

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT



1. Report is Filed for the Year: **CY 2015**
2. Exact Name of Registrant as Specified in its Charter: **Alliance Select Foods International, Inc.**
3. **Unit 1206 East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City, Metro Manila**  
Address of Principal Office Postal Code  
**1605**
4. SEC Identification Number: **CS200319138**
5. **(SEC Use Only)**  
Industry Classification Code
6. BIR Tax Identification Number: **227-409-243-000**
7. **(632) 635-5241 to 44**  
Issuer's Telephone number, including area code
8. **N.A.**  
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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**1) Board of Directors**

(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) <sup>1</sup>	Elected when (Annual/Special Meeting)	No. of years served as director
George E. Scyp	ID		Randolph H. Rodriguez – None	12/2004	6/2014 (3)	Special	11
Raymond K.H. See	ED			12/2014	12/2014	Board Meeting	1
Marie Grace T. Vera Cruz	NED	Strongoak, Inc.		6/2014	6/2014	Annual	1
Hedy S.C. Yap-Chua	NED	Victory Fund		6/2009	6/2014	Annual	6
Antonio C. Pacis	NED			12/2014	12/2014	Board Meeting	1
Erwin M. Elechicon	ID		Marie Grace T. Vera Cruz – None	6/2014	6/2014 (1)	Annual	1
Jonathan Y. Dee	NED			9/2003	6/2014	Annual	12

\* Since the Company was not able to hold its stockholders' meeting for the year 2015, there were no changes in the composition of the directors.

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

The Board believes that corporate governance is a necessary component of what constitutes sound strategic business management and therefore undertakes every effort necessary to create awareness and promote best governance standards. The company has only one class of shares and each share carries one vote. Disclosure duties are assigned to the compliance officer to ensure adherence to corporate principles and best practices. The corporate powers, business and property of the corporation are exercised and controlled by the Board of Directors.

<sup>1</sup> Reckoned from the election immediately following January 2, 2012.

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

The Board gives the broad outlines of the vision and mission of the company but the Vision and the Mission of the company are not specifically discussed in the Board meetings.

(d) Directorship in Other Companies

(i) Directorship in the Company's Group<sup>2</sup>

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.
George E. Sycip	1. PT International Alliance Food Indonesia 2. PT Van De Zee 3. Spence & Co. Ltd.	Independent Director
Raymond K.H. See	1. Big Glory Bay Salmon and Seafood Company, Inc. 2. PT International Alliance Food Indonesia 3. PT Van De Zee 4. Akaroa Salmon New Zealand Ltd.	Executive Director and Chairman (Big Glory Bay Salmon and Seafood Company, Inc.)
Marie Grace T. Vera Cruz	1. Big Glory Bay Salmon and Seafood Company, Inc. 2. Alliance MHI Properties, Inc. 3. PT International Alliance Food Indonesia 4. PT Van De Zee 5. Spence & Co., Ltd.	Non-executive Director
Erwin M. Elechicon	1. Big Glory Bay Salmon and Seafood Company, Inc. 2. PT International Alliance Food Indonesia 3. PT Van De Zee	Independent Director
Jonathan Y. Dee	1. Big Glory Bay Salmon and Seafood Company, Inc. 2. FDCP, Inc. 3. PT International Alliance Food Indonesia 4. PT Van De Zee 5. Akaroa Salmon New Zealand, Limited 6. Spence & Co., Ltd.	Non-executive Director and Commissioner-President for PT International Alliance Food Indonesia and PT Van De Zee; President for Spence & Co., Ltd.

(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:

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

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman
George E. Sycip	Paxys, Inc.	Director

(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
Marie Grace T. Vera Cruz	Strongoak, Inc.	Chairman and shareholder
Hedy S.C. Yap-Chua	Victory Fund	Shareholder
Jonathan Y. Dee	Mingjing Holdings	Shareholder

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

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	No Limits Placed	N.A
Non-Executive Director	No Limits Placed	N.A
CEO	No Limits Placed	N.A

(e) Shareholding in the Company

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

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Raymond K.H. See	5,000	10,521	0.06%
Marie Grace T. Vera Cruz	400		0.00%
Hedy S.C. Yap-Chua	1,001		0.00%
Antonio C. Pacis	400		0.00%
George E. Sycip	1	2,314,953	0.00%
Erwin M. Elechicon	200		0.00%
Jonathan Y. Dee	1,448,629		0.06%
<b>TOTAL</b>	<b>3,781,094</b>		<b>0.15%</b>

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	Jonathan Y. Dee
CEO/President	Raymond K.H. See

(b) Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	Foster long-term growth	Manage company operations
Accountabilities	Formulation of policies and fiduciary duty towards all shareholders	Initiate & develop corporate objectives and implement policies
Deliverables	Comply with principles of good governance	Meet revenue and growth targets

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

The Board looks for suitable candidates within the organization and has identified potential candidates who could fill positions that become vacant.

