection of the environment that shall improve productivity

	<p>and reduce incidence of work accidents.</p> <p><u>Training and Open Communication</u></p> <ul style="list-style-type: none"> • CAT shall provide appropriate environmental training and awareness to encourage its employees to practice this awareness; and to actively promote a sense of responsibility among themselves and to other interested parties. 	<ul style="list-style-type: none"> • Scholarship to dependents of CAT EMPLOYEES (College and 1 year courses at Tarlac Training Center) (5years) – On-going activity • Medical and Dental Missions, Tree Planting, Blood Letting – yearly activity • Credit program to employees' spouses/dependents with at least 1 year continuous business existence. A maximum of P3,000.00 can be availed with 1% monthly interest. • Funds generation thru selling of souvenir items at the Supervisor's Lounge, (to finance projects of CSR) – on-going activity • Organized the CAT-Employees Dependents' Cooperative composed of the spouses /dependents of CAT Rank and File employees and are residents of Brgy. Central, Tarlac City. • Livelihood seminars were conducted for the community. On July 27, 2016, vegetable noodle making was facilitated in cooperation with the Department of Trade and Industry. Another livelihood program was conducted on August 11, 2016 which focused on candle making.
<p>Community interaction</p>	<p>Corporate Values based on the Company's Code of Conduct and Employee's Manual</p> <p>"VII. We Build Communities Beyond CSR.</p> <p>Our commitment to our community is not a responsibility, it is a passion we strongly believe. We create farming communities composed of people who know sugarcane farming and support the industry. Our strength is anchored on the sustainable development of the communities where we operate. As such, sugarcane farming provides food on their table, education for their children, shelter for their family, and other needs. We create value and make people want to be part of the community and make them part of something big of a bigger whole enjoying rapport among themselves."</p>	

		<ul style="list-style-type: none"> • Medical Mission was conducted in partnership with Central Luzon Doctors' Hospital (CLDH), Sugar Industry Foundations Inc. (SIFI) and various pharmaceutical companies. • CAT supported several community projects such as donation of materials for road repairs, construction of fence and landscape for the local parish, sponsorship of security services cost, clearing and grass cutting of the school.
Anti-corruption programs and procedures?	The Company does not tolerate corrupt practices and considers the following conduct, contrary to its policy and rules and regulations: (1) giving or accepting anything of value where the nature or value of the advantage is unreasonable or inappropriate to the occasion or the position and circumstances of the recipient (employee, supplier, contractor, customer, government agency); (2) giving or accepting anything of value with the intent or expectation of receiving or giving anything of value in return; (3) giving or accepting of value that may unduly influence the recipient's objectivity, judgment or discretion; (4) giving or accepting anything of value without proper documentation; and (5) violation of the Anti-Graft and Corrupt Practices Act.	
Safeguarding creditors' rights	The Company is committed to fulfill its financial obligations and pay/settle its loans to the full satisfaction of its creditors.	

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

3) Performance-enhancing mechanisms for employee participation.

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

From the Company's Employee's Manual:

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

- 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.
- This SMS Policy shall be documented, implemented, and maintained; communicated to all employees with the intent that they are made aware of their individual OHS obligations; and made available to the public and other interested parties.
- This SMS Policy shall be periodically reviewed to ensure that it remains relevant and appropriate to the organization.

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

Exposure Data for 2016

Number of Employees	545
Total Hours Worked by all employees during the year	1,255,680 Man Hours

Injury Summary

Total – All disabling injuries / illness	4 cases (12.5 lost work days)
Total - Non-disabling	41
Frequency Rate	3.19%
Severity Rate	9.10%

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

The Company, which offers opportunities for the employees to achieve their full potential, believes in creating a learning community that is conducive to the growth and the development of the employees. Development is an on-going partnership between the company and its employees, with the latter having the responsibility to grow in knowledge, skills and values or attitudes in areas that match the needs of the company.

Objective

To provide the learning opportunities, resources, and support that would enable the employees to professionally and personally grow through appropriate training.

