

# Quisumbing Torres.

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17 April 2017

Markets and Securities Regulation Department  
Securities & Exchange Commission  
SEC Building, EDSA, Greenhills  
Mandaluyong City, Metro Manila

Attention: Vicente Graciano P. Felizmenio  
Director

Dear Sirs,



## Grand Plaza Hotel Corporation - Definitive SEC Form 20-IS

We write on behalf of our client, Grand Plaza Hotel Corporation ("Grand Plaza"), in reference to the Preliminary SEC Form 20-IS and Management Report of Grand Plaza, which were filed with the Securities and Exchange Commission on 3 April 2017.

We attach a copy of the Definitive SEC Form 20-IS of Grand Plaza, which addresses the comments and additional requirements of the SEC in its letter dated 6 April 2017.

The SEC has required Grand Plaza to attach its Interim Financial Statements for the period ended 31 March 2017 to the Definitive SEC Form 20-IS for distribution to the stockholders. However, Grand Plaza's Interim Financial Statements will not yet be available as of 21 April 2017, when the Definitive SEC Form 20-IS will be sent to stockholders of record. Instead, Grand Plaza undertakes to distribute to the stockholders present during the annual stockholders' meeting on 15 May 2017, copies of its Interim Financial Statements as of 31 March 2017 that it will file with the SEC on SEC Form 17-Q.

Sincerely yours,

Quisumbing Torres

  
Maria Christina J. Macasaet Acaban

  
Alan Charles J. Veloso

Encl.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE (R.C.S.):



1. Check the appropriate box:

Preliminary Information Statement

Definitive Information Statement

2. Name of Registrant as specified in its charter GRAND PLAZA HOTEL CORPORATION

3. City of Pasay, Philippines

Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number 166878

5. BIR Tax Identification Code 000-460-602-000

6. 10/F, The Heritage Hotel Manila, Roxas Blvd. cor. EDSA Ext., Pasay City 1300

Address of principal office

Postal Code

7. (632) 854-8838 Fax : (632) 854-8825

Registrant's telephone number, including area code

8. 15 May 2017, 11:30 a.m., The Heritage Ballroom of The Heritage Hotel Manila, located at the Ground Floor, The Heritage Hotel Manila, Roxas Blvd. cor. EDSA Extension, Pasay City, Philippines

Date, time and place of the meeting of security holders

9. 21 April 2017 date on which the Information Statement is first to be sent or given to security holders

10. In case of Proxy Solicitations; Not applicable

Name of Person Filing the  
Statement/Solicitor: Not applicable

Address and Telephone

No.: Not applicable

11. Securities registered pursuant to Sections 8 and 12 of the Code or Section 4 and 8 of the Revised Securities Act (information on number of shares and amount of debt is applicable only to corporate registrants):

| Title of Each Class | Number of Shares of Common Stock Outstanding<br>Or Amount of Debt Outstanding |
|---------------------|---|
|---------------------|---|

|                     |   |
|---------------------|---|
| <b>Common Stock</b> | <b>87,318,270</b><br><b>(inclusive of 33,600,901 treasury shares)</b> |
|---------------------|---|

12. Are any or all of Registrant's security listed on a Stock Exchange?

Yes   x        No     

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

|                |   |                           |
|----------------|---|---------------------------|
| Stock Exchange | : | Philippine Stock Exchange |
| Securities     | : | Common Shares             |

## GRAND PLAZA HOTEL CORPORATION

### NOTICE OF ANNUAL STOCKHOLDERS' MEETING

To All Stockholders:

Notice is hereby given that the annual stockholders' meeting of Grand Plaza Hotel Corporation ("**Company**") will be held on 15 May 2017, Monday, at 11:30 a.m., at the Heritage Ballroom of The Heritage Hotel Manila, located at the Ground Floor, The Heritage Hotel Manila, Roxas Blvd. cor. EDSA Extension, Pasay City, Philippines.

The agenda for the meeting are as follows:

1. Certification of quorum.
2. Presentation of the Annual Report for the year ended 31 December 2016.
3. Approval of the Minutes of the Stockholders' Meeting of 16 May 2016.
4. Ratification of the Renewal of the Management Agreement between Elite Hotel Management Services Pte. Ltd. (as Manager) and the Company (as Owner) for a term of five years from 1 January 2017 to 31 December 2021.
5. Ratification of all acts and proceedings of the Board of Directors, acting within the scope of their delegated authority, during the year 2016-2017.
6. Election of the Board of Directors, including the two (2) Independent Directors.
7. Election of the independent auditor and the authority of the Directors to fix the independent auditors' remuneration.
8. Remuneration/ per diem of the Directors.
9. Consideration of such other business as may properly come before the meeting.
10. Adjournment.

Minutes of the various meetings of the Corporation's Board of Directors and of the stockholders (including those held during the year 2016 to present date) will be available for inspection during office hours (9:00 a.m. to 5:00 p.m.) on business days at the office of the Corporate Secretary at

the 12<sup>th</sup> Floor, Net One Center Building, 26<sup>th</sup> Street corner 3<sup>rd</sup> Avenue, Crescent Park West, Bonifacio Global City, Taguig, Metro Manila, from 21 April 2017 up to 12 May 2017.

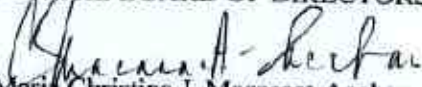
All proxies must be in the hands of the Corporate Secretary for validation before 11:00 a.m. of 15 May 2017. Proxies may be submitted to the office of the Corporate Secretary at the address indicated above during business days and at office hours on or before 5:00 p.m. of 12 May 2017. The Corporate Secretary shall receive proxies submitted on the day of the meeting at the entrance of the ballroom of the Heritage Hotel Manila. All proxies submitted after 11:00 a.m. of 15 May 2017 shall not be honored and shall not be deemed as a valid proxy for the 15 May 2017 annual stockholders' meeting. For your convenience in registering your attendance, please have available some form of identification such as driver's license, community tax certificate, passport, etc.

Only stockholders of record at the close of business on 17 April 2017 are entitled to notice of, and to vote at, the annual stockholders' meeting.

We attach the Corporation's Definitive SEC Form 20-IS, for your reference. Hard copies of this notice, Definitive SEC Form 20-IS, and its attachments, shall be provided upon request.

Taguig City, Philippines, 21 April 2017.

FOR THE BOARD OF DIRECTORS

  
Maria Christina J. Macasaet-Acaban  
Corporate Secretary

## **PART I. INFORMATION REQUIRED IN INFORMATION STATEMENT**

### **A. GENERAL INFORMATION**

#### **Item 1. Date, time and place of meeting of security holders**

1. Date : 15 May 2017  
Time : 11:30 a.m.  
Place : Heritage Ballroom, of The Heritage Hotel Manila, located at the Second Floor, The Heritage Hotel Manila, Roxas Blvd. cor. EDSA Extension, Pasay City, Philippines

Complete mailing address of Grand Plaza Hotel Corporation (the "Company"):

10F, The Heritage Hotel Manila, Roxas Blvd. cor. EDSA Extension, Pasay City

The approximate date on which copies of the Information Statement are to be sent or given to security holders is on 21 April 2017.