4) Other Executive, Non-Executive and Independent Directors

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

The company strives to promote diversity within the Board too. The positions that are not taken up by the major shareholders are filled by members who have relevant experience and can bring new ideas and opinions to the group.

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

The company wants its independent directors to be well versed in corporate matters, specially in financial or industry matters. Moreover, it looks for the director to have an international outlook and industry experience or knowledge is preferred where possible.

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

	Executive	Non-Executive	Independent Director
Role	Represent the management	Represent major shareholders' interests	Provide neutral observations
Accountabilities	Management of business affairs	Ensuring sustainable growth	Setting high standards for best practice
Deliverables	Meet corporate objectives	Monitor company progress	Safeguard interest of all shareholders

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

An independent director shall mean a person other than an officer or employee of the corporations, its parent or its subsidiaries, or any other individual having a relationship with the corporation as would interfere with the exercise of independent judgment in carrying out the responsibilities of a 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.

No term limits.

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

(a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period:

Name	Position	Date of Cessation	Reason
N.A.	N.A.	N.A.	N.A.

(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	Nominated/Elected	Ex-officio – C.E.O.
(ii) Non-Executive Directors	Nominated/Elected	Major Shareholders
(iii) Independent Directors	Nominated/Elected	Knowledge, Experience in Industry/related industry
<b>b. Re-appointment</b>		
(i) Executive Directors	Election at Annual Stockholders Meeting	One vote for one share
(ii) Non-Executive Directors	Election at Annual Stockholders Meeting	One vote for one share
(iii) Independent Directors	Election at Annual Stockholders Meeting	One vote for one share
<b>c. Permanent Disqualification – No Directors Permanently Disqualified</b>		
(i) Executive Directors	N.A	N.A
(ii) Non-Executive Directors	N.A	N.A
(iii) Independent Directors	N.A	N.A
<b>d. Temporary Disqualification – No Directors Temporarily Disqualified</b>		
(i) Executive Directors	N.A	N.A
(ii) Non-Executive Directors	N.A	N.A
(iii) Independent Directors	N.A	N.A
<b>e. Removal – No Directors removed from Office</b>		
(i) Executive Directors	N.A	N.A
(ii) Non-Executive Directors	N.A	N.A
(iii) Independent Directors	N.A	N.A
<b>f. Re-instatement – No Directors Removed from or Re-instated into the office</b>		
(i) Executive Directors	N.A	N.A
(ii) Non-Executive Directors	N.A	N.A



(iii) Independent Directors	N.A	N.A
<b>g. Suspension – No Directors Suspended</b>		
(i) Executive Directors	N.A	N.A
(ii) Non-Executive Directors	N.A	N.A
(iii) Independent Directors	N.A	N.A

**Voting Result of the last Annual General Meeting (June 16, 2014)**

Name of Nominee	Total Number of Votes
<b>1. Dee, Alvin Y.</b>	<b>1,654,974,817</b>
<b>2. Dee, Jonathan Y.</b>	<b>1,654,649,840</b>
<b>3. Malonzo, Ibarra A.</b>	<b>1,652,051,168</b>
<b>4. Vera Cruz, Marie Grace T.</b>	<b>1,652,050,175</b>
<b>5. Yap-Chua, Hedy S.C.</b>	<b>1,308,178,708</b>
6. Hong Hin Kay, Albert	1,307,478,706
7. Montilla, Agustin	22,515
8. Chua Hong Liong, Ian	7,634
<b>9. George E. Sycip</b>	<b>9,185,796</b>
<b>10. Erwin M. Elechicon</b>	<b>6,684,053</b>

**6) Orientation and Education Program**

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

No formal orientation program for new directors but each new incoming Board member is given a detailed briefing on the company's background by the CEO and/or other officers. Other Board members may also provide inputs about the company and various issues facing the firm.

- (b) State any in-house training and external courses attended by Directors and Senior Management<sup>3</sup> for the past three (3) years:

No in-house training program or company sponsored external courses attended by Directors and senior management in the last three years.

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

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Raymond K.H. See	15 October 2015	SEC-PSE Corporate Governance Forum	SEC and PSE
Marie Grace T. Vera Cruz	15 October 2015	SEC-PSE Corporate Governance Forum	SEC and PSE
Erwin M. Elechicon	15 October 2015	SEC-PSE Corporate Governance Forum	SEC and PSE
Antonio C. Pacis	18 December 2015	Corporate Governance	ROAM, Inc.
George E. Sycip	13 November 2015	Corporate Governance	ROAM, Inc.

