



Medco Holdings, Inc.

10 January 2016

SECURITIES & EXCHANGE COMMISSION

SEC Building, EDSA
Mandaluyong City, Metro Manila

Attention : Ms. Justina F. Callangan
Director
Corporate Governance and Finance Department

Re : Medco Holdings, Inc. (the "Company")
Annual Corporate Governance Report

Gentlemen:

Please see attached the following updated portions of the Annual Corporate Governance Report ("ACGR") of the Company.

1. A.1(a) Composition of the Board
2. A.5 Changes in the Board of Directors
3. A.6 Orientation and Education Program
4. C.2 Board Meetings and Attendance
5. D.3 Aggregate Remuneration
6. D.5 Remuneration of Management
7. E.1(a) Audit Committee
8. E.1(b) Nomination Committee
9. E.1(c) Remuneration Committee
10. I.3 External Auditor's Fee
11. I.7 Disclosure of RPT
12. J.1(d) Stockholders' Participation
13. J.1(f) Stockholders' Attendance

Very truly yours,

MEDCO HOLDINGS, INC.

By:


PAULINE C. TAN
Assistant Corporate Secretary
and Compliance Officer

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY, METRO MANILA) S.S.

SECRETARY'S CERTIFICATE

I, PAULINE C. TAN, of legal age, Filipino and with office address at the 31st Floor, Rufino Pacific Tower, 6784, Ayala Avenue, Makati City, after having been duly sworn in accordance with law, hereby certify that:

1. I am the duly appointed and incumbent Assistant Corporate Secretary of **MEDCO HOLDINGS, INC.** (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at the 31st Floor, Rufino Pacific Tower, 6784, Ayala Avenue, Makati City.

1. The attached updated Annual Corporate Governance Report ("ACGR") of the Corporation contains the Consolidated Changes in the ACGR for the year 2015. The changes to the following updated portions of the attached ACGR are underlined therein.

1. A.1(a) Composition of the Board
2. A.5 Changes in the Board of Directors
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IN WITNESS WHEREOF, I have hereunto set my hand on this JAN 11 2016 at Makati City.


PAULINE C. TAN
Assistant Corporate Secretary

SUBSCRIBED AND SWORN TO before me this JAN 11 2016 at Makati City, Metro Manila, affiant exhibited to me her Philippine Passport No. EB8566299 issued on 4 July 2013 in Manila.

Doc. No. 208 ;
Page No. 48 ;
Book No. V1 ;
Series of 2016 .


JOSEPH BENEDETTO G. GESMUNDO
Appointment No. M-278
Notary Public for Makati City
Until December 31, 2016
Penthouse, Liberty Center
704 H.V. dela Costa Street, Makati City
Roll of Attorneys No. 58156
PTR No. 5331144 / Makati City / 01-07-2016
IBP No. 1015798 / Quezon City / 01-04-2016

A. BOARD MATTERS

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) ¹	Elected when (Annual /Special Meeting)	No. of years served as director
Sai Chong Cheng	ED	Citivist Asia Limited	Dionisio E. Carpio, Jr.	2006	December 15, 2015	Annual	9
Dionisio E. Carpio, Jr.	ED	Citivist Asia Limited	Dionisio E. Carpio, Jr.	1998	December 15, 2015	Annual	17
Pauline C. Tan	ED	Citivist Asia Limited	Dionisio E. Carpio, Jr.	2009	December 15, 2015	Annual	6
Edna Reyes	NED	N/A	Dionisio E. Carpio, Jr.	2000	December 15, 2015	Annual	15
Pedro M. Cadavida, Jr.	NED	Citivist Asia Limited	Dionisio E. Carpio, Jr.	2014	December 15, 2015	Annual	1
Solomon R. B. Castro	ID	N/A	Dionisio E. Carpio, Jr. (no relationship)	1998	December 15, 2015 (served 3 years as ID)	Annual	17
Caly D. Ang	ID	N/A	Dionisio E. Carpio, Jr. (no relationship)	1995	December 15, 2015 (served 3 years as ID)	Annual	20

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
None			

(b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

Voting Result of the last Annual General Meeting

Name of Director	Votes Received
Sai Chong Cheng	495,016,896
Dionisio E. Carpio, Jr.	495,016,896