Implementation

The following guidelines shall apply on:

Target Areas:

1. Training focuses on developing the alignment of purpose and performance across the company targeting the following:

- Individual employee;
- Team; and
- Total Organization

Training Requirements:

2. To develop and maintain a competitive workforce, formal classroom training or informal on the job training may be required for every employee, and providing for learning opportunities especially when he/she:

- Joins the company;
- Assumes new responsibilities or position;
- Needs improvement in job performance; and
- Needs to acquire changes in technology, services, practices, procedures, and governmental requirements.

Training Types:

3. Learning shall take place throughout the organization everytime for everyone; occurring in both formal and informal settings:

- a. Formal-training events – formal-training courses (both in-house and external), on-the-job training, study tour, temporary-work assignments.
 - b. Informal-training events – projects and task force assignments, readings, fora, seminars, video and audio presentations
-

Training Scope:

4. Learning needs vary, and thus, a different training experience is important focusing on the following various contents:

- a. Managerial/Supervisory – related to leadership and management roles and functions.
- b. Technical –
 - i. Functional – related to job function.
 - ii. Environmental, Health, and Safety – related to compliance with company policies, objectives, and procedures; and governmental laws.
 - iii. Computer – related to software applications.

Responsibility:

5. The Organization Manpower and Resource Development Department (OMRDD) shall:

- a. Identify the training needs of the employees, including the general awareness for environmental aspects and impacts, and other specialized jobs.
- b. Prepare and submit to the Resident Manager for approval the training plan including budget, and other resources needed.
- c. Implement, conduct, or monitor the training, seminar, or workshop programs. Resource person/trainer must have the competency requirements based on education, training and/or experience as evidenced by his/her training certificates.

As of 31 December 2016, employees of the Company underwent / attended the following training programs / seminars, to wit:

Advance Technology on Bioenergy and Environmental Management (ATBEM)

Workers' Institute on Labor Laws
 Ultrasonic Flaw Detector Training
 Compressor Training
 Flowmeter Seminar
 Applied Technology on Sugar Processing (ATSP)
 Advance Technology on Energy Management Utilization (ATEMU)
 Level Up Leadership
 Hazard Analysis Critical Control Point (HACCP)
 Training for Industries on Developing Bankable Energy Efficiency Projects
 Managers' and Supervisors' Toolbox (Leadership Development Program)
 Bearing Basics and Maintenance
 Back To Basics Technical Training (Lubrication)
 Advanced Training (Lubrication)
 SMAW Training (Batch 1)
 SMAW Training (Batch 2)
 Basic Concepts of the Wholesale Electricity Spot Market (WESM)
 Instrumentation and Control for Industrial Applications
 Labor Relations Seminar
 Food Safety Seminar for Engineers
 Snake Bite Management
 Effective Management for Leaders
 AutoCAD 2016 Comprehensive Training
 40-Hour Training Course on Environmental Laws, Rules and Regulations for PCO
 GMP Seminar
 Core Values Seminar
 Advanced Lubrication Seminar
 Hazard Communications
 Laboratory Safety
 LMC Orientation and Grievance Mechanism Seminar
 SSS In-depth Seminar
 Pollution Control Association of the Philippines Inc. Annual Convention
 First-aid Manual Lifting Drill
 Hand Injury Prevention
 Safety Orientation
 Fire Extinguisher Usage
 Active Fall Protection Training
 Usage First Aid Kit
 Lock Out Tag Out (Loto)
 Manual Safe Lifting
 Re-Briefing, Psd Demolition
 Working At Heights, Crossing Over Refinery Steam Line
 Fall Protection System (2Nd Call Out)
 Bagasse Fire Safety
 Confined Space Entry (Boiling House)
 Hotwork Safety (Flooring Project)

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

The Company has put in place a non-contributory retirement plan for the benefit of its employees.

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

The Company provides a work environment free from any form of discrimination, including verbal or physical harassment or intimidation from supervisors or co-employees.

The Anti-Sexual Harassment Policy of the Company is in place, and an Anti-Sexual Harassment Committee has been constituted to handle complaints related to sexual harassment. Each manager and supervisor has the responsibility to promote, create and maintain a workplace free from sexual harassment. This duty includes discussing this Policy with all supervised employees and assuring them that they will not have to endure insulting, degrading or exploitative sexual treatment or intimidating or harassing behavior.