<sup>3</sup> Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

**B. CODE OF BUSINESS CONDUCT & ETHICS**

- 1) Discuss briefly the company's policies on the following business conduct or ethics affecting directors, senior management and employees:

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	Do not vote on activities in which there is a conflict of interest	Are not allowed to be involved in the decision making process if conflict of interest is present	Are not allowed to be involved in the decision making process if conflict of interest is present
(b) Conduct of Business and Fair Dealings	Should follow best practices and company policy, if such are in place	Should follow best practices and company policy, if such are in place	Should follow best practices and company policy, if such are in place
(c) Receipt of gifts from third parties	No formal company policy	No formal company policy	No formal company policy
(d) Compliance with Laws & Regulations	Monitored by the compliance officer & other officers	Monitored by the compliance officer & other officers	Monitored by the compliance officer & other officers
(e) Respect for Trade Secrets/Use of Non-public Information	Discouraged from using such information	Discouraged from using such information	Discouraged from using such information
(f) Use of Company Funds, Assets and Information	Regulated through Manual on Corporate Governance	Regulated through Manual on Corporate Governance	Regulated through Manual on Corporate Governance
(g) Employment & Labor Laws & Policies	Meet at least the minimum criteria set by the labor authorities	Meet at least the minimum criteria set by the labor authorities	Meet at least the minimum criteria set by the labor authorities
(h) Disciplinary action	Based on Manual of Corporate Governance	Based on Manual of Corporate Governance	Based on Manual of Corporate Governance
(i) Whistle Blower	No formal company policy	No formal company policy	No formal company policy
(j) Conflict Resolution	No formal company policy	No formal company policy	No formal company policy

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

Rules and procedures have been disseminated to the management and employees.

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

Any infringement of the rules & policies are reported to senior management and suitable action is taken within the bounds of law.

- 4) Related Party Transactions

- (a) Policies and Procedures

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

Related Party Transactions	Policies and Procedures
(1) Parent Company	All related party transactions have to be on an arms-length

	basis if the company gets the most competitive product from a related party
(2) Joint Ventures	All related party transactions have to be on an arms-length basis if the company gets the most competitive product from a related party
(3) Subsidiaries	All related party transactions have to be on an arms-length basis if the company gets the most competitive product from a related party
(4) Entities Under Common Control	All related party transactions have to be on an arms-length basis if the company gets the most competitive product from a related party
(5) Substantial Stockholders	All related party transactions have to be on an arms-length basis if the company gets the most competitive product from a related party
(6) Officers including spouse/children/siblings/parents	No such related party transaction
(7) Directors including spouse/children/siblings/parents	No such related party transaction
(8) Interlocking director relationship of Board of Directors	The Board member has to have knowledge of industry if he/she serves on the board of subsidiary etc.

(b) Conflict of Interest

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	N.A.
Name of Officer/s	N.A.
Name of Significant Shareholders – Mingjing	Company leases property, office space and procure tin cans from companies in which MHI holds shares, though all these transactions are conducted on an arms-length basis.

(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 formal mechanism in place currently
Group	No formal mechanism in place currently

5) Family, Commercial and Contractual Relations

(a) Indicate, if applicable, any relation of a family,<sup>4</sup> 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 of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
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<sup>4</sup> Family relationship up to the fourth civil degree either by consanguinity or affinity.

No such relationships exist	N.A.	N.A.
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- (b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description
Strongoak, Inc.	Contractual	In 2015, the company entered into loan agreements with Strongoak, Inc. for working capital requirements. These have been fully discharged by year end 2015.

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

No such shareholders agreements in place that may impact on the control, ownership and strategic direction of the company

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
N.A	N.A	N.A

#### 6) Alternative Dispute Resolution

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

	Alternative Dispute Resolution System
Corporation & Stockholders	The Company follows the judicial dispute resolution and mediation mandated by the courts.
Corporation & Third Parties	N.A.
Corporation & Regulatory Authorities	N.A.

#### C. BOARD MEETINGS & ATTENDANCE

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

Board of Directors' meetings are held as needed, but at least once every quarter. The company generally decides on these meetings a few weeks in advance of the date these take place rather than pre-scheduling before or at the beginning of the year.

- 2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Jonathan Y. Dee	6/2014	14	13	93
Independent	George Y. Sycip	6/2014	14	13	93
Member	Marie Grace T. Vera Cruz	6/2014	14	14	100
Member	Antonio C. Pacis	12/2014	14	10	67
Independent	Erwin M. Elechicon	6/2014	14	12	80

Member	Hedy S.C. Yap Chua	6/2014	14	14	100
Member	Raymond K.H. See	12/2014	14	13	93

\* There were 14 meetings held during the year 2015.

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

No.

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

Conformably with the Corporation's By-Laws, a majority of the number of directors constitutes a quorum for the transaction of corporate business and every decision of at least a majority of the directors present at the meeting at which there is a quorum is valid as a corporate act except for the election of officers which requires the vote of a majority of all the members of the Board.

- 5) Access to Information

- (a) How many days in advance are board papers<sup>5</sup> for board of directors meetings provided to the board?

Generally, all the board papers are sent a week in advance of the meeting.

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

Yes, they do (personally and via telephone/mobile, email and fax transmission).

- (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 Corporate Secretary is basically the individual who keeps the official records of the corporation, particularly the minutes and transactions of all meetings of the Directors and the Stockholders. Apart from this principal function, and as required by the Company's By-Laws, she is the custodian of record books showing the details required by law with respect to the stockholdings in the corporation; attends to the giving and serving of all notices of the corporation; certifies to corporate acts and countersigns corporate documents or certificates; and makes reports or statements as may be required by law or rules.

