SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is Filed for the Year **2016**

2. Exact Name of Registrant as Specified in its Charter **Far Eastern University**

3. **Nicanor Reyes Sr. St. Sampaloc, Manila** Postal Code **1008**
   Address of Principal Office

4. SEC Identification Number **PW - 538**

5. (SEC Use Only)
   Industry Classification Code

6. BIR Tax Identification Number **000 - 225 - 442-000**

7. **(02) 735-5621**
   Issuer's Telephone number, including area code

8. .....
   Former name or former address, if changed from the last report

SUMMARY OF ACGR UPDATES AS OF JUNE 30, 2016

A. BOARD MATTERS
- ORIENTATION AND EDUCATION PROGRAM, pp. 20-21

B. CODE OF BUSINESS CONDUCT AND ETHICS
- RELATED PARTY TRANSACTIONS - Policies and Procedures, p. 28 – 29

C. BOARD MEETINGS & ATTENDANCE
- No Updates

D. REMUNERATION MATTERS
- No Updates

E. BOARD COMMITTEES
- Number of Members, Functions, and Responsibilities, pp. 38-41
- WORK DONE ISSUES ADDRESSED – AUDIT COMMITEE, p. 46

F. RISK MANAGEMENT SYSTEM
- RISK MANAGEMENT PHILOSOPHY, p. 47

G. INTERNAL AUDIT AND CONTROL
- No Updates

H. ROLE OF STAKEHOLDERS
- No Updates

I. DISCLOSURE AND TRANSPARENCY – No Updates
J. RIGHTS OF STOCKHOLDERS - No Updates
K. INVESTORS RELATION PROGRAM – No updates
L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES – No Updates
M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL – No Updates
N. INTERNAL BREACHES AND SANCTIONS – No updates

N.B. 1. Updates in blue font.

TABLE OF CONTENTS

A.	**BOARD MATTERS**……	**5**
1)	BOARD OF DIRECTORS……	5
	(a) Composition of the Board ……..	5
	(b) Directorship in Other Companies ……..	7
	(c) Shareholding in the Company ……..	9
2)	CHAIRMAN AND CEO……	10
3)	PLAN FOR SUCCESSION OF CEO/PRESIDENT & TOP KEY MANAGEMENT POSITIONS……..	11
4)	OTHER EXECUTIVE, NON-EXECUTIVE AND INDEPENDENT DIRECTORS……..	12
5)	CHANGES IN THE BOARD OF DIRECTORS……	13
6)	ORIENTATION AND EDUCATION PROGRAM……	18
B.	**CODE OF BUSINESS CONDUCT & ETHICS** ……	22
1)	POLICIES……	22
2)	DISSEMINATION OF CODE……	26
3)	COMPLIANCE WITH CODE……..	26
4)	RELATED PARTY TRANSACTIONS……	27
	(a) Policies and Procedures ……..	27
	(b) Conflict of interest ……	28
5)	FAMILY, COMMERCIAL AND CONTRACTUAL RELATIONS……	29
6)	ALTERNATIVE DISPUTE RESOLUTION……	30
C.	**BOARD MEETINGS & ATTENDANCE**……	**30**
1)	SCHEDULE OF MEETINGS……	30
2)	DETAILS OF ATTENDANCE OF DIRECTORS……..	30
3)	SEPARATE MEETING OF NON-EXECUTIVE DIRECTORS……	30
4)	QUORUM REQUIREMENTS FOR BOARD DECISIONS ……..	31
5)	ACCESS TO INFORMATION……	31
6)	EXTERNAL ADVICE……	32
7)	CHANGES IN EXISTING POLICIES……	33
D.	**REMUNERATION MATTERS……**	**33**
1)	REMUNERATION PROCESS……	33
2)	REMUNERATION POLICY AND STRUCTURE FOR DIRECTORS……	34
3)	AGGREGATE REMUNERATION ……	35
4)	STOCKRIGHTS, OPTIONS AND WARRANTS……	36
5)	REMUNERATION OF MANAGEMENT……	36
E.	**BOARD COMMITTEES……**	**37**
1)	NUMBER OF MEMBERS, FUNCTIONS AND RESPONSIBILITIES……..	37
2)	COMMITTEE MEMBERS……	40
3)	CHANGES IN COMMITTEE MEMBERS……	43
4)	WORK DONE AND ISSUES ADDRESSED……	44
5)	COMMITTEE PROGRAM……	45

F. **RISK MANAGEMENT SYSTEM……..** **46**
1) DISCLOSURES …….. 46
2) RISK POLICY……... 47
3) CONTROL SYSTEM SET-UP…… 49
G. **INTERNAL AUDIT AND CONTROL……** **52**
1) STATEMENT ON EFFECTIVENESS OF INTERNAL CONTROL SYSTEM ……. 52
2) INTERNAL AUDIT ……. 53
(a) Role, Scope and Internal Audit Function ……. 53
(b) Appointment/Removal of Internal Auditor ……. 53
(c) Reporting Relationship with the Audit Committee ……. 53
(d) Resignation, Re assignment and Reasons ……. 54
(e) Progress against Plans, Issues, Findings and Examination Trends …… 54
(f) Audit Control Policies and Procedures ……. 55
(g) Mechanisms and Safeguards ……. 55

