

**MARCH 23, 2016**

**THE PHILIPPINE STOCK EXCHANGE**  
**Philippine Stock Exchange Plaza**  
Ayala Triangle, Ayala Avenue,  
Makati City 1226 Philippines

**ATTENTION: Ms. Janet Encarnacion**  
Head—Disclosure Department

Greetings!

We are writing relative to the Corporate Guidelines Disclosure Survey (“Disclosure Survey”) of ITALPINAS DEVELOPMENT CORPORATION (the “Corporation”) for the year 2015, which shall be due for submission with the Philippine Stock Exchange (the “Exchange”) on 31 March 2016.

At the onset, we would like to inform you that that the Corporation was only able to receive its permit to sell or offer to sell its securities from the Securities and Exchange Commission (“SEC”) on **13 November 2015**, as such it was only on said date that the Corporation became covered by the Code of Corporate Governance as provided by SEC Memorandum Circular No. 2 Series of 2002.

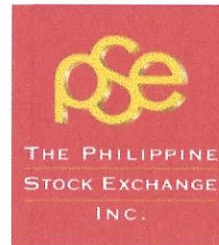
In consideration of the foregoing, the inclusive period that would be covered by the Corporation’s Disclosure Survey would be insufficient to yield full and accurate information as regards the matters stated in said survey.

Thus, we are attaching herewith a copy of the Corporation’s Disclosure Survey for the year 2015, indicating therein its inapplicability considering the abovementioned circumstance.

Please be guided accordingly.

Thank you,

  
**CHRISTINE P. BASE**  
Corporate Secretary



# **THE PHILIPPINE STOCK EXCHANGE, INC.**

## **Corporate Governance Guidelines for Listed Companies**

**Disclosure Template for the Year 2015**

	APPLY	EXPLAIN
<b>Guidelines No.1: DEVELOPS AND EXECUTES A SOUND BUSINESS STRATEGY</b>		
1.1 Have a clearly defined vision, mission and core values.	Not Applicable	The Corporation was only covered by the Code of Corporate Governance, embodied in SEC Memorandum Circular No. 2 Series of 2002 at the time its securities were registered on 13 November 2015.  As such, the inclusive period that would be covered by the report would be insufficient to yield a full and accurate disclosure as regards the matters stated herein.
1.2 Have a well-developed business strategy.	Not Applicable	-same-
1.3 Have a strategy execution process that facilitates effective performance management, and is attuned to the company's business environment, management style and culture.	Not Applicable	-same-
1.4 Have its board continually engaged in discussions of strategic business issues.	Not Applicable	-same-
<b>Guidelines No.2: ESTABLISHES A WELL-STRUCTURED AND FUNCTIONING BOARD</b>		
2.1 Have a board composed of directors of proven competence and integrity.	Not Applicable	-same-

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2.2	Be led a chairman who shall ensure that the board functions in an effective and collegial manner.	Not Applicable	-same-
2.3	Have at least three (3) or thirty percent (30%), whichever is higher, of its directors as independent directors.	Not Applicable	-same-
2.4	Have in place written manuals, guidelines and issuances that routine procedures and processes.	Not Applicable	-same-
2.5	Have Audit, Risk, Governance and Nomination and Election Committees.	Not Applicable	-same-
2.6	Have its Chairman and CEO positions held separately by individuals who are not related to each other.	Not Applicable	-same-
2.7	Have a directors nomination and election process that ensures that all shareholders are given the opportunity to nominate and elect directors individually based on the number of shares voted.	Not Applicable	-same-
2.8	Have in place a formal board and director development program.	Not Applicable	-same-
2.9	Have a corporate secretary.	Not Applicable	-same-
2.10	Have no shareholder agreement, by-laws provisions, or other arrangements that constrains the directors' ability to vote independently.	Not Applicable	-same-
<b>Guideline No. 3: MAINTAINS A ROBUST INTERNAL AUDIT AND CONTROL SYSTEM</b>			
3.1	Establish the internal audit function as a separate unit in the company which would be overseen at the Board level.	Not Applicable	-same-

3.2	Have a comprehensive enterprise-wide compliance program that is annually reviewed.	Not Applicable	-same-
3.3	Institutionalize quality service programs for the internal audit function.	Not Applicable	-same-
3.4	Have in place a mechanism that allows employees, suppliers and other stakeholders to raise valid issues.	Not Applicable	-same-
3.5	Have the Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Not Applicable	-same-
<b>Guidelines No. 4: RECOGNIZES AND MANAGES ITS ENTERPRISE RISKS</b>			
4.1	Have its board oversee the company's risk management function.	Not Applicable	-same-
4.2	Have a formal risk management policy that guides the company's risk management and compliance processes and procedures.	Not Applicable	-same-
4.3	Design and undertake its Enterprise Risk Management (ERM) activities on the basis of, or in accordance with, internationally recognized frameworks such as but not limited to, COSO (The Committee of Sponsoring Organizations of the Treadway Commission) I and II.	Not Applicable	-same-
4.4	Have a unit at the management level, headed by Risk Management Officer (RMO).	Not Applicable	-same-