Yes, the functions of the Corporate Secretary include assisting in the preparation of the agenda of meetings. Being a lawyer, the Corporate Secretary also counsels and advises the Board on the proper steps and legal implications of taking certain corporate actions such as the disposition of corporate assets, share issuances, and other forms of exercise of corporate powers. She ensures that the Board and the members of senior management have the proper advice in the discharge of their duties to the corporation and the stockholders.

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

Yes. The corporate secretary is lawyer with over 35 years work experience under her belt.

- (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

<sup>5</sup> Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

Committee	Details of the procedures
Executive	Copies of presentations provided by management
Audit	Copies of presentations provided by management
Nomination	Copies of presentations provided by management
Remuneration	Copies of presentations provided by management
Others (specify)	No other committees

6) External Advice

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

Procedures	Details
No formal procedure but members can ask for external advice	External advice not requested in the past

7) Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

Existing Policies	Changes	Reason
N.A	No changes made	N.A

**D. REMUNERATION MATTERS**

1) Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	Based on industry standards	Based on industry standards
(2) Variable remuneration	Not provided	Not provided
(3) Per diem allowance	Not provided	Not provided
(4) Bonus	Based on annual profitability	Based on annual profitability
(5) Stock Options and other financial instruments	Not provided	Not provided
(6) Others (specify)	Not provided	Not provided

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	Fixed annual payment	Basic pay, performance bonus depending on	Based on industry standard

		company profitability	
Non-Executive Directors	Fixed annual payment	Basic pay, performance bonus depending on company profitability, additional pay for heading Board committees	Based on industry standard

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
Not presented to stockholders	N.A

### 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/Per Diem Allowance	0	1,708,333.34	1,333,333.34
(b) Variable Remuneration	0	0	0
(c) Per diem Allowance	0	0	0
(d) Bonuses	0	0	0
(e) Stock Options and/or other financial instruments	0	0	0
(f) Others (Specify)	0	0	0
<b>Total</b>	0	1,708,333.34	1,333,333.34

### 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

Stock rights, options, warrants not awarded to any member of the Board or management

Director's Name	Number of Direct Option/Rights/Warrants	Number 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:

No Amendments made

Incentive Program	Amendments	Date of Stockholders' Approval
N.A	N.A	N.A

#### 5) Remuneration of Management

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

Name of Officer/Position	Total Remuneration
Lisa Angela Y. Dejadina	8,789,239.63
Grace S. Dogilo	
Elmira A. Nate	
Edward L. Noma	
Herminia B. Narciso	

*\*Ms. Herminia B. Narciso has resigned from the Company on 14 August 2015 while Ms. Elmira A. Nate resigned from the Company on 15 October 2015.*

#### 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	1	2	0	Pending approval	Exercise the power and the authority of the Board in the management and direction of the business and affairs of the Company	Acts on behalf of the Board of Directors to determine matter which, in the judgment of the Chairman of the Board, do not warrant convening a special	Has and exercises all the power and the authority of the Board in the management and direction of the business and affairs of the Company, when Board is not in session



						meeting of the Board but should not be postponed until the next scheduled meeting of the Board	
Audit		2	1	Approved	To assist the Board of Directors in fulfilling its oversight responsibilities for the Company's corporate governance processes and financial management functions	Check all financial reports against its compliance; develop a transparent financial management system	Annually review its Terms of Reference; assist the Board in fulfilling its monitoring responsibilities; seek any information that it requires from any employee of the Company; have direct and unrestricted access to the representatives of the external auditors; obtain professional advice.
Nomination	1	1	1	Pending approval	Pre-screens and selects the candidates and prepares the official list of qualified nominees for the position.	Prepares and promulgates its policy, procedures and guidelines for the nomination and selection of nominees; evaluates the candidate to ensure that he or she possesses all the necessary qualifications	Power to evaluate candidates, and make its recommendations to the Board
Remuneration	0	2	1	Pending approval	Establish policies and general guidelines on remuneration	Establish a remuneration philosophy and policy; formulate general	Power to investigate; obtain legal and professional advice; make recommendations

					n and compensation for employees	guidelines; determine the remuneration package; review and approve recommended performance targets; review and evaluate the company's yearly performance appraisal system and compensation packages	ns to the Board; request attendance at meetings of an outside party
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	Jonathan Y. Dee	June 2014	N.A	N.A	N.A	N.A
Member (NED)	Marie Grace T. Vera Cruz	June 2014	N.A	N.A	N.A	N.A
Member (ED)	Raymond K.H. See	December 2014	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
Chairman (ID)	George E. Sycip	June 2014	3	3	100	1.5
Member (NED)	Marie Grace T. Vera Cruz	June 2014	3	3	100	1.5
Member (ID)	Erwin M. Elechicon	June 2014	3	2	66	1.5