**WE ARE NOT ASKING FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.**

#### **Item 2. Dissenter's Right of Appraisal**

There are no matters or proposed corporate actions included in the agenda of the meeting which may give rise to a possible exercise by security holders of their appraisal rights.

As a rule, in the instances mentioned under Section 6.1.6 of the Company's Revised Manual on Corporate Governance (based on Section 82 of the Corporation Code of the Philippines), the stockholders of the Company have the right of appraisal provided that the procedure and the requirements of Title X of the Corporation Code of the Philippines, governing the exercise of the right is complied with and/or followed. The instances when the right of appraisal may be exercised by dissenting stockholders of the Company are, as follows:

1. An amendment to the articles of incorporation that has the effect of (a) changing or restricting the rights of shareholders or of authorizing preferences over those of outstanding shares, or (b) changing the term of corporate existence;
2. Investment of corporate funds in another corporation or other business purposes;
3. Mergers or consolidations; and
4. Sale, encumbrance or other dispositions of all or substantially all of the corporate property or assets.

Please note that a stockholder must have voted against the above-mentioned corporate actions in order to avail of the appraisal right.

### **Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

Except for the election of the directors of the Company, the agenda for the annual stockholders' meeting does not include any matter to be acted upon in which the following persons may have any substantial interest, direct or indirect, by security holdings or otherwise:

1. The directors or officers of the Company who acted as such director or officer during the last fiscal year;
2. The nominees for directors of the Company; and
3. Any association of the foregoing persons.

The Company has no knowledge/or information on whether a director or a security holder of the Company intends to oppose any action to be taken by the Company during the meeting.

### **B. CONTROL AND COMPENSATION INFORMATION**

#### **Item 4. Voting Securities and Principal Holders Thereof.**

1. As of 31 March 2017, the Company has 53,717,369 common shares outstanding<sup>1</sup>, all of which are entitled to vote. The Company has 33,600,901 treasury shares.
2. As at 31 March 2017, 46,748,848 shares are owned by foreign shareholders and this is 87.03% of total issued and outstanding shares.
3. The record date with respect to this Information Statement and for the annual stockholders' meeting is 17 April 2017.
3. With respect to the election of the seven (7) directors, each stockholder may vote such number of shares for as many as seven (7) directors he may choose to elect from the list of nominees, or he may cumulate said shares and give one candidate as many votes as the number of his shares multiplied by seven (7) shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company multiplied by seven (7). Out of the seven (7) directors to be elected, two (2) seats shall be allocated for the position of the independent directors. Only the candidates for independent directors selected by the Nomination Committee are eligible to be elected as independent director. No other nominations for independent director shall be accepted during the annual stockholders' meeting. Please refer to the discussion under "Directors and Executive Officers of the Company".

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<sup>1</sup> This amount excludes Treasury Shares, which are not considered outstanding shares.

## Security Ownership of Certain Record and Beneficial Owners and Management

The following entities are directly or indirectly the beneficial owners of more than 5% of the Company's voting shares (common), as of 31 March 2017.

### Security Ownership of Certain Record and Beneficial Owners of More than 5%

| Title of Class | Name and Address of Record Owner, and Relationship with Issuer  | Name of Beneficial Owner and Relationship with Record Owner | Citizenship | No. of Shares Held | Percentage of Shareholding (inclusive of treasury shares) |
|----------------|---|---|-------------|--------------------|---|
| Common         | The Philippine Fund Limited ("TPFL")<br>Milner House, 18<br>Parliament Street,<br>Hamilton, Bermuda;<br>shareholder of issuer | Please refer to<br>footnote two<br>below <sup>2</sup>       | Bermuda     | 28,655,932         | 32.82%  |
| Common         | Zatrio Pte Ltd<br>36 Robinson Road<br>04-01 City House<br>Singapore 068877;<br>shareholder of issuer                          | Please refer to<br>footnote three<br>below <sup>3</sup>     | Singapore   | 17,727,149         | 20.30%  |
|                |   |   |             |                    |   |

Traditionally, the shares held by TPFL and Zatrio Pte Ltd, are voted by the Company's Chairman and President, or the Company's Chief Financial Officer and Compliance Officer, Mr. Yam Kit

<sup>2</sup>The Philippine Fund Limited is owned by:

| Shareholder's Name  | Class of Shares Owned | % Held |
|---|-----------------------|--------|
| 1. Hong Leong Hotels Pte. Ltd.<br>P.O. Box 309 Grand Cayman<br>British West Indies, Cayman Islands  | Ordinary              | 60%    |
| 2. Pacific Far East (PFE) Holdings Corp. (formerly<br>Isthmar International Corporation)<br>Suite 2705-09, 27 <sup>th</sup> Flr, Jardine House<br>1 Connaught Place, Central, Hong Kong | Ordinary              | 20%    |
| 3. Robina Manila Hotel Limited<br>8/F BangkokBankBuilding<br>28 Des Voeux Road, Central Hong Kong   | Ordinary              | 20%    |

<sup>3</sup>Zatrio Pte Ltd is wholly owned with ordinary shares of stock by Republic Hotels & Resorts Limited, with address at 36 Robinson Road, #04-01 City House, Singapore 068877.



Sung, or in their absence, the Chairman of the stockholders meeting, by virtue of a proxy validly issued for the scheduled annual stockholders' meeting

### Security Ownership of Management

The following table shows the shareholdings beneficially held by the directors and officers of the Company as of 31 March 2017

#### Shares Beneficially Held By Officers

| Title of Class | Name of Beneficial Owner         | Amount and Nature of beneficial ownership | Citizenship | Percent of class |
|----------------|----------------------------------|---|-------------|------------------|
| Common shares  | Yam Kit Sung                     | 2,998 shares (direct)                     | Singaporean | Less than 1%     |
| Common shares  | Eddie Yeo Ban Heng ("Eddie Yeo") | 1 share (direct)                          | Malaysian   | Less than 1%     |
| Common shares  | Arlene de Guzman                 | 1,000 shares (direct)                     | Filipino    | Less than 1%     |
|                |                                  | Total: 3,999 shares beneficial            |             | Less than 1%     |

#### Shares Held by Current Directors

| Title of Class | Name of Beneficial Owner | Amount and Nature of beneficial ownership | Citizenship | Percent of class |
|----------------|--------------------------|---|-------------|------------------|
| Common shares  | Tan Kian Seng            | 1 share (direct)                          | Malaysian   | Less than 1%     |
| Common shares  | Bryan Cockrell           | 1 share (direct)                          | American    | Less than 1%     |
| Common shares  | Angelito Imperio         | 1 share (direct)                          | Filipino    | Less than 1%     |
| Common shares  | Eddie Yeo                | 1 share (direct)                          | Malaysian   | Less than 1%     |
| Common shares  | Eddie C. T. Lau          | 1 share (direct)                          | Chinese     | Less than 1%     |
| Common shares  | Mia Gentugaya            | 1 share (direct)                          | Filipino    | Less than 1%     |
| Common shares  | Antonio Rufino           | 1 share (direct)                          | Filipino    | Less than 1%     |
|                |                          | Total: 7 shares                           |             | Less than 1%     |

Aggregate number of shares held by directors and officers of the Company is 4,006 shares.

