

**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM – ACGR**

**CONSOLIDATED CHANGES IN THE ACGR FOR 2014  
ANNUAL CORPORATE GOVERNANCE REPORT**

1. Report is Filed for the Year 2014
2. Exact Name of Registrant as Specified in its Charter: IMPERIAL RESOURCES, INCORPORATED
3. Unit 202 Villa Building, No. 78 Jupiter Street corner Makati Avenue, Barangay Bel-Air, Makati City, Metro Manila.  
Address of Principal Office Postal Code: 1200
4. SEC Identification Number: 39243  
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5.  (SEC Use Only)  
Industry Classification Code
6. BIR Tax Identification Number 320-000-463-670
7. (063) 831-4719  
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Issuer's Telephone number, including area code
8. Not Applicable  
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Former name or former address, if changed from the last report

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**A. BOARD MATTERS**

**1) BOARD OF DIRECTORS**

Number of Directors per Articles of Incorporation	7
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Actual number of Directors for the year	7
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**(a) COMPOSITION OF THE BOARD**

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, Identify the principal	Nominator in the last election (If ID, state the relationship with the nominator)	Date first elected	Date last elected (If ID, state the number of years served as ID)	Elected when (Annual/Special Meeting)	No. of years served as director
Victorio M. Amante	NED	N/A	Ms. Bernadette S. Magahis	Chairman of the Board – August, 2009 to present; ID- July, 2003 to August, 2009;	7/10/ 2014	AGM 2014	11
Oliverio G. Laperal, Sr.	ED	N/A	Ms. Bernadette S. Magahis	Chair-Sept., 1969 to August, 2009; D - Sept., 1969 to present	7/10/2014	AGM 2014	45
Desiderio L. Laperal	ED	N/A	Ms. Bernadette S. Magahis	D-1977 to 1981; 1996 to present	7/10/2014	AGM 2014	22
Atty. Jesus Vicente B. Capellan	ED	N/A	Ms. Bernadette S. Magahis	D - 2014 to present	7/10/2014	AGM 2014	5 Mos.
Vilma B. Villanueva	ED	N/A	Ms. Bernadette S. Magahis	D-1994 to present	7/10/2014	AGM 2014	20
Anthony Nelson G. Mendoza	ID	N/A	Ms. Bernadette S. Magahis (No relation to the nominator)	Apr. 21, 2010 to present	7/10/2014 4	AGM 2014	4
Genelita G. Manandic	ID	N/A	Ms. Bernadette S. Magahis (No relation to the nominator)	April, 2010 to present	7/10/2014 4	AGM 2014	4

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.

**COMPLIANCE WITH THE PRINCIPLES OF GOOD CORPORATE GOVERNANCE SHALL START WITH THE BOARD OF DIRECTORS.**

In relation to the implementation of the Code on Corporate Governance and the Company's duly adopted Manual on Corporate Governance, the Company is always reminded of its reportorial obligation (see SEC Memorandum Circular No. 1, Series of 2014; SEC Memorandum Circular No. 12, Series of 2014) which should be complied with by the following responsible officers of the Company.

1. The duly Authorized Officer of the Company is tasked to notify, within five (5) days from the occurrence of the reportable change, the Commission for all changes and updates required to be reported or disclosed under Section 17 of the Securities Regulation Code (SRC) by using SEC Form 17-C.
2. The Corporate Secretary and Compliance Officer is tasked to notify, within five (5) days from the occurrence of the reportable change, the Commission for all changes and updates not required to be reported or disclosed under Section 17 of the Securities Regulation Code (SRC) through an advisement letter.
3. The afore-cited changes and updates shall likewise be made in the Annual Corporate Governance Report (ACGR) posted in the Company's website within the same period.
4. In lieu of the Certificate of Attendance of the Board of Directors to board meetings, the Company shall update the pertinent portion of the ACGR and file with the Commission an advisement letter on directors' attendance within five (5) days from the end of the Company's fiscal year.
5. The Chairman of the Board, Chief Executive Officer, two (2) Independent Directors and Compliance Officer shall sign and submit a notarized ACGR on the fifth (5<sup>th</sup>) reportable year.
6. The Corporate Secretary shall submit, within ten (10) days from the end of the second (2<sup>nd</sup>), third (3<sup>rd</sup>) and fourth (4<sup>th</sup>) year, all changes and updates made for the whole year by labelling it as: Consolidated Changes in the ACGR for (Year), embodying in the certification the excerpts of the Board Resolutions or Minutes of the Meetings regarding said changes and updates in the ACGR.

As evaluation system and as measure of level being undertaken by the Company to fully comply with the adopted leading practices and principles on good corporate governance, the Company has resorted to the use of the Corporate Governance Self-Rating.

The Compliance Officer submits a certification concerning the commitment of the Board of Directors and the Management i.e., officers and staff of Imperial Resources, Incorporated to bind themselves to the principles and best practices contained in the Manual on Corporate Governance, as adopted by the Board of Directors of the Company. Thence, the Compliance Officer certifies that at a certain date, the Company has completely complied with the same without deviation, as adopted and submitted to the Securities and Exchange Commission with further certification that the Board has conducted itself with utmost honesty and integrity in the discharge of its duties, function and responsibilities.

Within the period covered by the Code on Corporate Governance, as adopted, there has been no recorded or noticeable deviation from the Company's Manual on Corporate Governance. Consequently, there cannot be a disclosure of the name and position of the persons involved and the sanctions imposed on the said individual.

Pursuant to the measure of level of compliance as shown in the self-rating report, there is room for improvement. Anent thereto, the Company plans to create other committee to strengthen its system of checks and balances.

It shall be the Board's responsibility to foster the long-term success of the Corporation and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Corporation, its shareholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.

#### **HOW OFTEN DOES THE BOARD REVIEW AND APPROVE THE VISION AND MISSION?**

Every year.

**(b) DIRECTORSHIP IN OTHER COMPANIES.**

**(i) DIRECTORSHIP IN THE COMPANY'S GROUP**

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

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman
Victorio M. Amante	Imperial Resources, Incorporated	NED/Chairman
Oliverio G. Laperal, Sr.	Imperial Resources, Incorporated	ED
	Philippine Cyber College Corp.	ED
	LMI Holdings Corporation	ED
	LTC Real Estate Corporation	ED
	Filipinas Golf & Country Club, Inc.	ED/Chairman
	Laperal Realty Corporation	ED
Desiderio L. Laperal	Imperial Resources, Incorporated	ED
	Philippine Cyber College Corp.	ED
	Filipinas Golf & Country Club, Inc.	ED
	LMI Holdings Corporation	ED
	Laperal Realty Corporation	ED
	LTC Real Estate Corporation	ED
	Keystone Agricultural Ventures, Inc.,	ED
	Imperial Development Corporation	ED
	Rockway Real Estate Corporation	ED
	Phil. Hybrid Seeds, Inc,	ED
	Phil. Agro-Research Corporation	ED
Atty. Jesus Vicente B. Capellan	Imperial Resources, Incorporated	ED
	Philippine Cyber College Corp.	ED
	Filipinas Golf & Country Club, Inc.	ED
	Laperal Realty Corporation	ED
	Keystone Agricultural Ventures, Inc.	ED
	LMI Holdings Corporation.	ED
	Rockway Real Estate Corporation	ED
Vilma B. Villanueva	Imperial Resources, Incorporated	ED
	Philippine Cyber College Corp.	ED
	Filipinas Golf & Country Club, Inc.	ED
	Laperal Realty Corporation	ED
	Keystone Agricultural Ventures, Inc.	ED
	Imperial Development Corporation.	ED
Anthony Nelson G. Mendoza	Imperial Resources, Incorporated	ID
Genelita G. Manandic	Imperial Resources, Incorporated	ID
	Filipinas Golf & Country Club, Inc.	ID

**(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
Oliverio G. Laperal, Sr.	Philcomsat Holdings Corporation	NE

**(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
Oliverio G. Laperal, Sr.	Desiderio L. Laperal	Son

**(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 DESCRIBED OTHER GUIDELINES:**

	Guidelines	Maximum Number of Directorship in other Companies
Executive Director	N/A	N/A
Non-Executive Director	N/A	N/A
CEO	N/A	N/A

### 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
Oliverio G. Laperal, Sr.	109,225,134	63,680 – RCBC TA 21,600 shares – lodged with PDTC	84.084%
Desiderio L. Laperal	334,000	-	0.257
Atty. Jesus Vicente B. Capellan	32,000	-	0.025
Vilma B. Villanueva	40,000	-	0.031
Victorio M. Amante	3,000	-	0.002
Anthony Nelson G. Mendoza	2,000	-	0.002
Genelita G. Manandic	200	-	0.000

### (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	Mr. Victorio M. Amante
CEO/President	Mr. Oliverio G. Laperal, Sr.