H. **ROLE OF STAKEHOLDERS……** **58**
1) DISCLOSURE OF COMPANY'S POLICY AND ACTIVITIES…….. 58
2) SEPARATE CORPORATE RESPONSIBILITY…….. 61
3) PERFORMANCE-ENHANCING MECHANISMS FOR EMPLOYEE PARTICIPATION ……. 61
4) COMPANY'S PROCEDURE FOR HANDLING COMPLAINTS BY EMPLOYEES ……. 63

I. **DISCLOSURE AND TRANSPARENCY……..** **64**
1) OWNERSHIP STRUCTURE …… 64
2) ANNUAL REPORT DISCLOSURE…… 64
3) EXTERNAL AUDITOR'S FEE…… 65
4) MEDIUM OF COMMUNICIATIONS…….. 65
5) DATE OF LATEST RELEASE OF AUDITED FINANCIAL REPORT …… 65
6) COMPANY WEBSITE…….. 65
7) DISCLOSURE OF RPT…… 66

J. **RIGHTS OF STOCKHOLDERS……..** **67**
1) RIGHT TO PARTICIPATE AND VOTE IN ANNUAL/SPECIAL STOCKHOLDERS' MEETING…….. 68
2) COMPANY POLICY ON SHAREHOLDERS' PARTICIPATION IN CORPORATE DECISIONS……. 68
3) DATE OF SENDING OF NOTICES AND ANNUAL/SPECIAL STOCKHOLDERS' MEETING…….. 69
4) QUESTIONS AND ANSWERS DURING THE ANNUAL/SPECIAL STOCKHOLDERS' MEETING…….. 69
5) RESULT OF ANNUAL/SPECIAL STOCKHOLDERS' MEETING RESOLUTIONS…….. 70
6) PUBLISHING OF THE RESULTS OF VOTES FOR ALL RESOLUTIONS…….. 71
7) TREATMENT OF MINORITY STOCKHOLDERS.…… 74

K. **INVESTORS RELATIONS PROGRAM……** **74**
1) COMPANY'S EXTERNAL & INTERNAL COMMUNICATIONS POLICIES…….. 74
2) COMPANY'S INVESTOR RELATIONS PROGRAM …… 75
3) COMPANY'S RULES & PROCEDURES GOVERNING ON CORPORATE CONTROL…….. 75

L. **CORPORATE SOCIAL RESPONSIBILITY INITIATIVES……..** **75**
M. **BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL……..** **87**
N. **INTERNAL BREACHES AND SANCTIONS……** **88**

A.BOARD MATTERS

1) **Board of Directors**

Number of Directors per Articles of Incorporation	9

Actual number of Directors for the year	9

(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
Lourdes R. Montinola	NED	None	Sr. Victorina D. Palanca	06/1989	08/22/2015	Annual	26
Aurelio R. Montinola, III	ED		Sr. Victorina D. Palanca	06/1989	08/22/2015	Annual	26
Michael M. Alba	ED		Sr. Victorina D. Palanca	10/2012	08/22/2015	Annual	3
Angelina P. Jose	ED		Sr. Victorina D. Palanca	06/1990	08/22/2015	Annual	25
Paulino Y. Tan	NED		Sr. Victorina D. Palanca	06/1991	08/22/2015	Annual	24
Antonio R. Montinola	ED		Sr. Victorina D. Palanca	08/2012	08/22/2015	Annual	3
Sherisa P. Nuesa	ID		No Relationship	08/2010 as ID	08/22/2015 [Served as ID for 3 Yrs & 7 mos from Jan 2012]	Annual	5
Edilberto C. De Jesus	ID		No Relationship	08/2012 as ID	08/22/2015 [Served as ID for 3 Yrs from Aug 2012]	Annual	3
Robert F. Kuan	ID		No Relationship	09/2004 as ID	08/22/2015 [Served as ID for 3 Yrs and 7 mos from Jan 2012]	Annual	11

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

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

The corporate governance policies adopted by FEU (or the University) are embodied in the FEU Amended Revised Manual on Corporate Governance which was approved by the Board of Trustees on July 15, 2014 and the FEU Code of Business Conduct and Ethics. The University firmly believes that good corporate governance is necessary to achieve its corporate goals. The Board of Trustees (the Board or BOT) as the governing body of the corporation has adopted a management style of transparency and participative leadership that is open to ideas but employs only sound business practices to achieve its corporate objectives.

BOARD RESPONSIBILITIES

It is the Board's responsibility to foster the long-term success of the University, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders and other stakeholders and the public it serves, especially as an educational institution.

DISCLOSURE AND TRANSPARENCY

The essence of corporate governance is transparency. The more transparent the internal works of the organization are, the more difficult it will be for Management and dominant stockholders to mismanage the organization or misappropriate its assets. It is therefore essential that all material information about the University which could adversely affect its viability or the interests of the stockholders and other stakeholders should be publicly and timely disclosed. Such information should include, among others, earning results, acquisition or disposition of assets, off balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board and Management. The Board shall therefore commit at all times to full disclosure of material information dealings. It shall cause the filing of all required information through the appropriate Exchange mechanisms for listed companies and submissions to the Securities and Exchange Commission for the interest of its stockholders and other stakeholders.