It is against Company policy to harass or retaliate against an employee who reports a violation or suspected violation of the Company's Code of Conduct, Rules and Regulations and policies. Employees are encouraged to report to the Human Resources Department for appropriate action, any suspected form of harassment or retaliatory behavior. All employees have a responsibility to promote safe work environment by co-operating in the investigation of the harassment or retaliatory behavior reported by an employee.

Moreover, the Company has initiated the establishment of the employment relations committee equally represented by the management and employees to address issues including any violation of policies on Ethics and Good Governance by conducting investigation and issuing recommendations thereon.

1. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
PCD Nominee	201,718,140	71.4%	CAT Resource Asset & Holdings, Inc.
Luisita Trust Fund (LTF)	47,344,920	16.76%	Luisita Trust Fund

2) Does the Annual Report disclose the following:

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	Yes
Dividend policy	Yes
Details of whistle-blowing policy	No ¹²
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Yes
Training and/or continuing education programme attended by each director/commissioner	No ¹³
Number of board of directors/commissioners meetings held during the year	No ¹⁴

¹² Details provided in the ACGR, which is submitted together with the Annual Report

¹³ Details provided in the ACGR, which is submitted together with the Annual Report

¹⁴ Details provided in the ACGR, which is submitted together with the Annual Report

Attendance details of each director/commissioner in respect of meetings held	No ¹⁵
Details of remuneration of the CEO and each member of the board of directors/commissioners	Yes

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

3) External Auditor's fee

The aggregate fees paid by the registrant to SGV & CO. for the last two (2) fiscal years are as follows:

Name of auditor	Audit Fee	Non-audit Fee
SGV & Co.	1,000,000.00	Not Applicable

4) Medium of Communication

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

Registered mail, telephone, telefax, courier service, print media and PSE website

- 5) Date of release of audited financial report: October 13, 2016
- 6) Company Website

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

Business operations	Yes
Financial statements/reports (current and prior years)	Yes
Materials provided in briefings to analysts and media	No
Shareholding structure	No
Group corporate structure	No
Downloadable annual report	Yes
Notice of AGM and/or EGM	Yes
Company's constitution (company's by-laws, memorandum and articles of association)	Yes

Should any of the foregoing information be not disclosed, please indicate the reason thereto. Interested parties may request in writing any of the above information, addressed to the President or the Corporate Secretary.

7) Disclosure of RPT

The Company's transactions with related parties are disclosed under Note 26, pages 45-47 of the Company's audited financial statements June 30, 2016 and 2015, among which are as follows:

Significant transactions with related parties included in the financial statements follow:

¹⁵ Details provided in the ACCR, which is submitted together with the Annual Report

- a. In 2015, the Parent Company sold land to North Star Estate Holdings, Inc (NSEHI) (see Note 15) and provided advances for working capital requirements resulting to a receivable from NSEH amounting to =P75.5 million in 2016 and 2015.
- b. The Parent Company has advances from FLHC amounting to =P2.9 million and P=15.4 million as at June 30, 2016 and 2015, respectively.
- c. The Parent Company also provided advances to CRAHI for working capital requirements and for the Subsidiary's settlement of promissory note due to its previous shareholders resulting to a receivable from CRAHI amounting to =P90.9 million and =P208.6 million in 2016 and 2015, respectively.
- d. On June 30, 2014, the Subsidiary has advances from TDC and HLL, previous affiliates, amounting to =P1,380.2 million and =P252.6 million, respectively. As part of the MOA, wherein new owner group acquired all outstanding shares of the Company, the advances to TDC were settled in October 2014. The Company paid interest amounting to P=56.5 million and =P26.1 million in 2016 and 2015 respectively.
- e. As of June 30, 2015, the Subsidiary has advances from CRAHI for the settlement of the promissory notes due to its previous shareholders amounting to P=181.0 million. During the year, CRAHI assigned to the Parent Company its receivable from the Subsidiary as part of the MOA.
- f. In 2015, The Group made advances to LTF to partially fund the manpower reduction program amounting to =P259.7 million, in 2015. Advances from LTF as at June 30, 2016 amounted to =P247.3 million.
- g. The Parent Company entered into a lease agreement with First Lucky Property Corporation (FLPC) for the transfer and lease of its corporate office commencing December 1, 2014 for a period of one year extendible at the option of the Parent Company..
- h. Receivables from directors and employees represent loans and cash advances made by the Group for business expenses that are anticipated to be incurred by the employee, director, or officer in behalf of the Group.
Intercompany receivables and payables with related parties will be settled by way of offsetting arrangements and exchanges of real properties.