The aggregate beneficial shareholdings of the directors and the officers of the Company is less than 1% of the outstanding capital stock of the Company. The seven (7) shares of the seven (7) current directors are held to qualify them to be elected as members of the Board of Directors of the Company. Five (5) directors are nominees of TPFL and Zatrio Pte Ltd and two (2) are independent directors. Each independent director, Ms. Mia Gentugaya and Angelito Imperio, directly owns one (1) share of the Company.

### Voting Trust Holders of 5% or More

There is no party holding any voting trust or any similar agreement for 5% or more of the Company's voting securities.

### Change in Control

There are no arrangements, which may result in a change of control of the Company. No change in control in the Company occurred since the beginning of the last fiscal year.

### Item 5. Directors and Executive Officers of the Company

Meeting Attendance of the Company's Board of Directors from 15 May 2016 to date:

| Date of Board of Directors' meetings | Name of Directors |                |                  |               |                |            |            |
|--------------------------------------|-------------------|----------------|------------------|---------------|----------------|------------|------------|
|                                      | Aloysius Lee      | Bryan Cockrell | Angelito Imperio | Mia Gentugaya | Antonio Rufino | Eddie Lau  | Eddie Yeo  |
| 16 May (10:30a.m.)                   | Absent            | Absent         | Present          | Present       | Present        | Present    | Present    |
| 16 May 2016 (1:00p.m.)               | Absent            | Absent         | Present          | Present       | Present        | Present    | Present    |
| 28 July 2016                         | Present           | Present        | Present          | Present       | Present        | Present    | Present    |
| 26 October 2016                      | Present           | Absent         | Present          | Present       | Present        | Present    | Present    |
| Total                                | 2 out of 4        | 1 out of 5     | 5 out of 5       | 5 out of 5    | 5 out of 5     | 5 out of 5 | 5 out of 5 |
| Percentage of Attendance             | 50%               | 20%            | 100%             | 100%          | 100%           | 100%       | 100%       |

Meeting Attendance of the Company's Audit Committee from 15 May 2016 to date

| Date of the Audit Committee meetings | Name of Directors |               |                |
|--------------------------------------|-------------------|---------------|----------------|
|                                      | Bryan Cockrell    | Mia Gentugaya | Antonio Rufino |
| 28 July 2016                         | Present           | Present       | Present        |
| 26 October 2016                      | Absent            | Present       | Present        |
| 15 February 2017                     | Absent            | Present       | Present        |
| Total                                | 1 out of 3        | 3 out of 3    | 3 out of 3     |
| Percentage of Attendance             | 33.33%            | 100%          | 100%           |

Meeting Attendance of the Company's Nomination Committee from 15 May 2016 to date:

| Date of the Nomination's | Name of Directors |
|--------------------------|-------------------|
|--------------------------|-------------------|

| Committee meetings       | Tan Kian Seng<br>(elected on 15 February 2017) | Eddie Lau | Bryan Cockrell | Antonio Rufino | Angelito Imperio |
|--------------------------|--|-----------|----------------|----------------|------------------|
| 15 February 2017         | Present  | Present   | Absent         | Present        | Present          |
| 20 March 2017            | Present  | Absent    | Present        | Present        | Present          |
| Total                    | 100%   | 50%       | 50%            | 100%           | 100%             |
| Percentage of Attendance |  |           |                |                |                  |

The incumbent directors and executive officers and relevant data about them are listed below:

| Name                               | Office  | Citizenship | Family Relation | Age |
|------------------------------------|---|-------------|-----------------|-----|
| Tan Kian Seng                      | Chairman & President  | Malaysian   | No relation     | 63  |
| Bryan Cockrell                     | Director  | American    | No relation     | 69  |
| Eddie C. T. Lau                    | Director  | Chinese     | No relation     | 61  |
| Angelito Imperio                   | Independent Director  | Filipino    | No relation     | 77  |
| Antonio Rufino                     | Director  | Filipino    | No relation     | 70  |
| Mia Gentugaya                      | Independent Director  | Filipino    | No relation     | 65  |
| Eddie Yeo Ban Heng                 | Director / Vice-President / Assistant Compliance Officer / General Manager of The Heritage Hotel Manila / Member The Heritage Hotel Manila Management Executive Committee | Malaysian   | No relation     | 69  |
| Yam Kit Sung                       | General Manager of the Company / Chief Finance Officer / Compliance Officer / Chief Audit Executive / Member The Heritage Hotel Manila Management Executive Committee     | Singaporean | No relation     | 46  |
| Maria Christina J. Macasaet-Acaban | Corporate Secretary   | Filipino    | No relation     | 43  |
| Alain Charles J. Veloso            | Assistant Corporate   | Filipino    | No relation     | 37  |

|                                 |  |          |             |    |
|---------------------------------|--|----------|-------------|----|
|                                 | Secretary  |          |             |    |
| Arlene De Guzman                | Treasurer  | Filipino | No relation | 57 |
| Ederlinda F. Decano             | Director of Finance /<br>Member The Heritage<br>Hotel Manila<br>Management Executive<br>Committee                                    | Filipino | No relation | 44 |
| Divina Gracia D. Delos<br>Reyes | Director of Human<br>Resources/ Member The<br>Heritage Hotel Manila<br>Management Executive<br>Committee (until 23<br>December 2016) | Filipino | No relation | 39 |
| Geraldine Nono Gaw              | Director of Marketing /<br>Member The Heritage<br>Hotel Manila<br>Management Executive<br>Committee                                  | Filipino | No relation | 48 |

Ms. Mia G. Gentugaya and Mr. Angelito Imperio are the incumbent independent directors.

One of the grounds for the temporary disqualification of a director under the Revised Manual on Corporate Governance of the Company is absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election.

#### **Final List of Nominees for Election**

The Nomination Committee prepared the final list of candidates for independent directors based on the recommendations and information submitted by the nominating stockholders:

- **Procedure for the Nomination and Election of Independent Directors**

Under the Company's By-Laws, as amended by the Board of Directors in their meeting held on 17 April 2006 to incorporate the provisions of SRC Rule 38 on the nomination and election of independent directors, the Company shall elect such number of independent director/(s) as the relevant laws or regulations may require. At least three (3) months before the annual stockholders' meeting in which an independent director/(s) shall be elected, or at such time as the relevant law or regulation may from time to time prescribe, the incumbent Board of Directors shall meet to appoint a Nomination Committee. The Nomination Committee shall consist of at least three (3) members, one of whom shall be an incumbent independent director.

The Nomination Committee shall prepare the list of candidates for independent director/(s) based upon qualified candidates nominated by the stockholders. The Nomination Committee, subject to the approval by the Board of Directors, shall promulgate the rules, guidelines and criteria to

govern the conduct of the nomination. Only the candidates whose nominations are confirmed by the Nomination Committee to be in accordance with such rules, guidelines and criteria to govern the conduct of the nomination. No other nomination shall be entertained after the list of candidates has been finalized and submitted to the Chairman. No further nomination shall be entertained or allowed on the floor during the stockholders' meeting.

The Chairman of the Board, or in his or her absence, the designated chairman of the stockholders' meeting, shall inform the stockholders attending the stockholders' meeting of the mandatory requirement of electing independent director(s). In case of failure to elect an independent director, the Chairman shall call a separate election during the same meeting to fill the vacancy.