STOCKHOLDER'S RIGHTS AND PROTECTION OF MINORITY STOCKHOLDER'S INTERESTS

The Board shall respect the rights of the stockholders as provided for in the Corporation Code, namely:

a) Right to vote on all matters that requires their consent or approval;
b) Pre-emptive right to all stock issuances of the corporation;
c) Right to inspect corporate books and records;
d) Right to information;
e) Right to dividends; and
f) Appraisal right.

The Board shall be transparent and fair in the conduct of the annual and special stockholders' meeting of the corporation and shall encourage stockholders to personally attend such meetings.

It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights.

The Board shall give the minority stockholders the right to propose the holding of meetings and the items for discussion that relate directly to the business of the University.

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

The Board reviews the University's vision and mission statements at least on an annual basis, and approves any changes therein as necessary.

(d) Directorship in Other Companies

(i) Directorship in the Company's Group[2]

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

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Lourdes R. Montinola	FERN Realty Corporation Far Eastern College – Silang, Inc.	Non-Executive (Chairman) Non-Executive (Chairman)
Aurelio R. Montinola, III	East Asia Computer Center, Inc. FEU High School, Inc.	Non-Executive (Chairman) Non-Executive (Chairman)
Michael M. Alba	East Asia Computer Center, Inc. Far Eastern College – Silang, Inc. FEU High School, Inc. FEU – Alabang, Inc.	Executive (President) Executive (President) Executive (President) Executive (President)
Angelina P. Jose	FERN Realty Corporation Far Eastern College – Silang, Inc. FEU – Alabang, Inc.	Non-Executive Executive (Secretary) Non-Executive
Paulino Y. Tan	FERN Realty Corporation Far Eastern College – Silang East Asia Computer Center, Inc. FEU – Alabang, Inc. FEU High School, Inc.	Non-Executive Non-Executive Non-Executive (Vice-Chair) Non-Executive Non-Executive
Antonio R. Montinola	FERN Realty Corporation Far Eastern College – Silang, Inc. Juliana Management Co., Inc.	Executive (President) Non-Executive (Vice Chair) Executive (President)
Sherisa P. Nuesa	FERN Realty Corporation East Asia Computer Center, Inc.	Independent Independent
Robert F. Kuan	Far Eastern College – Silang, Inc.	Independent (until October 25, 2015)

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group:

[2] The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Aurelio R. Montinola, III	Bank of the Philippine Islands	Non-Executive
Robert F. Kuan	China Banking Corporation	Independent
Sherisa P. Nuesa	Manila Water Company, Inc.	Independent

(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

Director's Name	Name of the Significant Shareholder	Description of the relationship
Lourdes R. Montinola	Seyrel Investments and Realty Corporation Desrey, Inc.	President President
Aurelio R. Montinola, III	Seyrel Investments and Realty Corporation Desrey, Inc.	Chairman Chairman
Antonio R. Montinola	Seyrel Investments and Realty Corporation Desrey, Inc.	1st Vice President 1st Vice President

The Chairperson, Dr. Lourdes R. Montinola, is the mother of Mr. Aurelio R. Montinola, III and Mr. Antonio R. Montinola, all of whom are members of the Board of Trustees. Likewise, Dr. Montinola is the mother of Atty. Gianna R. Montinola, Vice President for Corporate Affairs, and Mr. Juan Miguel R. Montinola, Chief Finance Officer.

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

The University has not set a fixed limit on the number of board seats in other companies that an individual Trustee or the CEO may hold simultaneously because such fixed limit may not give due regard to differences in individual capabilities and nature of directorships; instead, qualitative factors are assessed and taken into consideration in allowing whether a Trustee or the CEO may hold board seat in other company. The FEU Amended Revised Manual on Corporate Governance provided guidelines in order to ensure that individual Trustees and the CEO, who hold board seats in other companies, can diligently and efficiently perform their duties and responsibilities to the University.

Applying the University's guidelines, none of the Trustees and the CEO holds more than five (5) board seats in other listed companies.

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	Per FEU Amended Revised Manual on Corporate Governance: The Board has adopted a qualitative guideline on the number of directorships that its members can hold in stock and non-stock corporations. The optimum number takes into consideration the capacity of a Trustee to diligently and efficiently perform his duties and responsibilities. The Chief Executive Officer ("CEO") and other executive trustees may be covered by a lower indicative limit for membership in other boards. A similar limit may apply to independent or non-executive Trustees who, at the same time, serve as full-time executives in other corporations. In any case, the capacity of the Trustees to diligently and efficiently perform their duties and responsibilities to the board they serve should not be compromised.	Please see the standard described in the second column on the left under Guidelines.
Non-Executive Director		Please see the standard described in the second column on the left under Guidelines.
CEO		Please see the standard described in the second column on the left under Guidelines.