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?

The Audit Committee is granted the power to investigate any matter brought to its attention, including related party transactions, with full access to books and records.

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	<p>The quorum in the regular meetings shall be constituted by the attendance of shareholders holding or representing one-half plus one of the outstanding shares and a majority of such quorum shall decide any question that may come before the meeting, save and except in those several affirmative vote of a greater proportion. (Section 4, Article II of the Amended By-Laws)</p>
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(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	<p>From SEC Form 20-IS:</p> <p>All matters or actions to be taken up in the meeting will require the vote of the security holders. The voting procedure is as follows:</p> <p>The number of votes due a security holder will depend on the number of shares he/she owns. Per share of stock is equivalent to one vote.</p> <p>In all items for approval except election of Members of the Board, each share of stock entitles its registered owner to one (1) vote.</p> <p>In the election of directors, every stockholder is entitled to vote the number of shares standing in his name on the books of the registrant and said stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected. The election is by viva voce or by ballots, if requested by the stockholders.</p>
Description	

(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
<p>Section 14 (a) of the Company's Manual on Corporate Governance provides:</p> <p>a) The Board shall respect the rights of the stockholders as provided for in the Corporation Code, namely:</p> <p>(1) Right to vote on all matters that require their consent or approval:</p>	<p>Section 14(b) of the Company's Manual on Corporate Governance provides:</p> <p>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.</p>

exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets; (c) In case of increase of Authorized Capital Stock of the corporation; and (d) In case of merger or consolidation.”

3. Does the company observe a minimum of 21 business days for giving out of notices¹⁵ to the AGM where items to be resolved by shareholders are taken up? Yes

a. Date of sending out notices: January 5, 2016

b. Date of the Annual/Special Stockholders' Meeting: January 26, 2016

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

During the Annual Stockholders' Meeting held on January 26, 2016, Mr. Soliven inquired about the large amount of the non-current assets in the current financial statement and goodwill, where the said items showed lower amounts in 2014 financial statement. Company's Treasurer explained that the same is a result of a business consolidation without any tax exposure.

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

Annual Stockholders' Meeting held on January 26, 2016

Resolution	Approving	Dissenting	Abstaining
Approval of the Minutes of the Annual Meeting of the Stockholders held on 26 February 2015	88.16%	0	0
Approval of the Annual Report of the Company containing the Audited Financial Statements for the Fiscal Years 2014-2015 and the report of the independent Public Accountants.	88.16%	0	0
Ratification and confirmation of all acts of the Board for since the last annual meeting held on 26 February 2015. These acts are covered by Resolutions of the Board duly adopted in the normal course of trade or business involving, among other things, approval of projects/contracts, treasury matters including borrowings, opening of accounts and bank transactions; and appointment of signatories thereof.	88.16%	0	0
Election of the Members of the Board, including the independent directors, for the year 2016	MARTIN P. LORENZO	88.16%	0
	FERNANDO C. COJUANGCO	88.16%	0
	MARCO P. LORENZO	88.16%	0
	VIGOR D. MENDOZA II	88.16%	0
FERNAN VICTOR P. LUKBAN	88.16%	0	0

¹⁵ The stockholders were given Definitive Information Statement in accordance with Securities Regulation Code's Implementing Rules and Regulations, to wit:

SRC IRR, 20.11.13. Written notice, stating the date, time and place of the annual meeting shall be sent to all stockholders of record at least two (2) weeks prior to the schedule annual stockholders' meeting, unless a different period is required by the by-laws. The distribution to stockholders of the information statement (SEC Form 20-1S) within the prescribed period under this Rule shall be sufficient compliance with the notice requirement. (emphasis provided)

	RENATO B. PADILLA	88.16%	0	0
	BENJAMIN I. ESPIRITU	88.16%	0	0
Appointment of SGV & Co. as External Auditors for the Year 2016		88.16%	0	0

Special Stockholders' Meeting held on June 15, 2016

Resolution	Approving	Dissenting	Abstaining
Ratification and confirmation of all acts of the approval of the Board for amendment to the Company's Articles of Incorporation and By-Laws.	88.16%	0	0

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

Results of the Annual Stockholders' Meeting held on January 26, 2016 was immediately disclosed to the Philippine Stock Exchange and submitted to the Securities and Exchange Commission on February 1, 2016.