In case of a vacancy in the position of independent director, the vacancy shall be filled by a vote of at least a majority of the directors, if still constituting a quorum, based upon the nomination of the Nomination Committee. In the absence of such quorum, the vacancy shall be filled in a meeting of the stockholders duly called for that purpose. An independent director so elected to fill a vacancy shall serve only for the unexpired term of his predecessor in office.

In its organizational meeting held on 16 May 2016, the Board of Directors appointed the members of the Company's Nomination Committee.

On 15 February 2017 the Board of Directors and the Nomination Committee approved the materials and timetable for the selection of nominees for the Company's independent directors, for election in the annual stockholders' meeting to be held on 15 May 2017.

For 2017, the Board of Directors and the Nomination Committee approved the following timetable:

- a. 3 March 2017 - sending out of notices to stockholders that the Nomination Committee is accepting nominations for independent directors;
  - b. 5:00 pm of 17 March 2017 - deadline for the submission of the recommendation and acceptance of recommendation forms;
  - c. 20 March 2017 - deliberations of the Nomination Committee and preparation of final list of candidates.
- Final List of Candidates for Independent Directors

On 20 March 2017, the Nomination Committee approved the final candidates for independent directors, consisting of the following individuals:

- a. Mia G. Gentugaya

Atty. Gentugaya was nominated by The Philippine Fund Limited, Zatrio Pte Ltd and Yam Kit Sung. She is not related to The Philippine Fund Limited, Zatrio Pte Ltd and Yam Kit Sung. She is 63 years old, Filipino, and a Philippine resident. Please refer to the description of her business experience below.

b. Rene Y. Soriano

Atty. Soriano was nominated by Zatrio Pte Ltd., The Philippine Fund Limited and Yam Kit Sung. He is not related to Zatrio Pte Ltd., The Philippine Fund Limited and Yam Kit Sung. He is 71 years old, Filipino, and a Philippine resident.

Atty. Soriano was Of Counsel in SyCip Salazar Hernandez & Gatmaitan until 1 January 2015. He was the head of its Human Resources Practice Group from 1998 to 2009. He was admitted to the Philippine Bar in 1972 after completing his legal education at the University of the Philippines (LL.B.). Atty. Soriano is currently the Honorary President of the Employers Confederation of the Philippines. He has authored several books on labor and employment. He also serves in Board of Directors of various companies.

We attach as Annex "A", the Certification of Qualification of Independent Directors signed by Atty. Genugaya and Atty. Soriano.

Under the By-Laws of the Company, each director elected during the annual stockholders' meeting shall hold office until the next annual stockholders' meeting and until his or her successor has been elected and has qualified.

None of the directors has resigned or has refused to stand for re-election because of a disagreement with the Company regarding the Company's operations.

Except for the nominees selected by the Nomination Committee for the position of independent directors, there are no named nominees for the position of regular directors yet. The actual nominations for the position of regular directors will be made during the annual stockholders' meeting.

Business Experience of Directors and Officers (covering at least the past five (5) years):

A brief description of the business experience of the incumbent directors and officers for the past five years is provided below:

ALOYSIUS LEE TSE SANG  
CHAIRMAN & PRESIDENT (Retired on 15 February 2017)

Mr. Aloysius Lee Tse Sang served as chairman and president of the board of Grand Plaza Hotel Corporation since his appointment on 15 May 2015. Mr. Lee was appointed to the Board as Group Chief Executive Officer of Millennium and Copthorne Hotels plc on 1 March 2015. He is a non-executive director of Millennium & Copthorne Hotels New Zealand and CDL Investments New Zealand Limited, both of which are listed on the New Zealand stock exchange, having been appointed on 1 April 2015, and he was appointed as a non-executive director of First Sponsor Group Limited, which is listed on the Singapore Exchange, on 2 April 2015 and continues to serve in that role.

Mr. Lee was previously the Chief Executive Officer of South Beach Consortium Pte Ltd., a joint venture established by City Developments Limited and other parties to create a mixed-use real estate development in Singapore. Prior to that, Mr Lee held senior leadership positions at Shui On Land, Hong Kong Telecom, Star Cruises and Singapore Airlines. He is a fellow of both the Chartered Management Institute and the Chartered Institute of Marketing, and earned a masters degree in business administration from the University of Hong Kong. He also holds management qualifications from Harvard University and the University of Hawaii.

**TAN KIAN SENG**

**CHAIRMAN & DIRECTOR (Appointed on 15 February 2017)**

On 7 October 2016, Mr. Tan Kian Seng was appointed as our Group Chief of Staff. Mr. Tan has also been acting as the interim President of Asia since 14 October 2016. In his role as Group Chief of Staff, Mr. Tan has the overall responsibility of the hotel operations. He plays a significant role in achieving the organization's business goals and objectives.

Mr. Tan was previously the Advisor to the CEO and Chairman of Venture Corporation Limited after having served as Group President for Venture since 2011. Listed on the Singapore Exchange (SGX), the primary activities of Venture are to provide manufacturing, product design and development, engineering and supply chain management services and serves global companies such as IBM, HP, Toshiba and Oracle. Prior to this, he has held several senior positions such as Chief Financial Officer and Vice President Operations with Venture since 2001. Mr Tan is an associate member of the Institute of Chartered Accountants in England and Wales.

**BRYAN K. COCKRELL**

**VICE CHAIRMAN & DIRECTOR**

Mr. Bryan Cockrell, an American national, has been a Director of the Company since May 1997. Mr. Cockrell is the Chairman of the Pathfinder Group in the Philippines which has interests in tourism-related ventures, properties and other joint ventures undertakings and of the Group's investments in Vietnam. Before his stint in the Philippines, he held numerous positions in Singapore, Indonesia and Saudi Arabia.

**ANGELITO C. IMPERIO**

**INDEPENDENT DIRECTOR**

Atty. Angelito Imperio has been a Director of the Company continuously since August 1992 and during that span of time, he served as independent Director from 2001 to 2004, and again from 2008 up to the present. He completed his legal education at the University of the Philippines (LL.B.) and was admitted to the bar in 1966. He was a senior partner of the law firm SyCip Salazar Hernandez & Gatmaitan until his retirement in October 2004. He continued to serve the firm as of counsel until August 2010. At present, his professional work is limited to outside counseling, particularly on estate planning, and serving as an official Appellate Court Mediator of civil cases pending in the Court of Appeals.

**MIA G. GENTUGAYA**  
**INDEPENDENT DIRECTOR**

Mia Gentugaya is of counsel in SyCip Salazar Hernandez & Gatmaitan and was the head of its Banking, Finance & Securities Group. She is a member of the faculty of the Lyceum of the Philippines University – College of Law. She is also a Bangko Sentral-accredited lecturer on corporate governance for banks/quasi banks. She has been a Director of the Company since August 1992 and has served as independent director since 2005. She was admitted to the Philippine Bar in 1978 after completing her legal education at the University of the Philippines (LL.B.). Atty. Gentugaya practices corporate and commercial law, and has been named by Chambers & Partners and The Legal 500 as one of the world's leading lawyers in banking and finance and commercial law. She is a member of the Philippine Bar Association, a charter member of the Maritime Law Association of the Philippines (Trustee, 1988 – 1989) and the Makati Business Club. She also serves in the Board of Directors of various companies.