(c) **Shareholding in the Company**

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

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Lourdes R. Montinola	7,962	4,513,389 / Through Seyrel Investment & Realty Corporation, Desrey, Inc. and ZARE, Inc.	27.44034%
Aurelio R. Montinola, III	313,812	436,374 / Through Seyrel Investment & Realty Corporation, Desrey, Inc., ZARE, Inc and DERRC, Inc.	4.55292%
Michael M. Alba	1		0.00001%
Angelina P. Jose	531,873		3.22797%
Paulino Y. Tan	1		0.00001%
Antonio R. Montinola	72,412	401,468 / Through Seyrel Investment & Realty Corporation, Desrey, Inc., ZARE, Inc and DERRC, Inc.	2.87600%
Sherisa P. Nuesa	1,521		0.00923%
Robert F. Kuan	1		0.00001%
Edilberto C. De Jesus	227		0.00138%
TOTAL	**927,810**	**5,351,231**	**38.10786%**

2) **Chairman and CEO**

(a) **Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.**

Yes [ ] No [X]

The combined Chairman and CEO position has not negatively affected the quality of discussions at the Board meetings. Among the checks and balances laid down to ensure that the Board gets the benefit of independent views are:

(1) The President, who also serves as the Chief Operating Officer (COO), is also a member of the Board of Trustees. This ensures that there is another distinct executive officer other than the Chairman/CEO who participates in the functions of the Board of Trustees.

(2) Only four of the nine directors are executive directors;

(3) Three of the nine directors are independent directors; and

(4) There are committees (Audit, Corporate Governance, Risk Management, Nomination and Compensation) which assist the Board of Trustees in good corporate governance. Audit, Corporate Governance, Risk Management and Nomination Committees are chaired by independent directors

Identify the Chair and CEO:

Chairman of the Board	Aurelio R. Montinola, III
Chief Executive Officer	Aurelio R. Montinola, III
President/Chief Operating Officer	Michael M. Alba

(b) **Roles, Accountabilities and Deliverables**

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

	Chairman	Chief Executive Officer	President/COO
Role	The head of the Board of Trustees	Chief Executive Officer	Chief Operating Officer
Accountabilities	● Preside at all meetings of the stockholders and trustees; ● Ensure that the meetings of the Board are held in accordance with the by-laws or as the Chairman may deem necessary; ● Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, COO, Management and the trustees; and ● Maintain qualitative and timely lines of communication and information between the Board and Management	● See to it that all resolutions of the Board are duly carried out ● Exercise general supervision over the corporate affairs of the University ● Direct and administer the financial and administrative affair of the University	Direct and administer the academic affairs of the University
Deliverables	Attainment of corporate goals set	Execute and implement company policies set by the Board	Ensure effective and efficient operations in line with the corporate goals and objectives of the University

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

As set forth in the University's **Amended Revised Manual on Corporate Governance**, the Board's Nomination Committee reviews and evaluates the qualifications of all persons nominated by the Board and of other appointments that require Board approval[3].

Prospective candidates for key management positions undergo relevant trainings including executive-level seminars, practical applications through close supervision and participative leadership in preparation for their assumption of their respective duties and responsibilities in the University.

Based on circumstances or as the need arises, candidates for the position of the President and other key management

[3] See Amended Revised Manual on Corporate Governance, Item No. 4 BOARD GOVERNANCE, *(J) Board Committees (b.)*

officers may also be sourced from outside the organization.

4) **Other Executive, Non-Executive and Independent Directors**

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

Yes. As embodied in the University's **Amended Revised Manual on Corporate Governance**[4], the following additional qualifications are required other than the qualifications provided under the Corporation Code, Securities Regulation Code and other relevant laws:

1. College education or equivalent academic degree;
2. Practical understanding of the business of the corporation;
3. Membership in good standing in relevant industry, business or professional organizations; and
4. Previous business experience

Item nos. 1, 3 and 4 above promotes diversity or different trainings and experiences of the members of the Board involving educational or academic training, professional and business affiliations and work experience. Board members have varied industry and educational backgrounds as can be seen in the profile of the Board of Trustees shown in the FEU Annual Report.

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

Yes. The University ensures that at least one Non-Executive Trustee has an experience in the education sector or industry. For the current year, the University has as its trustees Robert F. Kuan and Paulino Y. Tan who was currently a member of the Board and a President, respectively, of other educational institutions. Further, Edilberto C. De Jesus was also a former President of the University and a former Secretary of the country's Department of Education.

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

	Executive	Non-Executive	Independent Director
Role	1) Sets corporate goals, both short-term and long-term;	1) Sets corporate goals, both short term and long term;	1) Sets corporate goals, both short term and long term;
Accountabilities	2) Formulates policies for the attainment of corporate set goals;	2) Formulates policies for the attainment of corporate set goals	2) Formulates policies for the attainment of corporate set goals;
Deliverables	3) Executes and implements policies and procedures for the attainment of corporate goals		3) Protects the interest of minority stockholders

[4] See Amended Revised Manual on Corporate Governance, Item No. 4 BOARD GOVERNANCE*, (D) Qualification of Trustees*

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

The University defines **independence as –** a state of being free from any business relationship which could, or could reasonably be perceived to, materially interfere with the exercise of independent judgment in carrying out responsibilities.

In relation to independent directors, the FEU **Amended Revised Manual on Corporate Governance** defines an independent trustee as – "a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a trustee". Further, FEU's **By Laws** provides that an independent trustee who becomes an officer shall be automatically disqualified from being an independent trustee.

Does the company have a term limit of five consecutive years for independent directors?

Effective January 2, 2012, the University adheres to the five (5) consecutive years term limit for its Independent Trustees in accordance with SEC Memorandum Circular No. 9 Series of 2011.

If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

As stated in the immediately preceding item, the University observes the requirement of SEC Memorandum Circular No. 9 Series of 2011. Accordingly, an Independent Trustee may be re-elected and serve for another five (5) consecutive years in the University's Board after the two-year "cooling off" period.