### (b) ROLES, ACCOUNTABILITIES AND DELIVERABLES

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

	Chairman	Chief Executive Officer
Role	The Chairman preside at all meetings of the Board of Directors.	The CEO shall have the general supervision of its business and affairs of the corporation.
Accountabilities	To ensure that the corporation complies with all relevant laws, regulations and codes of best business practices.	The minimum internal control mechanisms for management's operational responsibility would center on the CEO, being ultimately accountable for the company's organizational and procedural controls.
Deliverables	Discharge properly Board functions by meeting regularly. Independent views during Board meetings should be given due consideration and all such meetings should be duly recorded in the minutes.	To foster the long-term success of the corporation and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it should exercise in the best interest of the corporation and its shareholders.

**EXPLAIN HOW THE BOARD OF DIRECTORS PLAN FOR THE SUCCESSION OF THE CEO/MANAGING DIRECTOR/PRESIDENT AND THE TOP KEY MANAGEMENT POSITIONS?**

Through election or appointment by the Board of Directors.

**3) 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, they must exercise independent judgment, have a working knowledge of the statutory and regulatory requirements that affect the corporation and observe confidentiality.

**DEFINE AND CLARIFY THE ROLES, ACCOUNTABILITIES AND DELIVERABLES OF THE EXECUTIVE, NON-EXECUTIVE AND INDEPENDENT DIRECTORS:**

	Executive	Non-Executive	Independent Director
Role	Head of a department or unit of the corporation or performs any work related to its operation.	Not the head of a department or unit of the corporation nor performs any work related to its operation.	A person who materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director.
Accountabilities	Discussed under 2(b)		
Deliverables	Discussed under 2(b)		

**PROVIDE THE COMPANY'S DEFINITION OF "INDEPENDENCE" AND DESCRIBED THE COMPANY'S COMPLIANCE TO THE DEFINITION.**

An Independent Director refers to a person other than an officer or employee of the corporation, its parent or subsidiaries, or any other individual having any relationship with the corporation, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

If the independent director becomes an officer or employee of the same corporation, he shall be automatically disqualified from being an independent director.



**DOES THE COMPANY HAVE A TERM LIMIT OF FIVE CONSECUTIVE YEARS FOR INDEPENDENT DIRECTORS? IF AFTER TWO YEARS, THE COMPANY WISHES TO BRING BACK AN INDEPENDENT DIRECTOR WHO HAD SERVED FOR FIVE YEARS, DOES IT LIMIT THE TERM FOR NO MORE THAN FOUR ADDITIONAL YEARS? PLEASE EXPLAIN.**

Yes, after the two-year cooling-off period he/she qualifies for nomination or re-election and may serve as an independent director for another five (5) consecutive years but in no case shall the combined term of service be more than ten (10) years.

**4) 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
Atty. Vicente R. Acsay	ED	February 28, 2014	Resignation

**(b) SELECTION/APPOINTMENT, RE-ELECTION, DISQUALIFICATION, REMOVAL, REINSTATEMENT AND SUSPENSION.**

**DESCRIBE THE PROCEDURES FOR THE SELECTION/APPOINTMENT, RE-ELECTION, DISQUALIFICATION, REMOVAL, REINSTATEMENT AND SUSPENSION OF THE MEMBERS OF THE BOARD OF DIRECTORS. PROVIDE DETAILS OF THE PROCESSES ADOPTED (INCLUDING THE FREQUENCY OF ELECTION) AND THE CRITERIA EMPLOYED IN EACH PROCEDURE:**

Procedure	Process Adopted	Criteria
<b>a. Selection/Appointment</b>		
(i) Executive Directors	Elected by the Directors	Based on the qualifications and disqualifications as contained in the Manual of Corporate Governance
(ii) Non-Executive Directors	Elected by the Directors	Based on the qualifications and disqualifications as contained in the Manual of Corporate Governance
(iii) Independent Directors	Recommended by Nomination Committee and elected by stockholders	Based on the qualifications and disqualifications as contained in the Manual of Corporate Governance
<b>b. Re-appointment</b>		
(i) Executive Directors	Based on professional/enterprise	Based on business acumen
(ii) Non-Executive Directors	Based on professional/enterprise	Based on business acumen
(iii) Independent Directors	Based on professional/enterprise	Based on business acumen
<b>c. Permanent Disqualification</b>		
(i) Executive Directors	As per Company's By-Laws, Amended Manual on Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws	As per Company's By-Laws, Amended Manual on Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws
(ii) Non-Executive Directors	As per Company's By-Laws, Amended Manual on Corporate	As per Company's By-Laws, Amended Manual on

	Governance as of March 31, 2011, SEC regulations and other applicable laws	Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws
(iii) Independent Directors	As per Company's By-Laws, Amended Manual on Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws	As per Company's By-Laws, Amended Manual on Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws
<b>d. Temporary Disqualification</b>		
(i) Executive Directors	As per Company's By-Laws, Amended Manual on Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws	As per Company's By-Laws, Amended Manual on Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws
(ii) Non-Executive Directors	As per Company's By-Laws, Amended Manual on Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws	As per Company's By-Laws, Amended Manual on Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws
(iii) Independent Directors	As per Company's By-Laws, Amended Manual on Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws	As per Company's By-Laws, Amended Manual on Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws
<b>e. Removal</b>		
(i) Executive Directors	As per Company's By-Laws, Amended Manual on Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws	As per Company's By-Laws, Amended Manual on Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws
(ii) Non-Executive Directors	As per Company's By-Laws, Amended Manual on Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws	As per Company's By-Laws, Amended Manual on Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws
(iii) Independent Directors	As per Company's Amended Manual on Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws	As per Company's Amended Manual on Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws
<b>f. Re-instatement</b>		
(i) Executive Directors	As per Company's By-Laws, Amended Manual on Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws	As per Company's By-Laws, Amended Manual on Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws
(ii) Non-Executive Directors	As per Company's By-Laws, Amended Manual on Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws	As per Company's By-Laws, Amended Manual on Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws

(iii) Independent Directors	As per Company's Amended Manual on Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws	As per Company's Amended Manual on Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws
<b>g. Suspension</b>		
(i.) Executive Directors	As per Company's By-Laws Amended Manual on Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws	As per Company's By-Laws, Amended Manual on Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws
(ii) Non-Executive Directors	As per Company's By-Laws, Amended Manual on Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws	As per Company's By-Laws, Amended Manual on Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws
(iii) Independent Directors	As per Company's Amended Manual on Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws	As per Company's Amended Manual on Corporate Governance as of March 31, 2011, SEC regulations and other applicable laws

**VOTING RESULT OF THE LAST ANNUAL GENERAL MEETING – JULY 10, 2014**

Name of Director	Votes Received
Victorino M. Amante	88.4%
Oliverio G. Laperal, Sr.	88.4%
Desiderio L. Laperal	88.4%
Atty. Jesus Vicente B. Capellan	88.4%
Vilma B. Villanueva	88.4%
Anthony Nelson G. Mendoza	88.4%
Genelita G. Manandic	88.4%

**5) ORIENTATION AND EDUCATION PROGRAM**

**(a) DISCLOSE DETAILS OF THE COMPANY'S ORIENTATION PROGRAM FOR NEW DIRECTORS, IF ANY.**

Those nominated as members of the Board of Directors are usually briefed of the nature of the business of the Company and its operations.