**EDDIE B.H. YEO**  
**DIRECTOR, VICE-PRESIDENT, ASSISTANT COMPLIANCE OFFICER & GENERAL  
MANAGER OF THE HERITAGE HOTEL MANILA**

Mr. Eddie Yeo was appointed as a Director and General Manager of The Heritage Hotel Manila on 13 January 2005. Prior to his current position, he was the General Manager of Copthorne Kings Hotel Singapore from January 1999 to 2004. He has more than 42 years experience in managing and developing hotel projects in Singapore, Malaysia, Thailand, Australia, USA and Vietnam. He holds a Master of Business Administration from the University of South Australia, is a Certified Hotel Administrator (CHA) from the Educational Institute of the American Hotel & Motel Association, Michigan, USA and a Member of the Chartered Management Institute, UK. He is the Vice President of the Singapore Philippines Association and the Malaysian Associations of the Philippines, a Director of the Hotel & Restaurant Association of the Philippines since 2007. He is the Vice President of The Skai Club International of Manila. He is a Commander in the Philippines Coast Guard Auxiliary, Squadron 116, and is an Assistant Deputy Chief for Finance, in the Philippine Coast Guard Auxiliary NCR-CL.

**EDDIE C.T. LAU**  
**DIRECTOR**

Mr. Eddie Lau, a British national, was first appointed Director of the Company on 17 January 2005. He obtained his MBA from the University of Durham, UK. He is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Chartered Institute of Certified Accountants in UK. Mr. Lau is also an associate member of the Chartered Institute of Bankers in UK. He has more than 25 years experience in the financial industry and has extensive practical exposures in financial control, business planning and operational management. He had worked with Hang Seng Bank, Standard Chartered Bank, Bank Austria and The Long-Term Credit Bank of Japan. For the past twelve years, he was the Financial Controller of those banks that he worked with. Mr. Lau had also served in the Hong Kong Monetary Authority as a Bank



Examiner to monitor the banks' compliance in Hong Kong. Currently, Mr. Lau is the Senior Vice President – Head of Group Finance and Company Secretary of Asia Financial Holdings Limited, a listed company in Hong Kong. He joined Asia Financial Holdings Limited since July 2000.

**ANTONIO A. RUFINO  
DIRECTOR**

Mr. Rufino is the Consul General of Portugal. He is currently the Director and President of Rufson Enterprises, Inc., Mercedes Realty & Dev. Corporation, and R.A. Rufino Holdings, Inc. He is also a director of other private corporations. He was a senior consultant at the Metropolitan Manila Dev't. Authority. He completed his college and graduate studies in the University of San Francisco. Mr. Rufino is a shareholder of the Corporation.

**YAM KIT SUNG  
GENERAL MANAGER, CHIEF FINANCE OFFICER, COMPLIANCE OFFICER & CHIEF  
AUDIT EXECUTIVE**

Mr. Yam Kit Sung obtained his Bachelor of Accountancy (Honors) degree from Nanyang Technological University in Singapore. Upon graduation, he joined the international accounting firm, Price Waterhouse based in Singapore as an auditor and later joined CDL Hotels International Limited (now known as Millennium & Copthorne Hotels International Limited) as an Internal Auditor. In 1996, he joined The Heritage Hotel Manila as an Operations Analyst and was appointed General Manager of the Company in April 2000. In June 2006, Mr. Yam was appointed General Manager –Asset Management (China) for HL Global Enterprises Limited, a company listed on the Singapore Stock Exchange. He also sits on the Board of several companies in the HL Global Enterprises Limited Group.

**ARLENE DE GUZMAN  
TREASURER**

Ms. Arlene de Guzman has been the Company's Treasurer since August 1997. She is also a former director and president of the Company. She graduated with a B.S. Business Economics (cum laude) degree from the University of the Philippines in 1981. Her business experience includes: Senior Project Evaluation Officer, National Development Company, Head, Financial Risk Management, Philippine Associated Smelting and Refining Corporation (PASAR) and currently Senior Vice President of the Pathfinder Group. She is presently a director and/or officer of the various companies under the Pathfinder Group and Grand Plaza Hotel Corporation.

**MARIA CHRISTINA J. MACASAET-ACABAN  
CORPORATE SECRETARY**

Ms. Maria Christina Macasaet-Acaban is a partner of the law firm of Quisumbing Torres. She joined Quisumbing Torres in 1998 after graduating *cum laude* from the University of the

Philippines College of Law (L.I.B. 1998). She was also a recipient of the Dean's Medal for Academic Excellence, a member of the Order of the Purple Feather, the honors society of the University of the Philippines College of Law, and a member of the Pi Gamma Mu Honors Society and the Phi Kappa Phi Honors Society. She was admitted to the Philippine Bar in 1999.

Ms. Macasaet-Acaban practices corporate and commercial law, with focus on foreign investments, mergers and acquisitions, corporate compliance. She has represented multinational corporations operating in various industries, such as pharmaceutical and healthcare, information technology, outsourcing, manufacturing and real estate, in Philippine and cross-border transactions, and advised on equity restrictions, investment structures and regulatory compliance for Philippine business operations.

She serves as corporate secretary and assistant corporate secretary of various private companies. She is not an officer or director of other public companies or companies that are grantees of secondary licenses from the SEC.

**ALAIN CHARLES J. VELOSO**  
**ASSISTANT CORPORATE SECRETARY**

Mr. Alain Charles Veloso is a senior associate of the law firm Quisumbing Torres. Mr. Veloso's practices corporate and commercial law, with focus on antitrust, pharmaceuticals, securities, mergers and acquisitions, energy and natural resources, and infrastructure. He joined Quisumbing Torres in 2006 after graduating class valedictorian and *cum laude* from the University of the Philippines College of Law in 2006. He was also a recipient of the Dean's Medal for Academic Excellence, a member of the Order of the Purple Feather, a Chief Justice Fred Ruiz Castro Academic Scholar, an ACCRA – Violeta C. Drilon Merit Scholar, and a Member of the Pi Gamma Mu Honors Society and the Phi Kappa Phi Honors Society.

Mr. Veloso was admitted to the Philippine Bar in 2007 and ranked 10<sup>th</sup> in the 2006 Philippine Bar exams. Prior to obtaining his law degree, Mr. Veloso obtained his B.S. Accountancy from the University of the Philippines – Tacloban College in 2001, graduating *cum laude*. Mr. Veloso passed the Philippine licensure exam for Certified Public Accountants in 2001. He also taught Transportation and Public Utilities Law and Land Titles and Registration at Centro Escolar University School of Law and Jurisprudence. Mr. Veloso also lectures at the Mandatory Continuing Legal Education program of the UP Law Center on antitrust and corporate governance. Mr. Veloso was recognized as a Next Generation Lawyer for Corporate Law and M&A 2017 by The Legal 500.

Mr. Veloso is also the assistant corporate secretary of various private companies. He is not an officer or director of other public companies or companies that are grantees of secondary licenses from the SEC.

**GERALDINE NONOGAW**  
**DIRECTOR OF MARKETING, MEMBER – HERITAGE HOTEL MANILA MANAGEMENT EXECUTIVE COMMITTEE**

Ms. Geraldine N. Gaw joined the company in 2003 as the Director of Catering and was promoted as Director of Sales and Marketing in 2008. Prior to joining the Heritage Hotel Geraldine held the position of Convention and Banquet Sales Manager from 1999 to 2003 at the Manila Midtown Hotel. She has also held several senior positions in various hotels in Metro Manila and Davao City, namely the Mandarin Oriental Hotel and the Davao Insular Intercontinental Inn. She is currently a member of the Hotel Sales and Marketing Association. Geraldine graduated at the Ateneo De Davao University with a Degree in Business Administration major in Accounting.