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	Not applicable	Not applicable	Not applicable

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

Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors (ii) Non-Executive Directors	**Per FEU By Laws on nomination of trustees/independent trustees:** **A.** The Nomination Committee with four (4) members, one of whom is an Independent Trustee, shall promulgate the guidelines or criteria to govern the conduct of the nomination. The same shall be properly	**Per FEU By Laws:** 1. Holder of at least 1 share of stock of FEU 2. At least a college graduate or have sufficient experience in managing the business 3. At least 21 years old 4. Have proven to possess integrity and probity 5. Shall be assiduous

(iii) Independent Directors	disclosed in the University's information or proxy statement or such other reports required to be submitted to the Commission. **B.** Nomination of Independent Trustees shall be conducted by the Committee prior to a stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees. **C.** The Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for Independent Trustee/s. **D.** After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent trustees, as required under Part IV (A) and (C) of Annex "C" of SRC Rule 12, which list shall be made available to the Commission (SEC) and to all stockholders through the filing and distribution of the Information Statement in accordance with SRC Rule 20, or in such other reports the University is required to submit to the Commission. The name of the person or group of persons who recommended the nomination of the Independent Trustee shall be identified in such report including any relationship with the nominee. **E.** Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Trustee/s. No other nominations shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders' / memberships' meeting. **F.** Actual Election of Independent Trustee/s	**Per FEU Amended Revised Manual on Corporate Governance:** In addition to the qualifications for membership in Board provided for in the Corporation Code, Securities Regulation Code and other relevant laws, the Board may provide for additional qualifications which include, among others, the following: ● College education or equivalent academic degree; ● Practical understanding of the business of the corporation; ● Membership in good standing in relevant industry, business or professional organizations; and ● Previous business experience
b. Re-appointment		
(i) Executive Directors	Same as the Selection/Appointment process	Same as the Selection/Appointment criteria
(ii) Non-Executive Directors		

(iii) Independent Directors		
c. Permanent Disqualification		
(i) Executive Directors	**Per FEU Amended Revised Manual on Corporate Governance and/or FEU By Laws** Any of the Trustees shall be subject to permanent disqualification by order of the Chairman of the Board in writing, subject to the subsequent action of the Board of Trustees.	**Per FEU Amended Revised Manual on Corporate Governance and/or FEU By Laws** **A.** Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them; **B.** Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities. The disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code, or any other law administered by the Commission or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization; **C.** Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude,
(ii) Non-Executive Directors		
(iii) Independent Directors		

		fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts; **D.** Any person who has been adjudged by final judgment or order of the Commission, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporate Code, Securities Regulation Code or any other law administered by the Commission or BSP, or any of its rule, regulation or order; **E.** Any person earlier elected as Independent Trustee who becomes an Officer, employee or consultant of the same corporation (the University); **F.** Any person judicially declared as insolvent; **G.** Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in sub-paragraphs (a) to (e) above; **H.** Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.
d. Temporary Disqualification		
(i) Executive Directors	**Per FEU Amended Revised Manual on Corporate Governance and/or FEU By Laws** Any of the Trustees shall be subject to temporary disqualification by order of the Chairman of the Board in writing, subject to the subsequent action of the Board of Trustees.	**Per FEU Amended Revised Manual on Corporate Governance and/or FEU By Laws** **A.** Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists.

(ii) Non-Executive Directors (iii) Independent Directors		**B.** 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 succeeding election. **C.** Dismissal or termination for cause as Director/Trustee of any corporation. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination. **D.** If the beneficial equity ownership of an Independent Trustee in the University or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with. **E.** If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final. **F. Being under preventive suspension by FEU.** **G. If the independent trustee becomes an officer or employee of the same corporation he shall be automatically disqualified from being an independent trustee.**
e. Removal		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	**Per FEU By Laws** Any of the Trustees shall be subject to removal by order of the Chairman of the Board in writing, subject to the subsequent action of the Board of Trustees.	**Per FEU By Laws** All the Trustees shall be subject to removal by resolution of the Board at any time, with or without cause, provided a majority of the Board shall vote in favor thereof.
f. Re-instatement		
(i) Executive Directors (ii) Non-Executive Directors	Same as Selection/Appointment and Re-appointment process	Same as Selection/Appointment and Re-appointment criteria

(iii) Independent Directors		
g. Suspension		
(i) Executive Directors	Any of the Trustees shall be subject to preemptory suspension by a written order of the Chairman of the Board, subject to the subsequent action of the Board of Trustees.	Any of the Trustees of the University shall be subject to suspension by a valid written resolution of the Board, at any time, with or without cause, provided a majority of the Board shall vote in favor thereof.
(ii) Non-Executive Directors		
(iii) Independent Directors		

Voting Result of the last Annual General Meeting

Name of Trustee	Number of shares abstained	Number of shares not voting in favor	Number of shares voting in favor
Lourdes R. Montinola	508	0	14,008,510
Aurelio R. Montinola, III	508	0	14,008,510
Michael M. Alba	508	0	14,008,510
Angelina P. Jose	508	0	14,008,510
Paulino Y. Tan	508	0	14,008,510
Antonio R. Montinola	508	0	14,008,510
Sherisa P. Nuesa	508	0	14,008,510
Edilberto C. de Jesus	508	0	14,008,510
Robert F. Kuan	508	0	14,008,510

6) **Orientation and Education Program**

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

Newly elected Trustees are required to attend a seminar on Corporate Governance which is to be conducted by an accredited provider/organization. Most of the seminars and trainings attended by the University's Trustees are conducted by the Institute of Corporate Directors (ICD).