**Disclose the profile or qualifications of the Audit Committee members.**

**GEORGE E. SYCIP** - 58, American citizen; Vice-Chairman

Mr. Sycip received his BA 'With Distinction' in International Relations/Economics from Stanford University and his Master in Business Administration Degree from the Harvard Business School

Mr. Sycip is the Director and Principal of Galaxaco China Group, a project doing business in China, and Halanna Management estate investment and development and consultancy firm serving American, European and Asian clients' estate investment and development company. Mr. Sycip currently serves on

the Boards or Advisory Boards of several companies and institutions. In Asia, these include Macro Asia Corp., Beneficial-PNB Life Insurance, Medtecs Corporation, and Cityland Development Corporation. In the U.S., he is on the Board of the Bank of the Orient, Arasor International, the California Asia Business Council, the International Institute for Rural Reconstruction, Give2Asia, and Stanford University's Institute for International Studies.

**MARIE GRACE T. VERA CRUZ** - 35, Filipino citizen; Director

Ms. Vera Cruz holds an MBA from London Business School and a Bachelor's Degree in Business Economics from the University of the Philippines, where she graduated Magna cum Laude.

Ms. Vera Cruz is the Managing Director of Seawood Resources, Inc., an investment company based in the Philippines. She is also the President of Strongoak, Inc. Prior to Seawood and Strongoak, Ms. Vera Cruz was a consultant at McKinsey & Co.

**ERWIN M. ELECHICON** - 56, Filipino citizen; Independent Director

Mr. Elechicon holds a Bachelor of Arts Degree in Economics, *cum laude*, from the Ateneo de Manila University in 1979. He attended courses in Finance at the Columbia Business School; and in Marketing at Kellogg School of Management.

Mr. Elechicon was with the Procter & Gamble Company (P&G) for over 26 years. He has had local and regional responsibilities at P&G across Asia, and has lived in Singapore, Mumbai, Kuala Lumpur and Ho Chi Minh City as well as Manila. He was also President and General Manager of two Jollibee Foods Corporation subsidiaries, Greenwich Pizza Company and Chowking. He is currently the Chairman and co-founder of Assurant BPO Solutions, Inc., a Makati-based company providing business and knowledge process outsourcing and managed services solutions to a broad range of clients. He is also a director of U-Bix Corporation, one of the largest integrated office systems and service providers in the Philippines.

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

To assist the Board of Directors in fulfilling its oversight responsibilities for the Company's corporate governance processes and analyze the efficacy of the company's internal and external auditors.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Erwin M. Elechicon	June 2014	4	4	100	1.5
Member (NED)	Hedy S.C. Yap Chua	June 2014	4	4	100	1.5
Member (ED)	Raymond K.H. See	December 2014	4	4	100	1

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Erwin M. Elechicon	June 2014	1	1	100	1.5
Member (NED)	Grace T. Vera Cruz	June 2014	1	1	100	1.5
Member (NED)	Antonio C. Pacis	June 2014	1	1	100	1.5

(e) Others (Specify) – No other committee

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

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	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

### 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
N.A.	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	Approval of day to day business transactions of the Company when the Board of Directors is not in session	Most issues addressed were transactional matters
Audit	Approval of audited financial statements	Looked at internal control issues at all subsidiaries
Nomination	Considered antecedents of people nominated for the positions	Nominate competent members only
Remuneration	Deliberated on industry remuneration standards and recommended benefits accordingly	Offer competitive benefits to retain and attract competent employees
Others (specify)	N.A	N.A

### 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	Update and revise committee charter for better governance	More efficient approvals for day-to-day transactions
Audit	Regular updates on some operational activities	Firm up internal controls for new subsidiaries that will be operational soon
Nomination	Review & evaluate qualifications of all nominees	Continue to attract well qualified Board members and employees
Remuneration	Establish a transparent procedure on compensation policies	Keep pace with industry standards on compensation
Others (specify)	No other committee	No other committee

## F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

- (a) Overall risk management philosophy of the company;

ASFII and its subsidiaries manage the risks to support the Company's mission and vision, as set out in its overall objectives. The Group recognizes that risks cannot be eliminated. However, the Group ensures that existing and emerging risks are identified and managed within its acceptable risk tolerance.

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

The directors under Section F (1) of the Audit Committee Charter have the responsibility of the audit committee to review the adequacy of the company's risk management processes. As such, the Audit Committee reviews the following:

1. Quarterly report from senior management regarding major risk issues, as disclosed in the quarterly and annual financial statements, filed with the SEC and PSE
2. Quarterly report from the internal audit and the compliance officer, regarding the result of the evaluation of the control system risk, to safeguard shareholder investments and company assets.
3. Annual report, management report, report from external auditors on the results of financial statement risks.

The adequacy and effectiveness of risk management system are discussed during the quarterly audit committee meeting.

- (c) Period covered by the review;

Q1-Q4 CY 2015

- (d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness; and – as and when needed  
 (e) Where no review was conducted during the year, an explanation why not.