**EDERLINDA F. DECANO,**  
**DIRECTOR OF FINANCE , MEMBER – HERITAGE HOTEL MANILA MANAGEMENT EXECUTIVE COMMITTEE**

Ms. Ederlinda Decano graduated from University of Santo Tomas in 1994, with a degree in BS Accountancy and passed the CPA board exam in the same year. She began her career as an auditor in Diaz Murillo Dalupan, an affiliate of Deloitte Touche Tohmatsu in the early '90s. However, moved out of the auditing firm and worked in different industries as accountant.

She started a job in the hospitality industry in the year 2002, with the Ascott group, which line of business is Serviced Residence. She had worked with Ascott for 10 years, and worked her way up in the company - from accountant to Asst. Finance Manager. After 10 years with Ascott, she joined Manila Mandarin as Chief Accountant, and before the hotel closed, signed up with Frasers Place Manila (another Serviced Residence) as Finance Manager. All in all, she has been working in the hospitality industry for 13 years.

**DIVINA GRACIA D. DELOS REYES**  
**DIRECTOR OF HUMAN RESOURCES, MEMBER – HERITAGE HOTEL MANILA MANAGEMENT EXECUTIVE COMMITTEE (until 23 December 2016)**

With 16 years of diversified experience in the field of Human Resources, Ms. Divina Gracia Delos Reyes is a seasoned human resources executive with particular expertise in policy development and implementation, employment law, employee relations including training and development and has extensive experience in complex companies.

A Psychology major graduate of De La Salle University – Dasmariñas in 1999, Ms. Delos Reyes started her career when she was hired by Smart Communications as an HR Assistant immediately after her on-the-job training. For career advancement she moved to the academic, retail and hotel industries. She has worked for 8 years in the hospitality industry. She has resigned from the Company on 31 December 2016.

Based on the records of the Company and on the confirmation that we obtained from the directors and key executive officers of the Company as of 15 April 2017, no directors or key executive officers of the Company are currently connected with any government agencies or its instrumentalities. The Certification to this effect is attached hereto as Annex "B".

### **Members of the Nomination Committee**

1. Tan Kian Seng – Chairman
2. Bryan Cockrell
3. Antonio Rufino
4. Angelito Imperio – Independent Director
5. Eddie Lau

The Board of Directors appointed The Heritage Hotel Management Executive Committee to perform the functions of the Remuneration and Compensation Committee of the Company.

### **Significant Employees**

The Company has no significant employees.

### **Family Relationships**

There are no family relationships up to the fourth civil degree either by consanguinity or affinity among the Directors, Executive Officers or persons nominated.

### **Pending Legal Proceedings**

*(1) Grand Plaza Hotel Corporation versus Commissioner of Internal Revenue ("BIR") – Court of Tax Appeal ("CTA") Case No. 8992*

This case is a Petition for Review with CTA to invalidate the tax deficiency assessment in relation to year 2008 ("Deficiency Tax Case").

On 20 February 2015, the Company filed a Petition for Review with the CTA to invalidate the collection proceedings of the BIR. The Petition is based on the Company's position, as advised by tax counsel, that the collection proceedings initiated by the Commissioner of Internal Revenue is void because the assessments did not comply with the requirements of law and lacked factual and legal basis.

The Deficiency Tax Case seeks to have the CTA review the Collection Letter that the Company received from the BIR on 12 December 2013. As far as the Company is aware, the Collection Letter was issued by the BIR in connection with a Formal Letter of Demand for alleged deficiency income tax, value added tax, expanded withholding tax, withholding tax on compensation and documentary stamp tax for the year 2008, in the aggregate amount of PhP508,101,387.12 consisting of PhP262,576,825.03 for basic tax, and interest of PhP245,524,562.09 from 20 January 2009 to 30 September 2013.

On 24 July 2015, the Company received a Warrant of Dstraint and/or Levy dated 24 July 2015 from the BIR ("Warrant"). The Warrant relates to the tax case for year 2008. Considering that a Petition for Review has been earlier filed with the CTA on 20

February 2015 to question the validity of the collection proceedings initiated by the Commissioner of Internal Revenue and that the matter is currently being litigated at the CTA, the Company has taken appropriate legal measures to ensure that such Warrant is not implemented during the course of the trial proceedings.

During the CTA hearing on 21 September 2015, the Company presented 2 witnesses and they were able to furnish their testimonies on the same day. The BIR, on the other hand, did not present any witnesses and opted to submit the case for the resolution of the CTA.

On 18 March 2016, the Company received a Notice of Resolution from the CTA with regard to the Company's Motion for Partial Reconsideration with Amended Formal Offer of Evidence. The CTA granted the Company's Motion and the Company has 30 days from receipt of the Notice to file our Memorandum.

However, on 6 April 2016, the Company received a Manifestation and Motion filed by the BIR. The BIR moved for a setting of a hearing for the comparison and marking of its documentary evidence on 13 April 2016. Within 5 days after the hearing, the BIR will be filing its Formal Offer of Documentary Evidence. In view of this Motion, the BIR has asked for the deferment of the parties' respective Memorandum until after the CTA has resolved its offer of evidence.

On 8 June 2016, management of the Company was informed by Metropolitan Bank & Trust Company ("Metrobank") via email, that the BIR has issued a Warrant of Garnishment with Warrant No. 125-2015-011 dated 2 June 2016 against the Corporation in connection with the Deficiency Tax Case. Pursuant to the Warrant, the BIR seeks to garnish the Company's deposits with Metrobank, which are currently in the amount of PhP499,049.64, as may be necessary to satisfy the alleged tax deficiency of the Company.

In addition, on 10 June 2016, management of Company was also informed by the Land Bank of the Philippines ("Land Bank"), that the BIR has issued a Warrant of Garnishment with Warrant No. 125-2015-011 against the Corporation in connection with the Deficiency Tax Case. To date, the Company has not received the original Warrant from the BIR. Pursuant to the Warrant, the BIR seeks to garnish the Company's deposits with the Land Bank, which are currently in the amount of PhP71,718.54 as may be necessary to satisfy the alleged tax deficiency of the Company.

On 6 September 2016, the Company's tax counsel received a Resolution from the CTA and decided not to file a Legal Memorandum and instead opted to adopt the arguments raised in its earlier Answer. As such, the case is now submitted to CTA for decision.

On 7 March 2017, the Company filed an Urgent Motion to Allow Payment of Taxes with the CTA. This is with respect to the Warrant of Garnishment with Land Bank. The Company uses this bank account for tax payment. On 17 March 2017, CTA has ordered BIR to comment within 5 days from receipt of the Notice on this Urgent Motion.

Other than the above tax cases, to the best knowledge and/or information of the Company, neither itself nor any of its affiliates and subsidiaries have been involved during the past five (5) years in any material legal proceedings affecting/involving the Company, its affiliates or subsidiaries, or any material or substantial portion of their property before any court of law or administrative body in the Philippines or elsewhere.