(b) **State any in-house training and external courses attended by Directors and Senior Management[5] for the past three (3) years:**

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Aurelio R. Montinola, III	March 29, 2016	Seminar on Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
	February 18, 2015	Orientation Course for Corporate Governance	Institute of Corporate Directors
	February 4, 2014	Corporate Governance and Risk Management Summit	Institute of Corporate Directors
Michael M. Alba	September 29, 2015	Seminar on Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
	April 29, 2014	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors
	November 16, 2012	Corporate Governance and Anti-Money Laundering Act Seminar	Philippine Securities Consultancy Corporation
Angelina P. Jose	March 29, 2016	Seminar on Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
	April 8, 2015	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors
	April 29, 2014	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors
	March 26, 2013	ASEAN CG Scorecard Information Briefing	Institute of Corporate Directors
Antonio R. Montinola	March 5, 2015	Orientation Course for Corporate Governance	Institute of Corporate Directors
Paulino Y. Tan	April 8, 2015	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors
	November 21, 2014	Seminar on Corporate Governance	SGV and Co.
Sherisa P. Nuesa	March 8, 2016	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors
	February 18, 2015	Orientation Course for Corporate Governance	Institute of Corporate Directors

[5] Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

	February 4, 2014	Corporate Governance and Risk Management Summit	Institute of Corporate Directors
Edilberto C. De Jesus	January 26, 2015	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors
Roberto F. Kuan	June 3, 2015	Orientation Course for Corporate Governance	Institute of Corporate Directors
	January 8, 2014	Exclusive Corporate Governance Workshop	Institute of Corporate Directors
Gianna R. Montinola	March 5, 2015	Orientation Course for Corporate Governance	Institute of Corporate Directors
	April 29, 2014	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors
Juan Miguel R. Montinola	June 10, 2016	Seminar on Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
	September 29, 2015	Seminar on Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
	April 29, 2014	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors
Maria Teresa Trinidad P. Tinio	June 10, 2016	Seminar on Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
	September 29, 2015	Seminar on Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
	May 19, 2014	Corporate Governance Seminar	Philippine Securities Consultancy Corporation
Rosanna E. Salcedo[6]	March 29, 2016	Seminar on Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
	May 29, 2015	Seminar on Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.

[6] Ms. Rosanna E. Salcedo has been appointed as Treasurer effective September 15, 2014.

[7] Mr. Rogelio C. Ormilon, Jr. has been appointed as Compliance Officer effective September 21, 2015.

	October 28, 2014	Seminar on Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Glenn Z. Nagal	November 20, 2014	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors
Rudy M. Gaspillo	September 29, 2015	Seminar on Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Myrna P. Quinto	June 10, 2016	Seminar on Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
	March 5, 2015	Orientation Course for Corporate Governance	Institute of Corporate Directors
Rogelio C. Ormilon, Jr.[7]	June 10, 2016	Seminar on Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
	December 17, 2015	Corporate Governance Seminar	Philippine Corporate Enhancement and Governance, Inc.
	October 15, 2015	SEC-PSE Corporate Governance Forum	Manila Business Club
Renato L. Serapio[8]	June 10, 2016	Seminar on Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
	September 29, 2015	Seminar on Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.

(c) **Continuing education programs for directors: programs and seminars and round tables attended during the year.**

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Dr. Lourdes R. Montinola	March 29, 2016	Seminar on Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
	September 29, 2015	Seminar on Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Mr. Aurelio R. Montinola, III	March 29, 2016	Seminar on Corporate Governance	Risks, Opportunities, Assessment and Management

[8] Mr. Renato L. Serapio has been appointed as Vice President for Human Resources Development effective October 1, 2015.

			(ROAM), Inc.
	February 18, 2015	Orientation Course for Corporate Governance	Institute of Corporate Directors
Mr. Antonio R. Montinola	March 5, 2015	Orientation Course for Corporate Governance	Institute of Corporate Directors
Dr. Michael M. Alba	September 29, 2015	Seminar on Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Ms. Angelina P. Jose	March 29, 2016	Seminar on Corporate Governance	Risks, Opportunities, Assessment and Management (ROAM), Inc.
	April 8, 2015	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors
Dr. Paulino Y. Tan	April 8, 2015	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors
Ms. Sherisa P. Nuesa	February 18, 2015	Orientation Course for Corporate Governance	Institute of Corporate Directors
Dr. Edilberto C. De Jesus	January 26, 2015	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors
Mr.Robert F. Kuan	January 8, 2014	Exclusive Corporate Governance Workshop	Institute of Corporate Directors