2) Risk Policy

- (a) Company

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

Risk Exposure	Risk Management Policy	Objective
Raw Material Procurement	RM purchase should be covered with confirmed orders	Minimize exposure to fluctuating RM prices
Environment protection	Purchase sustainably produced/sourced materials as much as possible	Ensure steady supply of raw materials in the future
Produce quality products	Use manufacturing processes that adhere to highest international standards	Eliminate selling sub-standard products as food is for human consumption
Contractual Agreements	Meet, and anticipate, customers needs	Clients have options to procure products from other suppliers

- (b) Group

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

Risk Exposure	Risk Management Policy	Objective
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Raw Material Procurement	RM purchase should be covered with confirmed orders	Minimize exposure to fluctuating RM prices
Environment protection	Purchase sustainably produced/sourced materials as much as possible	Ensure steady supply of raw materials in the future
Produce quality products	Use manufacturing processes that adhere to highest international standards	Eliminate selling sub-standard products as food is for human consumption
Contractual Agreements	Meet, and anticipate, customer's needs	Clients have options to procure products from other suppliers

(c) Minority Shareholders

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

Risk to Minority Shareholders
All shareholders have one vote per share; so minority shareholders voting power is not truncated

3) Control System Set Up

(a) Company

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

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Inventory Management	Potential loss due to inventory obsolescence	Strict monitoring control of Inventory ageing and provide highlights report to the Management on Inventory Status updates
Integrity of Financial Information	Untimely detection of financial error	Continuous improvement of information system and security access.

(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)
Inventory Management	Potential loss due to inventory obsolescence	Strict monitoring control of Inventory ageing and provide highlights report to the Management on Inventory Status updates
Integrity of Financial Information	Untimely detection of financial error	Continuous improvement of information system and security access.

(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	Oversight control	1. Monitor integrity of financial information 2. Monitor and assess internal audit function 3. Overseeing IPT 4.compliance with legal and regulatory requirements 5. Review external auditor performance 6. Risk management

## G. INTERNAL AUDIT AND CONTROL

### 1) Internal Control System

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

- Explain how the internal control system is defined for the company - Internal Control System is a formalized system to promote company's efficiency, safeguard assets, compliance with the legal and regulatory requirements and integrity of financial information.
- 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 hired a third party review on the efficiency and adequacy of the company's internal control.
- Period covered by the review - CY 2015
- How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and – when deemed necessary
- Where no review was conducted during the year, an explanation why not.

### 2) Internal Audit

#### (f) Role, Scope and Internal Audit Function

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

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
To provide independent, objective assurance and consulting services designed to add value and improve the organization's operation	Examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management process, system of internal control structure.	In-house internal audit function	Helen H. Herrera/Reyes Tacandong & Co.	Administratively to the CEO and functionally to the Audit Committee

\* Reyes Tacandong & Co. was appointed external auditor of the Company during the 2015 Annual Stockholders' Meeting held on March 01, 2016.

\* Ms. Helen Herrera resigned on February 14, 2016.

- 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?

Requires approval of the Audit Committee

(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 audit findings are discussed at the management level. Management action is agreed in response to internal audit functions and recommendations. The progress of the implementation of the agreed actions are reviewed and verified by the internal audit through its follow up reviews. The audit committee reviews all internal audit findings, management responses and the adequacy and effectiveness of internal controls. Significant risk issues, if any, are referred to the board for consideration.

(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	Risk based audit plan
Issues <sup>6</sup>	Documentation
Findings <sup>7</sup>	Monitoring progress report
Examination Trends	Based on year to year results

[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
Standard Financial Procedures on authorization, receipts and disbursements and safeguarding of assets and various operating procedures	Implemented
Standard Operating Policies and Procedures	Implemented

(g) Mechanisms and Safeguards

<sup>6</sup> "Issues" are compliance matters that arise from adopting different interpretations.

<sup>7</sup> "Findings" are those with concrete basis under the company's policies and rules.



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
Report directly to the Board or its committee, i.e. reports administratively to President and CEO, and functionally, to the Audit Committee	All requested information provided; company does not interfere in influencing analyst conclusions	All requested information provided; company does not interfere in influencing analyst conclusions	Have not hired any rating agency in the past.

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 document will be signed by the two independent directors (one of whom is the Chairman of the Board), the Chief Executive Officer and the Compliance Officer.

#### H. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' welfare	Commit to producing high quality seafood	Strict processing standards that meet international regulations are followed
Supplier/contractor selection practice	Ability to deliver quality products in a timely manner at competitive costs	Major purchases are generally sent out for bids before decisions are made
Environmentally friendly value-chain	Meet standards set by clients and accreditation authorities	Procure only dolphin-safe tuna and environmentally sustainable quantities of raw materials
Community interaction	Involve local stakeholders where possible	CSR activities include feeding program in high school where children of a number of workers study
Anti-corruption programmes and procedures?	No specific or formal program in place	The company, as a rule, frowns on and does not indulge in corrupt practices
Safeguarding creditors' rights	Transparency in its financial dealings	Meet financial & other covenants set by creditors

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

Yes, the Corporate Social Responsibility section was part of the Notes to the Financial Statements, which in turn was one of the major sections in the annual report.