**(b) STATE ANY IN-HOUSE TRAINING AND EXTERNAL COURSES ATTENDED BY DIRECTORS AND SENIOR MANAGEMENT FOR THE PAST YEAR.**

There is no in-house training. However, Directors and Senior Management are encouraged to attend seminars and training program, pertaining to Management, Accounting and Taxation at Company's expense.

**(c) CONTINUING EDUCATION PROGRAMS FOR DIRECTORS: PROGRAMS AND SEMINARS AND ROUNDTABLES ATTENDED DURING THE YEAR.**

No formal Board of Director education program for directors but all Directors and Officers are encouraged to attend training seminars and conferences related to Corporate Governance at the expenses of the Company.

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Atty. Jesus Vicente B. Capellan	October 21, 2014	Corporate Governance Forum	SEC-PSE Makati Business Club
	October 24, 2014	Market Briefing and Orientation Meeting	Securities Clearing Corporation of the Philippines
Anthony Nelson G. Mendoza	October 21, 2014	Corporate Governance Forum	SEC-PSE Makati Business Club
Genelita G. Manandic	October 21, 2014	Corporate Governance Forum	SEC-PSE Makati Business Club

**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	N/A	N/A	N/A
(b) Conduct of Business and Fair Dealings	Decorum	Decorum	Decorum
(c) Receipt of gifts from Third Parties	Not allowed	Not allowed	Not practiced
(d) Compliance with Laws & Regulations	Formulation of business policies and management strategies must be conformable with laws and regulations	Faithful execution and enforcement of the prescribed policies formulated by the board	Duties and functions must be duly performed/accomplished
(e) Respect for Trade Secrets/Use of Non-public Information	Conduct trade secrets	Followed strictly	No competition allowed
(f) Use of Company Funds, Assets and Information	In accordance with law and business objectives	Made known to Management	Authorized by officers
(g) Employment and Labor Laws & Policies	Strictly favorable	Strictly followed	Conformably with Labor and Social Laws
(h) Disciplinary Action	Strictly followed	Strictly followed	Strictly followed
(i) Whistle Blower	N/A	N/A	N/A
(j) Conflict Resolution	Consult by officers	Mediation/Conciliation	Mediation/Conciliation

**2) HAS THE CODE OF ETHICS OR CONDUCT BEEN DISSEMINATED TO ALL DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES?**

Yes

**3) DISCUSS HOW THE COMPANY IMPLEMENTS AND MONITORS COMPLIANCE WITH THE CODE OF ETHICS OR CONDUCT.**

The Company implements, evaluates and monitors compliance with the code of ethics or conduct every year.

#### 4) RELATED PARTY TRANSACTIONS

##### (a) POLICIES AND PROCEDURES

**DESCRIBE THE COMPANY'S POLICIES AND PROCEDURES FOR THE REVIEW, APPROVAL OR RATIFICATION, MONITORING AND RECORDING OF RELATED PARTY TRANSACTIONS BETWEEN AND AMONG THE COMPANY AND ITS PARENT, JOINT VENTURES, SUBSIDIARIES, ASSOCIATES, AFFILIATES, SUBSTANTIAL STOCKHOLDERS, OFFICERS AND DIRECTORS, INCLUDING THEIR SPOUSES, CHILDREN AND DEPENDENT SIBLINGS AND PARENTS AND OF INTERLOCKING DIRECTOR RELATIONSHIP OF MEMBERS OF THE BOARD.**

Related Party Transactions	Policies and Procedures
(1) Parent Company	<p>Related party relationships exist when one part has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exist between and/or among entities, which are under common control with the reporting enterprise or between and/or among reporting enterprises and their key management personnel, directors or their shareholders.</p> <p>Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related entities in an economically comparable market.</p> <p>Advances to/from related parties are stated at fair market value</p>
(2) Joint Ventures	<p>Related party transactions are evaluated by the Audit Committee and presented to the Board for approval.</p> <p>Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related entities in an economically comparable market.</p>
(3) Subsidiaries	<p>Related party transactions are evaluated by the Audit Committee and presented to the Board for approval.</p> <p>Lease agreements with related parties are at arm's length prices with terms similar to those offered to non-related parties in an economically comparable market.</p>
(4) Entities Under Common Control	<p>Related party transactions are evaluated by the Audit Committee and presented to the Board for approval.</p> <p>Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related entities in an economically comparable market.</p>
(5) Substantial Stockholders	<p>Related party transactions are evaluated by the Audit Committee and presented to the Board for approval.</p>

	Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related entities in an economically comparable market.
(6) Officers including spouse/children/siblings/parents	Related party transactions are evaluated by the Audit Committee and presented to the Board for approval.  Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related entities in an economically comparable market.
(7) Directors including spouse/children/siblings/parents	Related party transactions are evaluated by the Audit Committee and presented to the Board for approval.  Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related entities in an economically comparable market.
(8) Interlocking director relationship of Board of Directors	Related party transactions are evaluated by the Audit Committee and presented to the Board for approval.  Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related entities in an economically comparable market.

**(b) CONFLICT OF INTEREST**

**(i) DIRECTORS/OFFICERS AND 5% OR MORE SHAREHOLDERS**

None

**IDENTIFY ANY ACTUAL OR PROBABLE CONFLICT OF INTEREST TO WHICH DIRECTORS/OFFICERS/5% OR MORE SHAREHOLDERS MAY BE INVOLVED.**

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	No conflict of interest
Name of Officer/s	No conflict of interest
Name of Significant Shareholders	No significant shareholders

**(ii) MECHANISM**

**DESCRIBE THE MECHANISM LAID DOWN TO DETECT, DETERMINE AND RESOLVE ANY POSSIBLE CONFLICT OF INTEREST BETWEEN THE COMPANY AND/OR ITS GROUP AND THEIR DIRECTORS, OFFICERS AND SIGNIFICANT SHAREHOLDERS.**

	Directors/Officers/Significant Shareholders
Company	No possible conflict of interest
Group	None so far on significant shareholders

## 5) FAMILY, COMMERCIAL AND CONTRACTUAL RELATIONS

(a) INDICATE, IF APPLICABLE, ANY RELATION OF A FAMILY, COMMERCIAL, CONTRACTUAL OR BUSINESS NATURE THAT EXISTS BETWEEN THE HOLDERS OF SIGNIFICANT EQUITY (5% OR MORE), TO THE EXTENT THAT THEY ARE KNOWN TO THE COMPANY:

Names Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
No significant shareholders	N/A	N/A

(b) INDICATE, IF APPLICABLE, ANY RELATION OF A COMMERCIAL, CONTRACTUAL OR BUSINESS NATURE THAT EXISTS BETWEEN THE HOLDERS OF SIGNIFICANT EQUITY (5% OR MORE) AND THE COMPANY:

Names Related Significant Shareholders	Type of Relationship	Brief Description
None	None	None

(c) INDICATE ANY SHAREHOLDER AGREEMENTS THAT MAY IMPACT ON THE CONTROL, OWNERSHIP AND STRATEGIC DIRECTION OF THE COMPANY:

Name of Shareholders	% of Capital Stock affected	Brief Description of the Transaction
NONE		

## 6) ALTERNATIVE DISPUTE RESOLUTION

DESCRIBED THE ALTERNATIVE DISPUTE RESOLUTION SYSTEM ADOPTED BY THE COMPANY FOR THE LAST THREE (3) YEARS IN AMICABLY SETTING CONFLICTS OR DIFFERENCES BETWEEN THE CORPORATION AND ITS STOCKHOLDERS, AND THE CORPORATION AND THIRD PARTIES, INCLUDING REGULATORY AUTHORITIES.