B. CODE OF BUSINESS CONDUCT & ETHICS

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

Business Conduct & Ethics	Directors	Senior Management	Employees

(a) Conflict of Interest	If an actual or potential conflict of interest may arise, a Trustee should fully and immediately disclose it and should not participate in the decision-making process. A Trustee who has a continuing material conflict of interest with the University should seriously consider resigning from his post. A conflict of interest shall be considered material if the Trustee's personal or business interest is antagonistic to that of the University or stands to gain financial advantage at the expense of the University. *Implementing policy: FEU Code of Business Conduct and Ethics Policy posted in FEU website.*	If an actual or potential conflict of interest may arise, a Senior Manager should fully and immediately disclose it and should not participate in the decision-making process. A Senior Manager who has a continuing material conflict of interest with the University should seriously consider resigning from his post. A conflict of interest shall be considered material if the Senior Manager's personal or business interest is antagonistic to that of the University or stands to gain financial advantage at the expense of the University. *Implementing policy: FEU Code of Business Conduct and Ethics Policy posted in FEU website.*	If an actual or potential conflict of interest may arise, an employee should fully and immediately disclose it and should not participate in the decision-making process. An employee who has a continuing material conflict of interest with the University should seriously consider resigning from his post. A conflict of interest shall be considered material if the employee's personal or business interest is antagonistic to that of the University or stands to gain financial advantage at the expense of the University. *Implementing policy: FEU Code of Business Conduct and Ethics Policy posted in FEU website.*
(b) Conduct of Business and Fair Dealings	The basic principle to observe is that a Trustee should not use his position to profit or gain some benefit or advantage for himself and/or his related interest. He should avoid situations that may compromise his impartiality. *Implementing policy: FEU Code of Business Conduct and Ethics Policy posted in FEU website.*	The basic principle to observe is that a Senior Manager should not use his position to profit or gain some benefit or advantage for himself and/or his related interest. He should avoid situations that may compromise his impartiality. *Implementing policy: FEU Code of Business Conduct and Ethics Policy posted in FEU website.*	The basic principle to observe is that an employee should not use his position to profit or gain some benefit or advantage for himself and/or his related interest. He should avoid situations that may compromise his impartiality. *Implementing policy: FEU Code of Business Conduct and Ethics Policy posted in FEU website.*
(c) Receipt of gifts from third parties	Receipt of gifts, of significant value, from third parties especially with business dealings with the University is strictly prohibited as it may compromise a Trustee's impartiality. *Implementing policy: FEU Code of Business Conduct and Ethics Policy posted in FEU website.*	Receipt of gifts, of significant value, from third parties especially with business dealings with the University is strictly prohibited as it may compromise a Senior Manager's impartiality. *Implementing policy: FEU Code of Business Conduct and Ethics Policy posted in FEU website.*	Receipt of gifts, of significant value, from third parties especially with business dealings with the University is strictly prohibited as it may compromise an employee's impartiality. *Implementing policy: FEU Code of Business Conduct and Ethics Policy posted in FEU website.*
(d) Compliance with Laws and Regulations	As a listed corporation, the University as well as its Trustees and Officers are strictly enjoined to faithfully comply with all applicable laws, rules and regulations. *Implementing policy: FEU Code*	As a listed corporation, the University, as well as its Senior Managers, is strictly enjoined to faithfully comply with all applicable laws, rules and regulations. *Implementing policy: FEU Code*	As a listed corporation, the University, as well as its employees, is strictly enjoined to faithfully comply with all applicable laws, rules and regulations. *Implementing policy: FEU*

	of Business Conduct and Ethics Policy posted in FEU website.	*of Business Conduct and Ethics Policy posted in FEU website.*	*Code of Business Conduct and Ethics Policy posted in FEU website.*
(e) Respect for Trade Secrets/Use of Non-public Information	A Trustee should keep secure and confidential all non-public information he may acquire as a Trustee. He should not reveal confidential information to unauthorized persons without the authority / permission of the Board. *Implementing policy: FEU Code of Business Conduct and Ethics Policy posted in FEU website.*	A Senior Manager should keep secure and confidential all non-public information he may acquire as a Senior Manager. He should not reveal confidential information to unauthorized persons without the authority / permission of the Board. *Implementing policy: FEU Code of Business Conduct and Ethics Policy posted in FEU website.*	An employee should keep secure and confidential all non-public information he may acquire as an employee. He should not reveal confidential information to unauthorized persons without the authority / permission of the Board. *Implementing policy: FEU Code of Business Conduct and Ethics Policy posted in FEU website.*
(f) Use of Company Funds, Assets and Information	Corporate funds and assets should be used effectively and exclusively for business related activities only. Corporate information shall, likewise, be used for the exclusive benefit of the University. *Implementing policy: FEU Code of Business Conduct and Ethics Policy posted in FEU website.*	Corporate funds and assets should be used effectively and exclusively for business related activities only. Corporate information shall, likewise, be used for the exclusive benefit of the University. *Implementing policy: FEU Code of Business Conduct and Ethics Policy posted in FEU website.*	Only employees duly authorized, directly or by delegation, shall have custody of funds or property belonging or entrusted to the University. Employees are required to exercise due diligence and care in handling thereof. Publication, circulation, or divulging of matters classified by the University as confidential is considered inimical to the interest of the University. *Implementing policy: FEU Code of Business Conduct and Ethics Policy posted in FEU website.*
(g) Employment & Labor Laws and Policies	The University and its Trustees and Officers are strictly enjoined to comply with all applicable labor laws, rules and regulations including employment and labor laws and policies. *Implementing policy: FEU Code of Business Conduct and Ethics Policy posted in FEU website.*	The University and its Senior Managers are strictly enjoined to comply with all applicable labor laws, rules and regulations including employment and labor laws and policies. *Implementing policy: FEU Code of Business Conduct and Ethics Policy posted in FEU website.*	The University has Human Resources Manual that stipulates the policies and procedures governing people management. Such policies and procedures are compliant with labor laws and policies. *Implementing policy: FEU Code of Business Conduct and Ethics Policy posted in FEU website.*