- 3) Performance-enhancing mechanisms for employee participation.

- a. Show data relating to health, safety and welfare of its employees.

The Company spent Php 1,709,099.00 on various health and insurance benefits.

- b. State the company's training and development programmes for its employees. Show the data.  
The Company has an orientation program for all new employees conducted by the Human Resources personnel. The Company spent Php 996,182.89 on various training programs and seminars.

## I. DISCLOSURE AND TRANSPARENCY

### 1) Ownership Structure

#### (a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
PCD Nominee Corporation (Filipino)	1,382,755,864	55.32%	Strongoak, Inc.
PCD Nominee Corporation (Filipino)	586,984,672	23.48%	Includes the 112,170,283 shares of Mingjing Holdings, Inc.
Harvest All Investment Ltd.	177,261,165	7.09%	Same as Record Owner
Victory Fund Ltd.	138,474,015	5.54%	Same as Record Owner
PCD Nominee Corporation (Foreign)	132,083,277	5.28%	Beneficially owned by foreigners

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Grace S. Dogillo	133,919	0	0.01%
<b>TOTAL</b>	<b>133,919</b>	<b>0</b>	<b>0.01%</b>

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

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

Name of auditor	Audit Fee	Non-audit Fee
Reyes Tacandong & Co.	1,100,000	0

4) Medium of Communication

List down the mode/s of communication that the company is using for disseminating information. – Disclosures made to the PSE/SEC and disseminating information through the company website or news releases

5) Date of release of audited financial report: for CY 2014, disclosed on 15 May 2015; amendment disclosed on 15 July 2015

6) Company Website

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

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

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

7) Disclosure of RPT

RPT	Relationship	Nature	Value (in USD)
<b>DUE FROM RELATED PARTIES</b>			
Alliance MHI Properties, Inc.	Associate	Loan Agreements	474,742.41
			TOTAL: 474,742.41
<b>ACCOUNTS RECEIVABLE – OTHERS</b>			
FDCP, Inc.	Joint Venture	Claims and share manpower costs	226,076.00
			TOTAL: 3,746,822.00
<b>OTHER NON-CURRENT ASSETS</b>			
Due from Wild Catch Fisheries, Inc.	Joint Venture	Advances and various charges	2,778,282.62
Provision for Doubtful Accounts			(2,716,367.20)
			61,915.42
Alliance MHI Properties, Inc.	Associate	Lease Deposit	1,638,676.00
			TOTAL: 1,700,591.42
<b>PURCHASES</b>			
FDCP, Inc.	Joint Venture	Purchase Agreements	2,976,805.00

TOTAL: 2,976,805.00			
<b>DUE TO RELATED PARTIES</b>			
Duncan Bates	Shareholder Subsidiary	of Advances	151,558.00
Strongoak, Inc.	Shareholders	Advances	2,344,116.00
TOTAL: 2,495,674.00			

\* The figures provided in the table above are as of 30 September 2015.

\* As of 23 December 2015, ASFII owns 98.9% of Alliance MHI Properties, Inc.

\* Advances made by Strongoak, Inc. has been fully paid by the Company as of the end of 2015.

## 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>	Majority of capital stock present or represented at meeting
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#### (b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

<b>System Used</b>	Giving of notice; Presentation of proposed corporate act and opportunity for discussion/Q&A
<b>Description</b>	Stockholders are apprised of corporate acts requiring stockholder approval in the Notice and Agenda of Meeting and Information Statement; During the meeting itself, proposed corporate acts on which stockholder approval is sought are presented and explained to the stockholders, and questions/comments are solicited, received and entertained

#### (c) Stockholders' Rights

List any Stockholders' Rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code.

<b>Stockholders' Rights under The Corporation Code</b>	<b>Stockholders' Rights not in The Corporation Code</b>
No difference between two codes	No difference between two codes

#### Dividends

<b>Declaration Date</b>	<b>Record Date</b>	<b>Payment Date</b>
December 16, 2011	January 5, 2012	January 26, 2012

#### (d) Stockholders' Participation

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

Measures Adopted	Communication Procedure
At stockholders meeting, time is set aside for the investors to question the Board and management	Part of the agenda

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:

- a. Amendments to the company's constitution
- b. Authorization of additional shares
- c. Transfer of all or substantially all assets, which in effect results in the sale of the company

All these crucial decisions are discussed and approved by the shareholders. During the AGM, agenda is sent out to the shareholders in advance so they can prepare to discuss these issues. If the management is proposing such changes, the investors have a right to vote with, or against, the management.