(e) Modifications

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

Modifications	Reason for Modification
Not Applicable	Not Applicable

(f) Stockholders' Attendances

(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	MARTIN P. LORENZO FERNANDO C. COJUANGCO MARCO P. LORENZO VIGOR D. MENDOZA II FERNAN	Jan. 26, 2016	By proxy and by show of hands			88.16%

	VICTOR P. LUKBAN				
	RENATO B. PADILLA				
	BENJAMIN I. ESPIRITU				
	MARTIN P. LORENZO				
	FERNANDO C. COJUANGCO		By proxy and by show of hands		
	MARCO P. LORENZO				
Special	VIGOR D. MENDOZA II	Jun 15, 2016			88.16%
	FERNAN VICTOR LUKBAN				
	RENATO B. PADILLA				
	BENJAMIN I. ESPIRITU				

(ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs? No.

(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.

Yes. The number of votes due a security holder will depend on the number of shares he/she owns. Per share of stock is equivalent to one vote.

In all items for approval except election of Members of the Board, each share of stock entitles its registered owner to one (1) vote.

In the election of directors, every stockholder is entitled to vote the number of shares standing in his name on the books of the Company and said stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected. The election is by viva voce or by ballots, if requested by the stockholders.

(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	Stockholders may vote at all meetings the number of shares registered in their respective names in the books of the Corporation, either in person or by proxy duly executed and which shall have been presented to the Secretary for registration and registered at least twenty-four hours (24) before the day set for the holding of the meeting. (Section 5, Article II of the Amended By-Laws)
Notary	Proxy need not be notarized, unless executed abroad, in which event it should be authenticated by the Philippine Embassy or the Consular Office where the proxy was executed.
Submission of Proxy	Stockholders may vote at all meetings the number of shares registered in their respective names in the books of the Corporation, either in person or by proxy duly executed and which shall have been presented to the Secretary for registration and registered at least twenty-four hours (24) before the day set for the holding of the meeting. (Section 5, Article II of the Amended By-Laws)
Several Proxies	1 proxy per stockholder; latest proxy is recognized
Validity of Proxy	Unless otherwise provided in the proxy, it shall be valid only for the meeting for which it is intended. No proxy shall be valid and effective for a period longer than five (5) years at any one time. (Section 58 of the Corporation Code, as amended)
Proxies executed abroad	Must be authenticated by the Philippine Embassy or Consular Office where the proxy was executed
Invalidated Proxy	Invalidated proxy is set aside and vote is not counted
Validation of Proxy	Verification of the stockholders' signature appearing on the signature card and/or presentation of at least two government issued identification cards
Violation of Proxy	If invalid, then proxy is set aside and vote is not counted.

(h) Sending of Notices

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

Policies	Procedure

Service of the Definitive Information Statement or the SEC Form No. 20-IS serves as written notice in accordance with the SRC Rules. The Definitive Information Statement were sent to the stockholders at least fifteen (15) business days prior to the date of the Annual/Special Stockholders' Meeting.	By personal service or registered mail or courier service.
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(i) Definitive Information Statements and Management Report

Annual Stockholders Meeting Held on January 26, 2016

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	395 Stockholders ¹⁷
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	December 17, 2015
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	January 5, 2016
State whether CD format or hard copies were distributed	CD Format
If yes, indicate whether requesting stockholders were provided hard copies	Yes

Special Stockholders' Meeting held on 15 June 2016

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	394 Stockholders ¹⁸
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	May 18, 2016
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by	May 25, 2016

¹⁷ Stockholders as of Record Date on 21 January 2016

¹⁸ Stockholders as of Record Date on 10 June 2016

stockholders	
State whether CD format or hard copies were distributed	CD Format
If yes, indicate whether requesting stockholders were provided hard copies	Yes

(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, if any dividend is to be declared
The amount payable for final dividends.	Yes, if any dividend is to be declared
Documents required for proxy vote.	No

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

2) Treatment of Minority Stockholders

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

Policies	Implementation
From the Company's Manual on Corporate Governance:	
"14. Stockholders' Rights and Protection of Minority Stockholders' Interest: (b) xxxxx 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.	