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

Edna D. Reyes	<u>495,016,896</u>
Solomon R. B. Castro	<u>495,016,896</u>
Pauline C. Tan	<u>495,016,896</u>
Caly D. Ang	<u>495,016,896</u>
Pedro M. Cadavida, Jr	<u>495,016,896</u>

6) Orientation and Education Program

(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
Sai Chong Cheng	<u>Dec. 18, 2015</u>	Seminar on Corporate Governance	Risks, Opportunities, Assessment and Management, Inc.
Dionisio E. Carpio, Jr.	<u>October 15, 2015</u>	Seminar on Corporate Governance	Securities and Exchange Commission & Philippine Stock Exchange
Edna D. Reyes	<u>Dec. 18, 2015</u>	Seminar on Corporate Governance	Risks, Opportunities, Assessment and Management, Inc.
Solomon R. B. Castro	<u>October 15, 2015</u>	Seminar on Corporate Governance	Securities and Exchange Commission & Philippine Stock Exchange
Pauline C. Tan	<u>Sept. 29, 2015</u>	Seminar on Corporate Governance	Risks, Opportunities, Assessment and Management, Inc.
Caly D. Ang	<u>October 15, 2015</u>	Seminar on Corporate Governance	Securities and Exchange Commission & Philippine Stock Exchange
Pedro M. Cadavida, Jr.	<u>Sept. 29, 2015</u>	Seminar on Corporate Governance	Risks, Opportunities, Assessment and Management, Inc.

C. BOARD MEETINGS & ATTENDANCE

2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No of Meetings Attended	%
Chairman	Sai Chong Cheng	<u>12/15/2014 and re-elected on 12/15/2015</u>	4	3	75%

Member	Dionisio E. Carpio, Jr.	12/15/2014 and re- elected on 12/15/2015	<u>4</u>	<u>4</u>	100%
Member	Pauline C. Tan	12/15/2014 and re- elected on 12/15/2015	<u>4</u>	<u>4</u>	100%
Member	Edna D. Reyes	12/15/2014 and re- elected on 12/15/2015	<u>4</u>	<u>4</u>	100%
Member	Pedro M. Cadavida, Jr.	12/15/2014 and re- elected on 12/15/2015	<u>4</u>	<u>4</u>	100%
Independent	Solomon R. B. Castro	12/15/2014 and re- elected on 12/15/2015	<u>4</u>	<u>4</u>	100%
Independent	Caly D. Ang	12/15/2014 and re- elected on 12/15/2015	<u>4</u>	<u>4</u>	100%

D. REMUNERATION MATTERS

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	P2,340,000	NONE	NONE
(b) Variable Remuneration	NONE	NONE	NONE
(c) Per diem Allowance	<u>P90,000</u>	<u>P135,000</u>	P90,000
(d) Bonuses	NONE	NONE	NONE
(e) Stock Options and/or other financial	NONE	NONE	NONE
(f) Others (Specify)	NONE	NONE	NONE
Total	<u>P2,430,000</u>	<u>P135,000</u>	P 90,000

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
None	

E. BOARD COMMITTEES

(a) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service In the Committee
Chairman (ID)	Caly D. Ang	December 15, 2015	1	1	100%	6
Member (ED)	Dionisio E. Carpio, Jr.	December 15, 2015	1	1	100%	6
Member (NED)	Edna D. Reyes	December 15, 2015	1	1	100%	6

Disclose the profile or qualifications of the Audit Committee members. The Audit Committee shall consist of at least three (3) directors, who shall preferably have an accounting and finance backgrounds, one of whom shall be an independent director and another with audit experience. The chairperson of the Audit Committee should be an independent director

Caly D. Ang, Filipino, age 68, has been a director of the Corporation and of MAIC since 1995. She has been an independent director of the Corporation and of MAIC since 2006. She is the president and general manager of Multi-World Philippines International, Inc. from 1989 up to the present and a director and president of Concord World Properties, Inc. from 1991 to the present. She graduated from Adamson University, Manila obtaining a Bachelor of Science degree in Commerce in 1969 and a MBA from the same institution in 1971.