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

- a. Date of sending out notices: disclosed on October 30, 2015
- b. Date of the Annual/Special Stockholders' Meeting: December 16, 2015

*\*The Annual Stockholders' Meeting scheduled on 16 December 2015 was deferred due to a Temporary Restraining Order issued by the Court of Appeals.*

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

No Annual Stockholders' Meeting was held during the year 2015.

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

No Annual Stockholders' Meeting was held during the year 2015.

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

No Annual Stockholders' Meeting was held during the year 2015.

**(e) Modifications**

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

Modifications	Reason for Modification
No modifications made	No modifications made

**(f) Stockholders' Attendance**

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

No Annual Stockholders' Meeting was held during the year 2015.

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

No Annual Stockholders' Meeting was held during the year 2015.

(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.

No Annual Stockholders' Meeting was held during the year 2015.

(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	Conformably with By-Laws, stockholders who cannot attend ASM/SSMs but wish to send a representative are required to execute written proxies which must be in the hands of the Secretary before the time set for the meeting.
Notary	Proxies are not required to be notarized.
Submission of Proxy	Should be to the Corporate Secretary; must have been received by him/her before the time set for the meeting.
Several Proxies	No company policy
Validity of Proxy	No company policy
Proxies executed abroad	No company policy
Invalidated Proxy	No company policy
Validation of Proxy	No company policy
Violation of Proxy	No company policy

(h) Sending of Notices

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

Policies	Procedure
Send notices two weeks prior to the meeting	Notices are sent by post to the last known postal address of the shareholder of record

(i) Definitive Information Statements and Management Report

<b>Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials</b>	All stockholders as of record date were entitled to receive notices
<b>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners</b>	November 24, 2015
<b>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders</b>	November 24, 2015
<b>State whether CD format or hard copies were distributed</b>	CDs
<b>If yes, indicate whether requesting stockholders were provided hard copies</b>	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.	No
The amount payable for final dividends.	No
Documents required for proxy vote.	Yes

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

*\*No need to include the items re: dividends because there were no dividends to be declared. Policy on dividend declaration is stated in the Manual on Corporate Governance.*

## 2) Treatment of Minority Stockholders

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

Policies	Implementation
Recognize right of minority stockholders to influence Board composition by cumulative voting	Notice of Meeting/Information Statement expressly sets out procedure for cumulative voting.
Allow nominations to the Board of Directors to come from minority stockholders	All nominations for members of the Board of Directors are accepted for screening and selection.
Equal treatment of shareholders holding the same class of shares.	One share, one vote.

(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. – No formal communication policies though the company disseminates all material information to its investors through disclosures.
- 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	Timely disclosure of material information
(2) Principles	Enable investors to make appropriate investment decisions
(3) Modes of Communications	Disclosure of information to PSE/SEC, upload info in company website
(4) Investors Relations Officer	Atty. Kristina P. Ambrocio

*\*Atty. Ma. Kristina P. Ambrocio was appointed Investor Relations Officer on 20 October 2015.*

- 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?

All these major decisions have to be approved by the Board of Directors and the stockholders, as necessary.

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

Not every merger or acquisition had an independent third party providing a fairness opinion. However, the company largest acquisition to date had a US investment banker propose a purchase price which was then approved by the Board.

#### L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiative	Beneficiary
Feeding Program	Banisil High School, Brgy. Tumbler, General Santos City

#### 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
<b>Board of Directors</b>	Periodic self-appraisal	Board discussions & participation
<b>Board Committees</b>	Periodic self-appraisal	Meeting targets set by the committees
<b>Individual Directors</b>	Periodic self-appraisal	Board discussions & participation
<b>CEO/President</b>	Periodic review of management & the CEO/President	Attainment of company objectives

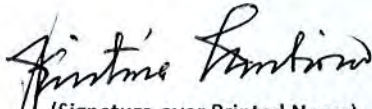
#### N. INTERNAL BREACHES AND SANCTIONS

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

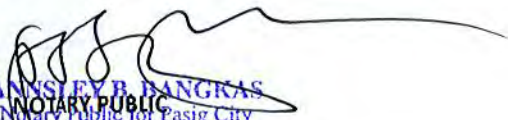
Violations	Sanctions
First Violation	Reprimand
Second Violation	Suspension
Third Violation	Removal from office



Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of PASIG on MAY 02 2016, 20  .

  
(Signature over Printed Name)  
\_\_\_\_\_  
Compliance Officer – Ma. Kristina P. Ambrocio

SUBSCRIBED AND SWORN to before me this MAY 02 2016 day of PASIG in PASIG, Metro Manila, affiant exhibiting to me her Passport EB7460274 issued on 22 February 2013 and due to expire on 21 February 2018.

  
**ANNSLEY B. BANGRAS**  
Notary Public for Pasig City  
Until 31 December 2016  
Appointment No. 30 (2015-2016)  
2203-A West Tower  
Philippine Stock Exchange Centre  
Exchange Road, Ortigas Center, Pasig City  
PTR No. 1420541; Pasig City; 01/08/16  
IBP No. 1018805; RSM Chap.; 01/06/16  
Roll of Attorneys No. 50395

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