	Alternative Dispute Resolution System
Corporation & Stockholders	No conflict/differences
Corporation & Third Parties	No conflict/differences
Corporation & Regulatory Authorities	No conflict/differences

### **C. BOARD MEETINGS & ATTENDANCE**

1) ARE BOARD OF DIRECTOR'S MEETINGS SCHEDULED BEFORE OR AT THE BEGINNING OF THE YEAR?

Scheduled when necessary.

## 2) ATTENDANCE OF DIRECTORS

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Victorio M. Amante	July 10, 2014	2014-5	2014-5	100%
Member	Oliverio G. Laperal, Sr.	July 10, 2014	2014-5	2014-5	100%
Member	Desiderio L. Laperal	July 10, 2014	2014-5	2014-5	100%
Member	Atty. Jesus Vicente B. Capellan	July 10, 2014	2014-5	2014-5	100%
Member	Vilma B. Villanueva	July 10, 2014	2014-5	2014-5	100%
Independent Director	Anthony Nelson G. Mendoza	July 10, 2014	2014-5	2014-4	80%
Independent Director	Genelita G. Manandic	July 10, 2014	2014-5	2014-5	100%

### 3) DO NON-EXECUTIVE DIRECTORS HAVE A SEPARATE MEETING DURING THE YEAR WITHOUT THE PRESENCE OF ANY EXECUTIVE? IF YES, HOW MANY TIMES?

None

#### (a) IS THE MINIMUM QUORUM REQUIREMENT FOR BOARD DECISIONS SET AT TWO-THIRDS OF BOARD MEMBERS? PLEASE EXPLAIN.

Yes, for enough discussions.

## 4) ACCESS TO INFORMATION

#### (a) HOW MANY DAYS IN ADVANCE ARE BOARD PAPERS FOR BOARD OF DIRECTORS MEETINGS PROVIDED TO THE BOARD?

Five (5) to ten (10) days.

#### (b) DO BOARD MEMBERS HAVE INDEPENDENT ACCESS TO MANAGEMENT AND THE CORPORATE SECRETARY?

Yes

#### (c) STATE THE POLICY OF THE ROLE OF THE COMPANY SECRETARY. DOES SUCH ROLE INCLUDE ASSISTING THE CHAIRMAN IN PREPARING THE BOARD AGENDA, FACILITATING TRAINING OF DIRECTORS, KEEPING DIRECTORS UPDATED REGARDING ANY RELEVANT STATUTORY AND REGULATORY CHANGES, ETC.?

THE DUTIES AND RESPONSIBILITIES OF THE COMPANY SECRETARY ARE THE FOLLOWING:

- Gather and analyze documents, records and other information essential to the conduct of his duties and responsibilities to the Corporation;
- Prepare the agenda, and the schedule of meetings, and put the Board on notice before every meeting;
- Assist the Board in the performance of their responsibilities and obligations;
- Attend Board meetings and maintain record of the same;
- Submit to the Commission, at the end of every fiscal year, an annual certification as to the attendance of the directors during Board meetings;
- He works fairly and objectively with the Board, Management and Stockholders;
- He ensures that all Board procedures, rules and regulations are strictly followed by the members;



- h. As Compliance Officer, he performs all the duties and responsibilities of the said officer provided for in the Code and memorandum circulars issued by the Commission;
- i. In lieu of the Certificate of Attendance of the Board of Directors to board meetings, the Corporate Secretary shall update the pertinent portion of the ACGR and file with the Commission an advisement letter on directors' attendance within five (5) days from the end of the Company's fiscal year.

**(d) IS THE COMPANY SECRETARY TRAINED IN LEGAL, ACCOUNTANCY OR COMPANY SECRETARIAL PRACTICES? PLEASE EXPLAIN SHOULD THE ANSWER BE IN THE NEGATIVE.**

Yes

**(e) COMMITTEE PROCEDURES**

**DISCLOSE WHETHER THERE IS A PROCEDURE THAT DIRECTORS CAN AVAIL OF TO ENABLE THEM TO GET INFORMATION NECESSARY TO BE ABLE TO PREPARE IN ADVANCE FOR THE MEETINGS OF DIFFERENT COMMITTEES:**

Yes No

Committee	Details of the Procedure
Executive	NONE
Audit	Request for information
Nomination	Request for information
Remuneration	Request for information
Others (specify)	

**5) EXTERNAL ADVICE**

**INDICATE WHETHER OR NOT A PROCEDURE EXISTS WHEREBY DIRECTORS CAN RECEIVE EXTERNAL ADVICE AND, IF SO, PROVIDE DETAILS:**

Procedures	Details
N/A	N/A

**6) CHANGE/S IN EXISTING POLICIES**

**INDICATE, IF APPLICABLE, ANY CHANGE/S INTRODUCED BY THE BOARD OF DIRECTORS (DURING ITS MOST RECENT TERM) ON EXISTING POLICIES THAT MAY HAVE AN EFFECT ON THE BUSINESS OF THE COMPANY AND THE REASON/S FOR THE CHANGE:**

Existing Policies	Changes	Reason
Still followed	During the meeting changes in the procedure and agenda may be taken	The changes may be applied to address pertinent and material concerns

**D. REMUNERATION MATTERS**

**1) REMUNERATION PROCESS**

**DISCLOSE THE PROCESS USED FOR DETERMINING THE REMUNERATION OF THE CEO AND THE FOUR (4) MOST HIGHLY COMPENSATED MANAGEMENT OFFICERS:**

Process	CEO	Top 4 Highest Paid Management Officers
Determined by CEO	No remuneration for CEO and CFO	Determined by CEO

## 2) REMUNERATION POLICY AND STRUCTURE FOR EXECUTIVE AND NON-EXECUTIVE DIRECTORS

DISCLOSE THE COMPANY'S POLICY ON REMUNERATION AND THE STRUCTURE OF ITS COMPENSATION PACKAGE. EXPLAIN HOW THE COMPENSATION OF EXECUTIVE AND NON-EXECUTIVE DIRECTORS IS CALCULATED.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	CEO and CFO no salary unlike the Corporate Secretary and Comptroller	Per diem/meetings Salary + Per diem	Php10,000.00 per diem/meeting Salary + Per diem
Non-Executive Directors	Fixed by CEO per diem	Per diem	Php10,000.00 per diem/meeting

DO STOCKHOLDERS HAVE THE OPPORTUNITY TO APPROVE THE DECISION ON TOTAL REMUNERATION (FEES, ALLOWANCES, BENEFITS-IN-KIND AND OTHER EMOLUMENTS) OF BOARD OF DIRECTORS? PROVIDE DETAILS FOR THE LAST THREE (3) YEARS.