To the best knowledge and/or information of the Company, none of its directors, nominees for election as director, executive officers, underwriters, or controlled persons, have been involved during the past five (5) years, up to 31 March 2017, in any of the following events that are material to an evaluation of their ability or integrity:

- (a) Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- (b) Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- (c) Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- (d) Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

#### **Certain Relationships and Related Transactions**

In the last two years, there were no material transactions or proposed transactions between the Company and any director in which the director had a material interest.

Aside from the related party transactions disclosed in Note 14 of the Notes to Financial Statements of the Company, the Company has no other relationships and related transactions.

#### **Item 6. Compensation of Directors and Officers**

Aggregate Compensation of Directors and Officers (i.e., President / CEO and 4 most highly compensated officers-- in Pesos)

##### **Year 2016**

| NAME                                | POSITION   | YEAR | SA<br>LA<br>RY | BONUS   | OTHERS/<br>DIRECTOR<br>FEES |
|-------------------------------------|--|------|----------------|---------|-----------------------------|
| Eddie Yeo Ban Heng                  | General Manager of Hotel                             | 2016 |                |         |                             |
| Yam Kit Sung                        | General Manager of the Company                       | 2016 |                |         |                             |
| Ederlinda F. Decano                 | Director of Finance                                  | 2016 |                |         |                             |
| Gigi Gaw                            | Director of Sales & Marketing                        | 2016 |                |         |                             |
| Divina Gracia D. Delos Reyes        | Director of Human Resources (until 23 December 2016) | 2016 |                |         |                             |
| Total                               |  | 2016 | 19,638,500     | 970,902 | 34,500                      |
| Directors allowances                |  | 2016 |                |         | 1,036,870 <sup>4</sup>      |
| All officers & Directors as a group |  | 2016 | 19,638,500     | 970,902 | 1,071,370                   |

#### Year 2015

| NAME                         | POSITION   | YEAR | SA<br>LA<br>RY | BONUS     | OTHERS/<br>DIRECTOR<br>FEES |
|------------------------------|--|------|----------------|-----------|-----------------------------|
| Eddie Yeo Ban Heng           | General Manager of Hotel                             | 2015 |                |           |                             |
| Yam Kit Sung                 | General Manager of the Company                       | 2015 |                |           |                             |
| Ederlinda F. Decano          | Director of Finance                                  | 2015 |                |           |                             |
| Gigi Gaw                     | Director of Sales & Marketing                        | 2015 |                |           |                             |
| Divina Gracia D. Delos Reyes | Director of Human Resources (until 23 December 2016) | 2015 |                |           |                             |
| Total                        |  | 2015 | 15,887,308     | 1,812,642 | 1,272,572                   |
| Directors                    |  | 2015 |                |           | 1,175,264                   |

<sup>4</sup>In 2016, the directors were given the following per diem allowance for their attendance in meetings in 2015-2016: PhP15,000 per meeting of the Board, and PhP15,720 per meeting of the Audit Committee. For 2017, the proposed per diem for the directors is still being formulated by management. The per diem for 2017 will be approved by the Board shortly prior to the annual stockholders' meeting, and will be immediately disclosed.

|                                     |  |      |            |           |           |
|-------------------------------------|--|------|------------|-----------|-----------|
| All officers & Directors as a group |  | 2015 | 15,887,308 | 1,812,642 | 2,447,836 |
|-------------------------------------|--|------|------------|-----------|-----------|

**Year 2014**

| NAME                                | POSITION                       | YEAR | SALARY     | BONUS   | OTHERS/<br>DIRECTOR<br>FEES |
|-------------------------------------|--------------------------------|------|------------|---------|-----------------------------|
| Wong Hong Ren                       | Chairman & President           | 2014 |            |         |                             |
| Eddie Yeo Ban Heng                  | General Manager of Hotel       | 2014 |            |         |                             |
| Yam Kit Sung                        | General Manager of the Company | 2014 |            |         |                             |
| Cathy Serrano                       | Director of Finance            | 2014 |            |         |                             |
| Gigi Gaw                            | Director of Sales & Marketing  | 2014 |            |         |                             |
| Total                               |                                | 2014 | 12,327,371 | 756,719 | 88,815                      |
| Directors                           |                                | 2014 |            |         | 1,311,150                   |
| All officers & Directors as a group |                                | 2014 | 12,327,371 | 756,719 | 1,399,965                   |

**Proposed Remuneration of Officers and Directors for 2017**

| NAME   | POSITION                              | SALARY     | BONUS     | OTHERS/<br>DIRECTOR<br>FEES |
|--|---------------------------------------|------------|-----------|-----------------------------|
| Yam Kit Sung   | General Manager                       |            |           |                             |
| Eddie Yeo  | General Manager of The Heritage Hotel |            |           |                             |
| Ederlinda F. Decano  | Director of Finance                   |            |           |                             |
| Gigi Gaw   | Director of Sales and Marketing       |            |           |                             |
| Total Compensation of the 4 most highly compensated officers named above |                                       | 19,000,000 | 1,000,000 |                             |
| Total Directors' Per Diem  |                                       |            |           | 1,000,000                   |
| All officers & Directors as a group                                      |                                       | 19,000,000 | 1,000,000 | 1,000,000                   |

The proposed remuneration of the officers named above shall be fixed and approved in a special meeting of the Board of Directors of the Company, to be held prior to the annual stockholders' meeting, as provided in the Company's By-Laws.



The proposed per diem of the directors for 2017 above will be presented to the Board of Directors for approval and will be disclosed to the stockholders at the 2017 annual stockholders' meeting. Please note that the per diem of the directors do not involve any other form of remuneration. There are no arrangements, such as compensatory plan or arrangement or consulting contracts, pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly, during the Company's last completed fiscal year, and the ensuing year, for any service provided as director.

#### **Description of the Terms and Conditions of each Employment Contract between the Company and Executive Officers**

All the key officers who are foreigners are on one-year to two-year employment contracts that may be renewed for another term upon mutual agreement of the parties. The local officers following the Philippine Labor Code are on permanent contract of employment upon confirmation of their 6-months probation.

The employment contracts of the executive officers do not require such executive officers of the Company to be paid a total amount exceeding PhP2,500,000 as a result of their resignation or termination from the Company, or if there is a change in control of the Company.

#### **Description of the Terms and Conditions of the Compensatory Plan or Arrangement for the Company's Executive Officers**

The foreign executive officers of the Company are paid a monthly fixed salary with variable bonus depending on performance. They are also on fixed employment period between 1-2 years and renewable depending on performance.

### **Item 7. Independent Public Accountants**

#### **Election, Approval or Ratification**

R. G. Manabat & Co. is the Company's current independent public accountant. The handling partner is Ms. Alicia Columbres.

In compliance with the Securities Regulation Code Rule 68, paragraph 3(b)(ix), the independent auditor or in the case of an audit firm, the signing partner, shall be rotated after every five (5) years of engagement, subject to the observance of the two-year cooling off period in the re-engagement of the same signing partner or individual auditor. Ms. Alicia Columbres, the current handling partner, was first designated as such on 15 May 2013.

The Company's Audit Committee has recommended R. G. Manabat & Co. for re-appointment at the annual stockholders' meeting, with Alicia S. Columbres as the handling partner. Under the Revised Manual on Corporate Governance of the Company, the Audit Committee shall recommend the nominees for the independent public accountants of the Company.