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4.5 Disclose sufficient information about its risk management procedures and processes as well as the key risks the company is currently facing including how these are being managed.	Not Applicable	-same-
4.6 Seek external technical support in risk management when such competence is not available Internally.	Not Applicable	-same-
<b>Guidelines No. 5: ENSURES THE INTEGRITY OF FINANCIAL REPORTS AS WELL AS ITS EXTERNAL AUDITING</b>		
5.1 Have the board Audit Committee approve all non-audit services conducted by the external auditor. The Committee should ensure that the non-audit fees do not outweigh the fees earned from the external audit.	Not Applicable	-same-
5.2 Ensure that the external auditor is credible, competent, and should have the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Not Applicable	-same-
5.3 Ensure that the external auditor has adequate quality control procedures.	Not Applicable	-same-
5.4 Disclose relevant information on the external auditors.	Not Applicable	-same-

5.5 Ensures that the external audit firm is selected on the basis of a fair and transparent tender process.	Not Applicable	-same-
5.6 Have its audit committee conduct regular meetings and dialogues with the external audit team without anyone from management present.	Not Applicable	-same-
5.7 Have the financial reports attested to by the Chief Executive Officer and Chief Financial Officer.	Not Applicable	-same-
5.8 Have a policy of rotating the lead audit partner every five years.	Not Applicable	-same-
<b>Guidelines No. 6: RESPECTS AND PROTECTS THE RIGHTS OF ITS SHAREHOLDERS, PARTICULARLY THOSE THAT BELONG TO THE MINORITY OR NON-CONTROLLING GROUP</b>		
6.1 Adopt the principle of "one share, one vote."	Not Applicable	-same-
6.2 Ensure that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Not Applicable	-same-

6.3 Have an effective, secure and efficient voting system.	Not Applicable	-same-
6.4 Have effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Not Applicable	-same-
6.5 Provide all shareholders with the notice and agenda of the annual general meeting (AGM) at least thirty (30) days before a regular meeting and twenty (20) days before a special meeting.	Not Applicable	-same-
6.6 Allow shareholders to call a special shareholders meeting, submit a proposal for consideration at the AGM or the special meeting, and ensure the attendance of the external auditor and other relevant individuals to answer shareholder questions in such meetings.	Not Applicable	-same-
6.7 Ensure that all relevant questions during the AGM are answered.	Not Applicable	-same-



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6.8 Have clearly articulated and enforceable policies with respect to treatment of minority shareholders.	Not Applicable	-same-
6.9 Avoid anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group.	Not Applicable	-same-
6.10 Provide all shareholders with accurate and timely information regarding the number of shares of all classes held by controlling shareholders and their affiliates.	Not Applicable	-same-
6.11 Have a communication strategy to promote effective communication with shareholders.	Not Applicable	-same-
6.12 Have at least thirty percent (30%) public float to increase liquidity in the market.	Not Applicable	-same-
6.13 Have a transparent dividend policy.	Not Applicable	-same-
<b>Guidelines No. 7: ADOPTS AND IMPLEMENTS AN INTERNATIONALLY-ACCEPTED DISCLOSURE AND</b>		

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7.1 Have written policies and procedures designed to ensure compliance with the PSE and SEC disclosure rules, as well as other disclosure requirements under existing laws and regulations.	Not Applicable	-same-
7.2 Disclose the existence, justification, and details on shareholders agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Not Applicable	-same-
7.3 Disclose its director and executive compensation policy.	Not Applicable	-same-
7.4 Disclose names of groups of individuals who hold five percent (5%) or more ownership interest in the company, significant cross-shareholding relationship and cross guarantees, as well as the nature of the company's other companies if it belongs to a corporate group.	Not Applicable	-same-
7.5 Disclose annual and quarterly consolidated reports, cash flow statements and special audit revisions. Consolidated financial statements shall be published within ninety (90) days from the end of the financial year, while interim reports shall be published within forty-five (45) days from the end of the reporting period.	Not Applicable	-same-
7.6 Disclose to shareholders and the Exchange any changes to its corporate governance manual and practices, and the extent to which such practices conform to the SEC and PSE CG Guidelines.	Not Applicable	-same-