Remuneration Scheme	Date of Stockholders' Approval
Php10,000.00 per diem per + 5,000.00 for the organizational meeting	July 10, 2014

## 3) AGGREGATE REMUNERATION

COMPLETE THE FOLLOWING TABLE ON THE AGGREGATE REMUNERATION ACCRUED DURING THE MOST RECENT YEAR:

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	Php477,560.00	NONE	NONE
(b) Variable Remuneration	NONE	NONE	NONE
(c) Per diem Allowance	Php215,000.00	Php55,000.00	Php100,000.00
(d) Bonuses/13 <sup>th</sup> month	Php 39,796.67	NONE	NONE
(e) Stock Options and/or other Financial Instruments	NONE	NONE	NONE
(f) Others (Specify)	NONE	NONE	NONE
<b>Total</b>	Php732,356.67	Php55,000.00	Php100,000.00

Other Benefits	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Advances	NONE	NONE	NONE
(b) Credit granted	NONE	NONE	NONE
(c) Pension Plan/s Contributions		NONE	NONE
(d) Pension Plan/s, Obligations incurred	Php957,255.42	NONE	NONE
(e) Life Insurance Premium	NONE	NONE	NONE

(f) Hospitalization Plan	NONE	NONE	NONE
(g) Car Plan	NONE	NONE	NONE
(h) Others (Specify)	NONE	NONE	NONE
<b>Total</b>	Php957,255.42	Php 0	Php 0

#### 4) STOCK RIGHTS, OPTIONS AND WARRANTS

The Company has no stock options, warrants or rights, debt securities, securities subject to redemption or call, securities other than common equity and other securities, hence, the details being asked could not be discussed nor disclosed.

##### (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	No. of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock
N/A	N/A	N/A	N/A	N/A

##### (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
NONE	NONE	NONE

#### 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
Bernadette S. Magahis-Secretary to the President	Php411,190.00

#### **E. BOARD COMMITTEES**

##### 1) NUMBER OF MEMBERS, FUNCTIONS AND RESPONSIBILITIES

PROVIDE DETAILS ON THE NUMBER OF MEMBERS OF EACH COMMITTEE, ITS FUNCTIONS, KEY RESPONSIBILITIES AND THE POWER/AUTHORITY DELEGATED TO IT BY THE BOARD:

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-Executive Director (NED)	Independent Director (ID)				

Executive	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Audit	1	1	1		Review and approve audit scope and frequency, and the annual internal audit plan.	Responsible for coordinating, monitoring and facilitating compliance with existing laws, rules and regulations. It may also constitute a Compliance Unit for this purpose.	To 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
Nomination	2	-	1		Review and evaluate the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board.	Responsible for recommending the nominees for election of the Board of Directors.	To nominate and recommend to the Board of Directors
Remuneration	2	-	1		They may establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration.	Provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the corporation's culture, strategy and control environment.	Disallow any director to decide his or her own remuneration.
Others (specify)	N/A	N/A	N/A	N/A	N/A	N/A	N/A

## 2) COMMITTEE MEMBERS

### (a) EXECUTIVE COMMITTEE

The Company does not have Executive Committee

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

Member (NED)	N/A	N/A	N/A	N/A	N/A	N/A
Member (ID)	N/A	N/A	N/A	N/A	N/A	N/A
Member	N/A	N/A	N/A	N/A	N/A	N/A

**(b) AUDIT COMMITTEE**

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee (Years)
Chairman	Genelita G. Manandic (ID)	July 10, 2014	2	2		4
Member (ED)	Desiderio L. Laperal	July 10, 2014	2	2		6
Member (NED)	Victorio M. Amante	July 10, 2014	2	-		6
Member (ID)						
Member						

**DISCLOSE THE PROFILE OR QUALIFICATIONS OF THE AUDIT COMMITTEE MEMBERS.**

The Audit Committee consists 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. Chair of Audit Committee is an independent director.

**DESCRIBE THE AUDIT COMMITTEE'S RESPONSIBILITY RELATIVE TO THE EXTERNAL AUDITOR.**

The Audit Committee's responsibility relative to the external auditor are the following:

- a. Evaluate the professional qualifications, industry knowledge, reputation and independence of the external auditor and recommend appointment to the Board;
- b. Review and approve of the scope and terms of audit engagement and the audit fees including non-audit services, if any. Ensure that the non-audit services shall not be in conflict with the external auditor's duties or may pose a threat to his independence;
- c. Ensure that the external auditor is given access to all records, properties and employees to enable him to perform his audit functions;
- d. Review and discuss with Management and the external auditor the audit findings and adjustments, especially the discovery of material errors and fraud, compliance with auditing standards, material issues raised including significant weaknesses in the internal controls and monitoring the corrective measures taken by Management;
- e. Assess the overall performance of the external auditor and recommend to the Board the appointment, re-appointment or removal of the same;
- f. Review and consider rotation of partners of the external auditor every five (5) years; and
- g. Resolve disagreement, if any, between Management and external auditor with respect to financial reporting.

**(c) NOMINATION COMMITTEE**

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Atty. Jesus Vicente B. Capellan	July 10, 2014	1	1		1
Member (ED)	Vilma B. Villanueva	July 10, 2014	1	1		6
Member	Genelita G. Manandic	July 10, 2014	1	1		4

(ID)						
Member						

**(d) REMUNERATION COMMITTEE**

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Desiderio L. Laperal	July 10, 2014	1	1		6
Member (ED)	Vilma B. Villanueva	July 10, 2014	1	1		6
Member (NED)						
Member (ID)	Anthony Nelson G. Mendoza	July 10, 2014	1	1		4
Member						

**(e) OTHERS (SPECIFY)**

**PROVIDE THE SAME INFORMATION ON ALL OTHER COMMITTEES CONSTITUTED BY THE BOARD OF DIRECTORS:**

There are no other committees constituted by the Board of Directors.

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

**3) CHANGES IN COMMITTEE MEMBERS**

**INCLUDE ANY CHANGES IN COMMITTEE MEMBERSHIP THAT OCCURRED DURING THE YEAR AND THE REASON FOR THE CHANGES:**

There are no changes in committee membership.

Name of Committee	Name	Reason
Executive	N/A	N/A
Audit	N/A	N/A
Nomination	N/A	N/A
Remuneration	N/A	N/A
Others (specify)	N/A	N/A

**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	Discussed and reviewed the Financial Statements with the external auditor and management for recommendation and	Audit findings were discussed with external auditors and management and monitored implementation of

	approval by the Board of Directors.	suggestions made by external auditors.
Nomination	Recommends to the Board those qualified to be elected as members of the Board of Directors.	
Remuneration	Reviewed remuneration of Executive Directors and Officers.	
Others (specify)	N/A	N/A

## 5) COMMITTEE PROGRAM

**PROVIDE A LIST OF PROGRAM 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	NONE	NONE
Audit	NONE	NONE
Nomination	NONE	NONE
Remuneration	NONE	NONE
Others (specify)	NONE	NONE

## **F. RISK MANAGEMENT SYSTEM**

### 1) DISCLOSE THE FOLLOWING:

#### (a) OVERALL RISK MANAGEMENT PHILOSOPHY OF THE COMPANY;

Restrict or minimize undertaking of risk so as not to jeopardize shareholder value and fully assess and manage risks involved in undertaking strategies, acquisitions, activities, services and other business endeavours of the Company.

#### (b) A STATEMENT THAT THE DIRECTORS HAVE REVIEWED THE EFFECTIVENESS OF THE RISK MANAGEMENT SYSTEM AND COMMENTING ON THE ADEQUACY THEREOF;

The Executive Directors and Members of the Audit Committee present during the meeting discussed with the external auditors the review of the audit findings, suggestions and corrective measures regarding the audit for the year 2013. Likewise, financial Statements were examined, and discussed the risk management system.

#### (c) PERIOD COVERED BY THE REVIEW:

Calendar Year 2013.

#### (d) HOW OFTEN THE RISK MANAGEMENT SYSTEM IS REVIEWED AND THE DIRECTOR'S CRITERIA FOR ASSESSING ITS EFFECTIVENESS; AND

Annually or sooner as the need arises.