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

K. INVESTORS RELATIONS PROGRAM

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

Major announcements, if any, will be reviewed by the Corporate Secretary and the Investor Relations Officer to be approved by the Chairman of the Board and CEO and the President and COO.

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

Details	
(1) Objectives	Provide fair, accurate, and timely information.
(2) Principles	
(3) Modes of Communications	Telephone, Fax, Annual Reports, Quarterly Reports, Annual Stockholder's Meeting and Disclosures
(4) Investors Relations Officer	Cecile D. Macalalay

- 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?

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

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiative	Beneficiary
College Scholarship and 1 Year Vocational Course at the Tarlac Training Center	Qualified dependents of CAT Employees
Continuing Medical and Dental Missions, Tree Planting, Blood Letting, and Other Outreach Programs	Residents of Tarlac City and surrounding communities of CAT at San Miguel, Tarlac City
Continuing credit program/facility extended to spouses and dependents of CAT employees	Dependents and spouses of CAT employees
Enterprise Development Programs which facilitates livelihood seminars	CAT Employee Dependents' Producers Cooperative (CAT EDPC) and communities located within the perimeter of CAT.
Community Services	Residents of surrounding communities of CAT
Environmental Protection Programs	Residents of surrounding communities of CAT

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	Self-Assessment of the annual performance of the Board and its committees, individual directors and the CEO and COO is done during Board Meetings.	Manual on Corporate Governance
Board Committees		
Individual Directors		
CEO/President		

N. INTERNAL BREACHES AND SANCTIONS


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

Violations	Sanctions
The Board, officers and the management strives to prevent any breach or violation of the corporate governance manual.	Any violation or breach of the manual on corporate governance may be sanctioned with suspension, disqualification or removal from office.
Violations by officers of the applicable rule on corporate governance such as conflict of interest constitutes breach of trust and confidence.	Termination of employment due to loss of trust and confidence.
Violations of the Code of Code of Conduct and Company Policies and Rules and Regulations are laid out in the Code of Conduct and Policies concerned.	Ranging from suspension to termination of employment

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 _____ on MAY 11 ~~2017~~ 2020.

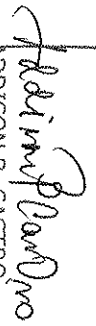
SIGNATURES


 MARTIN IGNACIO P. LORENZO
 Chairman of the Board &
 Chief Executive Officer


 FERNANDO IGNACIO C. COJUANGCO
 President &
 Chief Operating Officer


 RENATO B. PADILLA
 Independent Director


 BENJAMIN I. ESPIRITU
 Independent Director


 ADDISON B. CASTRO
 Compliance Officer


SUBSCRIBED AND SWORN to before me this MAY 11 2020 day of _____, 20____, as follows:

Name	Government Issued ID	Expiration Date
Martin Ignacio P. Lorenzo	Phil. Passport No. EC6023262	01 December 2020
Fernando Ignacio C. Cojuangco	Phil. Passport No. EB5820479	02 July 2017
Renato B. Padilla	Phil. Passport No. OE0030644	09 June 2017
Benjamin I. Espiritu	Phil. Passport No. EB9719149	01 December 2018
Addison B. Castro	Phil. Passport No. EC3630424	09 March 2020

NOTARY PUBLIC

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 Series of 2017




 GERARDO M. NARCON
 NOTARY PUBLIC
 Appointment No. ACP-1589 Date: 21-2019
 Exp. Date: 21-2020
 170 Ocho de Mayo Street, 2nd Floor, Pasay City, Manila
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 Tel. No. (02) 886-1000
 Fax No. (02) 886-1000
 E-mail: narcon@narcon.com.ph