Dionisio E. Carpio, Jr. Filipino, age 69, has been a director of the Corporation since 1998 and its President from September 2006 up to present. He was the treasurer of the Corporation from 1998 to 2006. He is the senior vice president, treasurer and director of MAIC since September 1, 1997 up to present. He is currently also a director of Manila Exposition Complex, Inc.. Before joining MAIC in 1995, he was connected with Far East Bank and Trust Company. Mr. Carpio holds a Bachelor of Science degree in Mechanical Engineering from the De La Salle University and a Masters degree in Business Management from the Asian Institute of Management. He has more than thirty-six (36) years experience in commercial, investment and trust banking, as well as line management.

Edna D. Reyes, Filipino, age 68, has been a director of the Corporation since 2000 and was its Treasurer between 2006 and 2007. She is also director of MAIC. She has more than thirty (30) years experience in banking, particularly in international and correspondent banking as well as foreign operations. She has a Bachelor of Science degree in Commerce from the University of Santo Tomas.

(b) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service In the Committee
Chairman (ID)	Solomon R. B. Castro	December 15, 2015	1	1	100%	6
Member (NED)	Sai Chong Cheng	December 15, 2015	1	1	100%	6
Member (NED)	Edna D. Reyes	December 15, 2015	1	1	100%	6

(c) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service In the Committee
Chairman (ID)	Caly D. Ang	December 15, 2015	1	1	100%	6
Member (ED)	Dionisio E. Carpio, Jr.	December 15, 2015	1	1	100%	6
Member(NED)	Sai Chong Cheng	December 15, 2015	1	1	100%	6

I. DISCLOSURE AND TRANSPARENCY

2) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
Punongbayan & Araullo	P658,900 in year 2014 (audited figure)	None

6) Disclosure of RPT (as of December 31, 2014- audited figures)

RPT	Relationship	Nature	Value
<u>Related parties under common ownership with interlocking directors and officers</u>	<u>A related party under common ownership of Lippo Group in Hong Kong</u>	<u>Lease of office space</u>	<u>Php1,531,384</u>
	<u>Officers and employees of the Company</u>	<u>Cash advance granted (net)</u>	<u>Php60,435</u>
		<u>Cash advance obtained (net)</u>	<u>Php6,500,000</u>
<u>Key management personnel</u>	<u>Key management Personnel of the Company</u>	<u>Salaries and other benefits</u>	<u>Php5,323,160</u>

J. RIGHTS OF STOCKHOLDERS

(d) Stockholders' Participation

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? **No. The SRC only requires 15 business days.**

a. **Date of sending out notices: November 23, 2015**

b. **Date of the Annual/Special Stockholders' Meeting: December 15, 2015**

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

Resolution	Approving	Dissenting	Abstaining
<u>1. Approval of the minutes of the previous annual meeting of stockholders</u>	<u>Unanimous</u>		
<u>Approval of the annual report and the audited financial statements as of December 31, 2014</u>	<u>Unanimous</u>		
<u>Approval and ratification of acts, contracts, investments and resolutions of the board and management of the Corporation since the last annual meeting</u>	<u>Unanimous</u>		
<u>Election of the members of the board of the directors for 2015</u>	<u>Unanimous</u>		
<u>Re-appointment of Punongbayan & Araullo as external auditors of the Corporation for 2015</u>	<u>Unanimous</u>		

6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions: December 15, 2015.

(f) Stockholders' Attendance

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

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by Poll, show of hands, etc.)	% of SH Attending In Person	% of SH in Proxy attendance	Total % of SH attendance
Annual	<u>Dionisio E. Carpio, Jr.</u> <u>Edna D. Reyes.</u> <u>Pauline C. Tan,</u> <u>Solomon R.B. Castro</u> <u>Pedro Cadavida, Jr.</u>	<u>December 15, 2015</u>	<u>Show of hands</u>	<u>0.0288%</u>	<u>70.6878%</u>	<u>70.7166%</u>

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive information Statements and Management Report and Other Materials	<u>679</u>
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	<u>November 23, 2015</u>
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	<u>November 23, 2015.</u>
State whether CD format or hard Copies were distributed	CD
If yes, indicate whether requesting stockholders were provided hard copies	Yes