#### (e) WHERE NO REVIEW WAS CONDUCTED DURING THE YEAR, AN EXPLANATION WHY NOT.

Not Applicable.

## 2) RISK POLICY

### (a) COMPANY AND SUBSIDIARY

**GIVE A GENERAL DESCRIPTION OF THE COMPANY'S RISK MANAGEMENT POLICY, SETTING OUT AND ASSESSING THE RISK/S COVERED BY THE SYSTEM (RANKED ACCORDING TO PRIORITY), ALONG WITH THE OBJECTIVE BEHIND THE POLICY FOR EACH KIND OF RISK:**

<b>Risk Exposure</b>	<b>Risk Management Policy</b>	<b>Objective</b>
Financial Risk Factors	The Parent Entity and subsidiary's financial assets and liabilities, comprising mainly of cash and cash equivalents, trade and other receivables, available-for-sale-investments and refundable deposits are exposed to a variety of financial risks. The management ensures that it has sound policies and strategies in place to minimize potential adverse effects of these risks in the Parent Entity and subsidiary's financial performance.	To explore less risky exploration and exploitation minerals.
Credit risk management	Credit risks refer to the risk that a counterpart will default on its obligations resulting in financial loss to the Parent Entity and subsidiary. The Parent Entity and subsidiary have adopted policy of dealing with creditworthy counterparties as a means of mitigating the risk of loss from defaults.	Shorten exploration period and look for the most economical ways to explore and to conduct the latest geological and geophysical techniques to minimize the risks of exploration.
Liquidity risk management	Liquidity risk is the risk that the Parent Entity and subsidiary will encounter difficulty in meeting obligations associated with financial liabilities. The Parent Entity and subsidiary manage liquidity risk by maintaining adequate highly liquid assets in the form of cash and cash equivalent.	To engage experts to utilize proven hedge and financial initiatives to mitigate and minimize inherent risks of the volatility of commodities.
Market risk management	Market risk is the risk of loss to future earnings, to fair value or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes.	To place importance in community welfare and community relationship.

### (b) GROUP -

None



**GIVE A GENERAL DESCRIPTION OF THE GROUP'S RISK MANAGEMENT POLICY, SETTING OUT AND ASSESSING THE RISK/S COVERED BY THE SYSTEM (RANKED ACCORDING TO PRIORITY), ALONG WITH THE OBJECTIVE BEHIND THE POLICY FOR EACH KIND OF RISK:**

<b>Risk Exposure</b>	<b>Risk Management Policy</b>	<b>Objective</b>
N/A	N/A	N/A

**(c) MINORITY SHAREHOLDERS**

**INDICATE THE PRINCIPAL RISK OF THE EXERCISE OF CONTROLLING SHAREHOLDERS' VOTING POWER.**

<b>Risk to Minority Shareholders</b>
NONE

**3) CONTROL SYSTEM SET UP**

**(a) COMPANY**

**BRIEFLY DESCRIBED THE CONTROL SYSTEM SET UP TO ASSESS, MANAGE AND CONTROL THE MAIN ISSUE/S FACED BY THE COMPANY:**

<b>Risk Exposure</b>	<b>Risk Assessment (Monitoring and Measurement Process)</b>	<b>Risk Management and Control (Structures, Procedures, Actions Taken)</b>
Credit risk	Low credit risk	Cash and cash equivalents are deposited with reputable bank
Liquidity risk	No financial liabilities	Maintaining highly liquid assets in the form of cash and cash equivalents
Market risk	Minimal interest rate changes	Cash and cash equivalent have fixed interest rates.

**(c) GROUP-**

None

**BRIEFLY DESCRIBE THE CONTROL SYSTEM SET UP TO ASSESS, MANAGE AND CONTROL THE MAIN ISSUE/S FACED BY THE COMPANY:**

<b>Risk Exposure</b>	<b>Risk Assessment (Monitoring and Measurement Process)</b>	<b>Risk Management and Control (Structures, Procedures, Actions Taken)</b>
N/A	N/A	N/A

**(d) COMMITTEE -**

The Company does not have Risk Management Committee.

**IDENTIFY THE COMMITTEE OR ANY OTHER BODY OF CORPORATE GOVERNANCE IN CHARGE OF LAYING DOWN AND SUPERVISING THESE CONTROL MECHANISMS, AND GIVE DETAILS OF ITS FUNCTIONS:**

<b>Committee/Unit</b>	<b>Control Mechanism</b>	<b>Details of its Functions</b>
N/A	N/A	N/A

**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 does not have an Internal Audit Department because at its present volume of transactions, accounting set-up, manpower and financial resources. The accounting system in place has a built-in financial and accounting internal controls to ensure that all transactions are duly and correctly recorded. All assets are safeguarded. All liabilities are taken up and commission of errors and fraud are prevented.

**(b) A STATEMENT THAT THE DIRECTORS HAVE REVIEWED THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEM AND WHETHER THEY CONSIDER THEM EFFECTIVE AND ADEQUATE;**

The Executive Directors and Director-Members of the Audit Committee reviewed and discussed the effectiveness of the internal control system with external auditors and consider them to be effective and adequate.

**(c) PERIOD COVERED BY THE REVIEW:**

Calendar Year 2013

**(d) HOW OFTEN INTERNAL CONTROLS ARE REVIEWED AND THE DIRECTORS' CRITERIA FOR ASSESSING THE EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEM; AND -**

Once a year during the discussion of the financial statements with the External Auditor.

**(e) WHERE NO REVIEW WAS CONDUCTED DURING THE YEAR, AN EXPLANATION WHY NOT.**

Not applicable.

**2) INTERNAL AUDIT -**

The company does not have an internal audit department.

**(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.**

<b>Role</b>	<b>Scope</b>	<b>Indicate whether In-house or Outsource Internal Audit Function</b>	<b>Name of Chief Internal Audit/Auditing Firm</b>	<b>Reporting process</b>
N/A	N/A	N/A	N/A	N/A

**(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?**

Not applicable.

**(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?**

Not applicable.

**(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.**

<b>Name of Audit Staff</b>	<b>Reason</b>
N/A	N/A

**(e) PROGRESS AGAINST PLANS, ISSUES, FINDINGS AND EXAMINATION TRENDS**

Not applicable.

**STATE THE INTERNAL AUDIT’S PROGRESS AGAINST PLANS, SIGNIFICANT ISSUES, SIGNIFICANT FINDINGS AND EXAMINATION TRENDS.**

Progress Against Plans	N/A
Issues	N/A
Findings	N/A
Examination Trends	N/A

**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.”**

<b>Policies and Procedures</b>	<b>Implementation</b>
N/A	N/A
N/A	N/A

**(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):**

<b>Auditors (Internal and External)</b>	<b>Financial Analysts</b>	<b>Investment Banks</b>	<b>Rating Agencies</b>
N/A	N/A	N/A	N/A

(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 MECHANISM ARE IN PLACE TO ENSURE THAT COMPLIANCE.

The Board of Directors of Imperial Resources, Incorporated are committed to ensure the full compliance of SEC Code of Corporate Governance.

**H. ROLE OF STAKEHOLDERS**

**1) DISCLOSE THE COMPANY'S POLICY AND ACTIVITIES RELATIVE TO THE FOLLOWING:**

	<b>Policy</b>	<b>Activities</b>
Customers' welfare	N/A	N/A
Supplier/contractor selection practice	Fair value and costs effective	Quality standard checks
Environmentally friendly value-chain	Conservation and use of bio-degradable materials	Minimal use of paper and recycling
Community Interaction	N/A	N/A
Anti-corruption programs and procedures	Not tolerated	Strict prohibition
Safeguarding creditors' rights	N/A	N/A

**2) DOES THE COMPANY HAVE A SEPARATE CORPORATE RESPONSIBILITY (CR) REPORT/SECTION OR SUSTAINABILITY REPORT/SECTION?**

Not applicable.