**The Members of the Audit Committee of the Company are as follows:**

1. Mia Gentugaya – Independent Director
2. Bryan Cockrell
3. Antonio Rufino

The Chairperson of the Audit Committee is Ms. Mia Gentugaya.

Representatives of R. G. Manabat & Co are expected to be present at the annual stockholders' meeting and will be given the opportunity to make a statement if they desire to do so. Likewise, they are expected to be available to respond to any appropriate questions that may be raised during the meeting.

**Compliance with SRC Rule 68 3 (b) (iv)**

R. G. Manabat & Co., with Ms. Alicia Columbres as the handling partner, was appointed as the independent auditor of the Company by the stockholders during the annual stockholders' meeting held on 29 April 2005. In compliance with SRC Rule 68, par 3(b)(iv), the independent auditor shall be rotated every five (5) years of engagement. In case of a firm, the signing partner shall be rotated every five (5) years. Ms. Alicia Columbres was first designated as the handling partner on 15 May 2013.

**Item 8. Compensation Plans**

There are no matters or actions to be taken up in the meeting with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

**C. ISSUANCE AND EXCHANGE OF SECURITIES**

**Item 9. Authorization or Issuance of Securities Other than for Exchange**

There are no matters or actions to be taken up in the meeting with respect to the authorization or issuance of any securities of the Company.

**Item 10. Modification or Exchange of Securities**

There are no matters or actions to be taken up in the meeting with respect to the modification of any class of securities of the Company, or the issuance or authorization for issuance of one class of securities of the Company in exchange for outstanding securities of another class.

**Item 11. Financial and Other Information**

The Company's audited financial statements for the year ended 31 December 2016 (attached hereto as Annex "C") and other information related to the Company's financial statements are contained in the Company's SEC Form 17-A for the year ended 31 December 2016, which was

filed by the Company with the Philippine Stock Exchange and with the SEC on 15 February 2017. The management report required under paragraph (4) of SRC Rule 20 is attached hereto as Annex "D".

**Item 12. Mergers, Consolidations, Acquisitions and Similar Matters**

There are no matters or actions to be taken up in the meeting with respect to merger, consolidation, acquisition by, sale or liquidation of the Company.

**Item 13. Acquisition or Disposition of Property**

There are no matters or actions to be taken up in the meeting with respect to the acquisition or disposition of any property.

**Item 14. Restatement of Accounts**

There are no matters or actions to be taken up in the meeting with respect to the restatement of any asset, capital, or surplus account of the Company.

**D. OTHER MATTERS**

**Item 15. Action with Respect to Reports**

1. Approval of the Minutes of the Annual Meeting of the Stockholders of the Company held on 16 May 2016 ("Minutes").
2. Approval of the Annual Report and the audited financial statements for the year ended 31 December 2016.

The Annual Report to be ratified by the stockholders during the annual stockholders' meeting, has been disclosed to the stockholders in SEC Form 17-A. The Company's audited financial statements for the year ended 31 December 2016 are attached hereto as Annex "C". Action on the Minutes will not constitute approval or disapproval of any of the matters referred to in the Minutes.

*Brief summary of the Minutes:*

The Minutes provides for the stockholders' approval of the following matters:

1. Minutes of the Stockholders' Meeting of 15 May 2015;
2. Ratification of all acts and proceedings of the Board of Directors, acting within the scope of their delegated authority, during the year 2015-2016;
3. Election of the Board of Directors, including the two (2) Independent Directors for the year 2016-2017;

4. Appointment of the independent auditor and the grant of authority to the Directors to fix the independent auditors' remuneration; and
5. Per diem of the Directors.

The Minutes also provides a summary of the questions and answers during the Annual Meeting of the Stockholders of the Company held on 16 May 2016.

#### **Item 16. Matters Not Required to be Submitted**

There are no matters or actions to be taken up in the meeting which does not require a vote of the stockholders.

#### **Item 17. Other Proposed Action**

1. Ratification of all acts and proceedings of the Board of Directors during the year 2016-2017, acting within the scope of their delegated authority and adopted in the ordinary course of business involving:
  - a. Retirement of Mr. Aloysius Lee, and appointment of Mr. Tan Kian Seng as new director, Nomination Committee member, Chairman, and President of the Corporation, to fill-in the vacancy created by the retirement of Mr. Lee;
  - b. Appointment of Tan Kian Seng as a Group A signatory to all bank accounts of the Corporation and The Heritage Hotel Manila;
  - c. Extension of the Memorandum of Understanding between the Corporation and Lasseters Corporation Limited, in connection with the proposed lease of the Corporation's vacant space, which expired on 26 January 2017, to 31 March 2017;
  - d. Proposed lease of the Corporation's vacant space;
  - e. Amendment of the Charter of the Audit Committee of the Corporation;
  - f. Approval of the record date in connection with the Annual Stockholders' Meeting of the Corporation for 2017;
  - g. Approval of the documents relating to the nomination of candidates for the independent directors of the Corporation and the proposed timetable for the nomination process for the independent directors for 2016-2017;
  - h. Authority of the Corporation to use facsimile signatures of the President or Vice-President and the Corporate Secretary of the Corporation on the issuance of stock certificates to the various pre-need investors of Abundance Providers and Entrepreneurs Corporation;
  - i. Election / appointment of officers, including replacement officers, of the Company and The Heritage Hotel Manila for the year 2016-2017;
  - j. Opening of Philippine Peso Savings and Current Accounts, and US Dollar Savings Account with United Overseas Bank Limited - Manila Branch;

- k. Authority of Mr. Chito M. Balazo, to represent the Corporation in the filing of a case against Mr. Raoul Enrico R. Bacani of VYBE-MNL Events Management, Inc.;
  - l. and
  - m. Approval of quarterly reports of the Company during the year 2016 and the first quarter of 2017.
2. Ratification of the Renewal of the Management Agreement between Elite Hotel Management Services Pte. Ltd. (as Manager) and the Company (as Owner) for a term of five years from 1 January 2017 to 31 December 2021.
  3. Election of the Board of Directors, including the election of the two (2) Independent Directors.
  4. Election of the independent auditor and the grant of authority to the Board of Directors to fix the independent auditor' remuneration.
  5. Approval of the remuneration of the Directors.

**Item 18. Voting Procedures**

1. The actions to be taken at the annual stockholders' meeting shall require the vote of the stockholders representing at least a majority of the Company's outstanding capital stock, except for (i) the election of directors, which shall be determined by cumulative voting under the Corporation Code, and (ii) the ratification of the renewal of the Management Agreement, which must be approved by the stockholders of the Company owning at least two-thirds (2/3) of the total outstanding capital stock entitled to vote.
2. Each stockholder shall be entitled to vote in person and by proxy and, unless otherwise provided by law, he shall have one (1) vote for each share of stock entitled to vote and recorded in his name in the books of the Company.
3. Voting and counting of votes will be done by *viva voce*.
4. The Corporate Secretary shall be responsible to count and validate the votes.

**SIGNATURE PAGE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Taguig, Philippines, on APR 17 2017.

By:



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**YAM KIT SUNG**  
**General Manager / Compliance Officer –**  
**Grand Plaza Hotel Corporation**



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**MARIA CHRISTINA J. MACASAET-ACABAN**  
**Corporate Secretary**  
**Grand Plaza Hotel Corporation**

**WITNESSES:**

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