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7.7 Publish and/or deliver to its shareholders in a timely fashion all information and materials relevant to corporate actions that require shareholder approval.	Not Applicable	-same-
7.8 Disclose the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This shall also include the disclosure of the company's purchase of its shares from the market (e.g share buy-back program).	Not Applicable	-same-
7.9 Disclose in its annual report the principal risks to minority shareholders associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross- holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	Not Applicable	-same-
<b>Guidelines No. 8: RESPECTS AND PROTECTS THE RIGHTS AND INTEREST OF EMPLOYEES, COMMUNITY, ENVIRONMENT, AND OTHER STAKEHOLDERS</b>		
8.1 Establish and disclose a clear policy statement that articulates the company's recognition and protection of the rights and interests of key stakeholders specifically its employees, suppliers and customers, creditors as well the community, environment and other key stakeholder groups.	Not Applicable	-same-
8.2 Have in place a workplace development program.	Not Applicable	-same-

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8.3 Have in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.	Not Applicable	-same-
8.4 Have in place a community involvement program.	Not Applicable	-same-
8.5 Have in place an environment-related program.	Not Applicable	-same-
8.6 Have clear policies that guide the company in its dealing with its suppliers, customers, creditors, analysts, market intermediaries and other market participants.	Not Applicable	-same-
<b>Guidelines No. 9: DOES NOT ENGAGE IN ABUSIVE RELATED-PARTY TRANSACTIONS AND INSIDER TRADING</b>		
9.1 Develop and disclose a policy governing the company's transactions with related parties.	Not Applicable	-same-
9.2 Clearly define the thresholds for disclosure and approval for RPTs and categorize such transactions according to those that are considered de minimis or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate of RPT within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	Not Applicable	-same-

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9.3	Establish a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions in shareholders meetings.	Not Applicable	-same-
9.4	Have its independent directors or audit committee play an important role in reviewing significant RPTs.	Not Applicable	-same-
9.5	Be transparent and consistent in reporting its RPTs. A summary of such transactions shall be published in the company's annual report.	Not Applicable	-same-
9.6	Have clear policy in dealing with material non-public information by company insiders.	Not Applicable	-same-
9.7	Have a clear policy and practice of full and timely disclosure to shareholders of all material transactions with affiliates of the controlling shareholders, directors or management.	Not Applicable	-same-
<b>Guidelines No. 10:</b>			
<b>DEVELOPS AND NURTURES A CULTURE OF ETHICS, COMPLIANCE AND ENFORCEMENT</b>			
10.1	Formally adopt a code of ethics and proper conduct that guides individual behavior and decision making, clarify responsibilities, and inform other stakeholders on the conduct expected from company personnel.	Not Applicable	-same-
10.2	Have a formal comprehensive compliance program covering compliance with laws and relevant regulations. The program should include appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Not Applicable	-same-

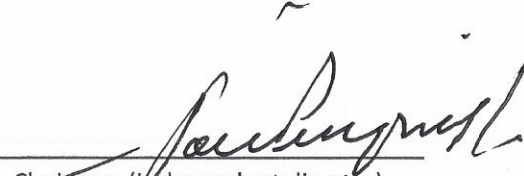
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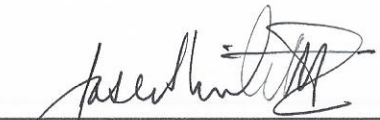
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<p>10.3 Not seek exemption from the application of a law, rule regulation especially when it refers to a corporate governance issue. Should it do so, it has to disclose the reason for such action as well present the specific steps being taken to finally comply with the applicable law, rule or regulation.</p>	<p>Not Applicable</p>	<p>-same-</p>
<p>10.4 Have clear and stringent policies and procedures on curbing and penalizing company or employee involvement in offering, paying and receiving bribes.</p>	<p>Not Applicable</p>	<p>-same-</p>
<p>10.5 Have a designated officer responsible for ensuring compliance with all relevant laws, rules, and regulation, as well as all regulatory requirements.</p>	<p>Not Applicable</p>	<p>-same-</p>
<p>10.6 Respect intellectual property rights.</p>	<p>Not Applicable</p>	<p>-same-</p>
<p>10.7 Establish and commit itself to an alternative dispute resolution system so that conflicts and difference with counterparties, particularly with shareholders and other key stakeholders, would be settled in a fair and expeditious manner.</p>	<p>Not Applicable</p>	<p>-same-</p>

This is to certify that the undersigned reviewed the contents of this document and to the best of my knowledge and belief, the information contained set forth in this documents is true, complete and correct.

  
 \_\_\_\_\_  
 Chairman (Independent director)  
 JOSE M. PERIQUET JR.

  
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 President and CEO  
 JOSE D. LEVISTE III