**3) PERFORMANCE-ENHANCING MECHANISM FOR EMPLOYEE PARTICIPATION.**

**(a) WHAT ARE THE COMPANY'S POLICY FOR ITS EMPLOYEES' SAFETY, HEALTH, AND WELFARE?**

Faithful compliance on the social benefits and labor incentives granted by law.

**(b) SHOW DATA RELATING TO HEALTH, SAFETY AND WELFARE OF ITS EMPLOYEES.**

Not applicable.

**(c) STATE THE COMPANY'S TRAINING AND DEVELOPMENT PROGRAMS FOR ITS EMPLOYEES. SHOW THE DATA.**

Not applicable.

**(d) STATE THE COMPANY'S REWARD/COMPENSATION POLICY THAT ACCOUNTS FOR THE PERFORMANCE OF THE COMPANY BEYOND SHORT-TERM FINANCIAL MEASURES.**

Not applicable.

**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.**

An *ad hoc* committee is composed and organized for the proper conduct of administrative investigation involving office/work discipline and personnel issue(s) including sexual harassment. Transfer of work assignments and/or responsibilities is considered to avoid/prevent the same occurrence or reprisal as well as the imposition of stiffer sanctions for serious offense(s).

**I. DISCLOSURE AND TRANSPARENCY**

**1) OWNERSHIP STRUCTURE**

**(a) HOLDING 5% SHAREHOLDING OR MORE**

Shareholder	Number of Shares	Percent	Beneficial Owner
PCD Nominees, Corporation	6,522,940	5.018%	Various Stockholders Clients

Name of Senior Management	Number of Direct shares	Number of Indirect shares/Through (name of record owner)	% of Capital Stock
Oliverio G. Laperal, Sr.	109,225,134	85,280	84.084%
<b>TOTAL</b>	109,225,134	85,280	84.084%

**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	None
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 programmed attended by each director/commissioner	Yes
Number of board of directors/commissioners meetings held during the year	Yes
Attendance details of each director/commissioner in respect of meetings held	Yes
Details of remuneration of the CFO 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.**

The Company does not have a whistle-blowing policy.

**3) EXTERNAL AUDITOR'S FEE**

Name of Auditor	Audit Fee	Non-audit fee
Villaruz, Villaruz & Co., CPAs	For Parent Entity - Php200,000.00 + 12% VAT + 10% out-of-pocket expenses. For Subsidiary - Php10,000.00 12% VAT + actual out-of-pocket expenses incurred.	NONE

#### 4) MEDIUM OF COMMUNICATION

**LIST DOWN THE MODE/S OF COMMUNICATION THAT THE COMPANY IS USING FOR DISSEMINATING INFORMATION.**

1. Verbal communication;
2. Posting of notices;
3. Postal mail system;
4. Private courier service;
5. Telephone (landline);
6. Mobile phone call or short message system (SMS);
7. Facsimile messaging system;
8. Electronic messaging system (E-mail service);
9. Messengerial service;
10. Newspaper publication of general circulation;
11. Disclosure with Philippine Stock Exchange and Securities and Exchange Commission.

#### 5) DATE OF RELEASE OF AUDITED FINANCIAL REPORT:

**March 28, 2014 – For 2013 Financial Report**

#### 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 year)	Yes
Materials provided in briefings to analysis and media	None
Shareholding structure	Yes
Group corporate structure	Yes
Downloadable annual report	Yes
Notice of AGM and/or EGM	Yes
Company's constitution (company's by-laws, memorandum and articles of association)	Yes

**SHOULD ANY OF THE FOREGOING INFORMATION BE NOT DISCLOSED, PLEASE INDICATE THE REASON THERETO.**

Not applicable.

#### 7) DISCLOSURE OF RPT

RPT	Relationship	Nature	Value
Imperial Development Corporation	Common Director	Rent	Php577,920.00 /Annum
Oliverio G. Laperal	Major shareholder	Advances	Php914,538.00

**WHEN RPT'S 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?**

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities, which are under common control with the reporting enterprise or between and/or among the reporting enterprises and their key management personnel, directors or their shareholders.

Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related entities in an economically comparable market.  
 Advances to/from related parties are stated at fair market value.

**J. RIGHTS OF STOCKHOLDERS**

**1) RIGHT TO PARTICIPATE EFFECTIVELY IN AND VOTE IN ANNUAL/SPECIAL STOCKHOLDERS' MEETINGS**

**(a) QUORUM**

**GIVE DETAILS ON THE QUORUM REQUIRED TO CONVENE THE ANNUAL/SPECIAL STOCKHOLDERS' MEETING AS SET FORTH IN ITS BY-LAWS.**

<b>Quorum Required</b>	At least two-thirds (2/3)
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**(b) SYSTEM USED TO APPROVE CORPORATE ACTS**

**EXPLAIN THE SYSTEM USED TO APPROVE CORPORATE ACTS.**

System Used	Approval by the Board.
Description	Meetings

**(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
Stockholders have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.	N/A

**DIVIDENDS -**

The Company has never declared any dividend on any class of its common equity since its incorporation because it has not gone into commercial operations and, therefore, it does not have cash surplus earnings.

<b>Declaration Date</b>	<b>Record Date</b>	<b>Payment Date</b>
N/A	N/A	N/A

**(d) STOCKHOLDERS' PARTICIPATION**

**1. STATE, IF ANY, THE MEASURES ADOPTED TO PROMOTE STOCKHOLDER PARTICIPATION IN THE ANNUAL/SPECIAL STOCKHOLDERS' MEETING, INCLUDING THE PROCEDURE ON HOW STOCKHOLDERS AND OTHER PARTIES INTERESTED MAY COMMUNICATE DIRECTLY WITH THE CHAIRMAN OF THE BOARD, INDIVIDUAL DIRECTORS OR BOARD COMMITTEES. INCLUDE IN THE DISCUSSION THE STEPS THE BOARD HAS TAKEN TO SOLICIT AND UNDERSTAND THE VIEWS OF THE STOCKHOLDERS AS WELL AS PROCEDURES FOR PUTTING FORWARD PROPOSALS AT STOCKHOLDERS' MEETINGS.**

<b>2. Measure Adopted</b>	<b>3. Communication Procedure</b>
4. By mail	5. Communication may be sent to company offices
6.	7. Publication in the newspaper

**8. STATE THE COMPANY POLICY OF ASKING SHAREHOLDERS TO ACTIVELY PARTICIPATE IN CORPORATE DECISIONS REGARDING:**

- a. AMENDMENTS TO THE COMPANY’S CONSTITUTION.**  
Through board of directors and approval in the annual stockholders’ meeting.
- b. AUTHORIZATION OF ADDITIONAL SHARES.**  
Through board of directors and approval in the annual stockholders’ meeting.
- c. TRANSFER OF ALL OR SUBSTANTIALLY ALL ASSETS, WHICH IN EFFECT RESULTS IN THE SALE OF THE COMPANY.**  
Through board of directors and approval in the annual stockholders’ meeting.

**9. DOES THE COMPANY OBSERVE A MINIMUM OF 21 BUSINESS DAYS FOR GIVING OUT OF NOTICES TO THE AGM WHERE ITEMS TO BE RESOLVED BY SHAREHOLDERS ARE TAKEN UP?**

NO

**a. DATE OF SENDING OUT NOTICES:**

June 18, 2014

**b. DATE OF THE ANNUAL/SPECIAL STOCKHOLDERS’ MEETING:**

July 10, 2014

**10. STATE, IF ANY, QUESTIONS AND ANSWERS DURING THE ANNUAL/SPECIAL STOCKHOLDERS’ MEETING.**

Yes

**11. RESULT OF ANNUAL/SPECIAL STOCKHOLDERS’ MEETING’S RESOLUTIONS**

<b>12. Resolution</b>	<b>13. Approving</b>	<b>14. Dissenting</b>	<b>15. Abstaining</b>
<b>16.</b> Approval, confirmation and ratification of the following matters: (a) The Minutes held on July 11, 2013; (b) Report of the President and presentation of the Audited Financial Statements as of December 31, 2013; (c) Election of the seven (7) members of the board of directors including the two (2) Independent Directors; (d) Ratification of the election by the Board of Directors of Atty. Jesus Vicente B. Capellan as one of the Board of Directors and as Corporate Secretary of Imperial Resources, Incorporated; (e) Retention of the Independent Auditor; (f) and the all acts done.	<b>17.</b> Approved by all	<b>18.</b> NONE	<b>19.</b> NONE
<b>20.</b>	<b>21.</b>	<b>22.</b>	<b>23.</b>



**24. DATE OF PUBLISHING OF THE RESULT OF THE VOTES TAKEN DURING THE MOST RECENT AGM FOR ALL RESOLUTIONS:**

After the annual stockholders' meeting.

**(e) MODIFICATIONS**

**STATE, IF ANY, THE MODIFICATIONS MADE IN THE ANNUAL/SPECIAL STOCKHOLDERS' MEETING REGULATIONS DURING THE MOST RECENT YEAR AND THE REASON FOR SUCH MODIFICATION:**

Modifications	Reason for Modification
NONE	NONE

**(f) STOCKHOLDERS' ATTENDANCE**

**(i) DETAILS OF ATTENDANCE IN THE ANNUAL/SPECIAL STOCKHOLDERS' MEETING HELD:**

Type of Meeting	Number of Board members/Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SN Attending in Person	% of SN in Proxy	Total % of SN attendance
Annual	7	July 10, 2014				88.4%
Special	N/A	N/A	N/A	N/A	N/A	N/A

**(ii) DOES THE COMPANY APPOINT AN INDEPENDENT PARTY (INSPECTORS) TO COUNT AND/OR VALIDATE THE VOTES AT THE ASM/SSMS?**

None.

**(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.

**g. PROXY VOTING POLICIES**

**STATE THE POLICIES FOLLOWED BY THE COMPANY REGARDING PROXY VOTING IN THE ANNUAL/SPECIAL STOCKHOLDERS' MEETING.**

The Company is not asking for a proxy and it is not requested to send a proxy. However, if they wish to send a representative/proxy, they must send their proxy letter to the Corporate Secretary.

	Company's Policies
Execution and acceptance of proxies	N/A
Notary	N/A
Submission of Proxy	N/A
Several Proxies	N/A
Validity of Proxy	N/A
Proxies executed abroad	N/A
Invalidated Proxy	N/A
Validation of Proxy	N/A
Violation of Proxy	N/A

**(h) SENDING OF NOTICES**

**STATE THE COMPANY'S POLICIES AND PROCEDURE ON THE SENDING OF NOTICES OF ANNUAL/SPECIAL STOCKHOLDERS' MEETING.**

<b>Policies</b>	<b>Procedure</b>
The Company must send the notices within fifteen (15) business days before the date of the annual stockholders' meeting and with the permission of Securities and Exchange Commission.	By mail and personal service

**(i) DEFINITIVE INFORMATION STATEMENTS AND MANAGEMENT REPORT**

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	1,664
Date of Actual "Distribution of Definitive Information Statements and Management Report and Other Materials held by market participants/certain beneficial owners	June 18, 2014
Date of Actual "Distribution of Definitive Information Statements and Management Report and Other Materials held by stockholders	June 18, 2014
State whether CB format or hard copies were distributed	Hard copies
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 directorship 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.	No dividend
The amount payable for final dividends.	N/A
Documents required for proxy vote.	

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.**

<b>Policies</b>	<b>Implementation</b>
One share one vote	As provided by Articles of Inc. and By-laws of the Company.
Provide all shareholders with SEC FORM 20-IS (Definitive Information Statement) of the annual stockholders' meeting.	As provided by Articles of Inc. and By-laws of the Company.

**(b) DO MINORITY STOCKHOLDERS HAVE A RIGHT TO NOMINATE CANDIDATES FOR BOARD OF DIRECTORS?**

Yes.

### **K. INVESTORS RELATIONS PROGRAM**

1) **DISCUSS THE COMPANY'S EXTERNAL AND INTERNAL COMMUNICATIONS POLICIES AND HOW FREQUENTLY THEY ARE REVIEWED. DISCLOSE WHO REVIEWS AND APPROVES MAJOR COMPANY ANNOUNCEMENTS. IDENTIFY THE COMMITTEE WITH THIS RESPONSIBILITY, IF IT HAS BEEN ASSIGNED TO A COMMITTEE.**

The President/CEO is granted the power and authority to represent, negotiate and conduct due diligence work on prospective joint venture partners in the mining exploration industry. Likewise, feasibility studies are conducted on prospective projects in order to protect the stakeholders' interests. The developments and progress of the Company's endeavors are reported before the board and during the meeting with the stockholders.

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.**

Owing to the fact that the Company has not gone yet into full commercial/business scale, investor relation programs shall be forth coming.

The Company is committed to disclose and post on its website all necessary information and data affecting the interests of the public and stakeholders. Provided, however, that such do not involve confidential communication, secrets of the trade, and must be for a fair and reasonable purpose.

	<b>Details</b>
(1) Objectives	N/A
(2) Principles	N/A
(3) Modes of Communications	N/A
(4) Investors Relations Officer	N/A

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?**

At present the Company does not have any plan of acquiring corporate control in the capital market.

**NAME OF THE INDEPENDENT PARTY THE BOARD OF DIRECTORS OF THE COMPANY APPOINTED TO EVALUATE THE FAIRNESS OF THE TRANSACTION PRICE.**

None.

### **L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

**DISCUSS ANY INITIATIVE UNDERTAKEN OR PROPOSED TO BE UNDERTAKEN BY THE COMPANY.**

#### ***OUR VISION***

- To have a sustainable ecological balance, growth and development that overcomes the onslaught of global warming. A robust vegetation for a healthy living.

#### ***OUR MISSION***

- To make an economic investment that protects the environment and natural resources.
- To avert forests loss and bring back biodiversity.
- To preserve, conserve and develop forests reserves for clean air, potable water, oxygen, watersheds, increase breeding, minimize erosion, etc.

- To utilize alternative source of energy to reduce burning of fossil fuels that produce carbon dioxide.
- To endeavor on education and awareness on climate change.

***OUR WORK***

- Maintain and mobilize seedling stations and plant nurseries.
- Steward the growth and propagation of timber, fruit bearing trees, crops and vegetables, such as: mahogany, kamagong/mabolo, ipil, dao, gmelina, mango, mangosteen, lanzones, durian, pine tree, bamboo, napier grass, cassava, and other green vegetation.
- Study, research and technology in the development and utilization of organic farming.

**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.**

	<b>Process</b>	<b>Criteria</b>
Board of Directors	N/A	N/A
Board Committees	N/A	N/A
Individual Directors	N/A	N/A
CEO/President	N/A	N/A

**N. INTERNAL BREACHES AND SANCTIONS**

**DISCUSS THE INTERNAL POLICIES ON SANCTIONS IMPOSED FOR ANY VIOLATION OR BREACH OF THE CORPORATE GOVERNANCE MANUAL INVOLVING DIRECTORS, OFFICERS, MANAGEMENT AND EMPLOYEES.**

<b>Violations</b>	<b>Sanctions</b>
First violation	Verbal/written reprimand
Second violation	Suspension, depending on the gravity of the violation
Third Violation	Removal/termination from office shall be imposed