(h) Disciplinary action	While positive approach is still the best approach, it is nevertheless, necessary to impose disciplinary actions as deterrent to fraud and other misdeeds. *Implementing policy: FEU Code of Business Conduct and Ethics Policy posted in FEU website.*	The FEU Code of Conduct sets the norm of conduct to be observed by all FEU employees including all Managers, while within the University premises or while engaged in the discharge and performance of their official functions. The Code of Conduct also provides a guide to the University in imposing corrective actions to employees found guilty of offenses with which an employee is charged. *Implementing policy: FEU Code of Business Conduct and Ethics Policy posted in FEU website.*	The FEU Code of Conduct sets the norm of conduct to be observed by all FEU employees while within the University premises or while engaged in the discharge and performance of their official functions. The Code of Conduct also provides a guide to the University in imposing corrective actions to employees found guilty of offenses with which an employee is charged. *Implementing policy: FEU Code of Business Conduct and Ethics Policy posted in FEU website.*
(i) Whistle Blower	The University encourages responsible whistle blowers the opportunity to raise valid concerns that directly affect the company and gives them adequate protection. On the other hand, irresponsible and indiscriminate accusations are netted the corresponding sanctions. *Implementing policy: FEU Whistle Blowing Policy posted in FEU website*	The University encourages responsible whistle blowers the opportunity to raise valid concerns that directly affect the company and gives them adequate protection. On the other hand, irresponsible and indiscriminate accusations are netted the corresponding sanctions. *Implementing policy: FEU Whistle Blowing Policy posted in FEU website*	The University encourages responsible whistle blowers the opportunity to raise valid concerns that directly affect the company and gives them adequate protection. On the other hand, irresponsible and indiscriminate accusations are netted the corresponding sanctions. *Implementing policy: FEU Whistle Blowing Policy posted in FEU website*

(j) Conflict Resolution	Conflicts and issues are resolved through conciliation meetings. *Implementing policy: FEU Conflict of Interest Policy posted in FEU website.*	The University resolves conflicts/issues through: - Conduct of Audit - Ad Hoc Committees for administrative cases - Committee on Sexual Harassment and Decorum - Conciliation Meetings with Human Resources Department (HRD) - Department Meetings *Implementing policy: FEU Conflict of Interest Policy posted in FEU website.*	The University resolves conflicts / issues through: - Labor Management Committee Meetings - Grievance Committee and Procedure - Conduct of Audit - Ad Hoc Committees for administrative cases - Committee on Sexual Harassment and Decorum - Conciliation Meetings with the Human Resources Department (HRD) - Department Meetings *Implementing policy: FEU Conflict of Interest Policy posted in FEU website.*
(k) Insider Trading	Trustees, officers and employees who have a direct or indirect knowledge of material facts or changes in the affairs of the Corporation which have not been disclosed to the public, including any information likely to affect the market price of the Corporation's shares are restricted to buy or sell Far Eastern University (FEU) shares during the following period: a) Ten (10) trading days before and three (3) trading days after the disclosure of quarterly and annual financial results; and b) Three (3) trading days before and three (3) trading days after the disclosure of any material information other than the above.	Trustees, officers and employees who have a direct or indirect knowledge of material facts or changes in the affairs of the Corporation which have not been disclosed to the public, including any information likely to affect the market price of the Corporation's shares are restricted to buy or sell Far Eastern University (FEU) shares during the following period: a) Ten (10) trading days before and three (3) trading days after the disclosure of quarterly and annual financial results; and b) Three (3) trading days before and three (3) trading days after the disclosure of	Trustees, officers and employees who have a direct or indirect knowledge of material facts or changes in the affairs of the Corporation which have not been disclosed to the public, including any information likely to affect the market price of the Corporation's shares are restricted to buy or sell Far Eastern University (FEU) shares during the following period: a) Ten (10) trading days before and three (3) trading days after the disclosure of quarterly and annual financial results; and b) Three (3) trading days before and three (3) trading days after the disclosure of

	Said trustees, officers and employees shall not also be allowed to communicate such information to any person during the above period of time to prevent others from taking advantage of the said material non-public information. Sanctions: Violators shall be subject to disciplinary action without prejudice to any civil or criminal proceedings that the corporation or regulators may file for violation of existing laws. *Implementing policy: FEU Insider Trading Policy posted in FEU website.*	any material information other than the above. Said trustees, officers and employees shall not also be allowed to communicate such information to any person during the above period of time to prevent others from taking advantage of the said material non-public information. Sanctions: Violators shall be subject to disciplinary action without prejudice to any civil or criminal proceedings that the corporation or regulators may file for violation of existing laws. *Implementing policy: FEU Insider Trading Policy posted in FEU website.*	any material information other than the above. Said trustees, officers and employees shall not also be allowed to communicate such information to any person during the above period of time to prevent others from taking advantage of the said material non-public information. Sanctions: Violators shall be subject to disciplinary action without prejudice to any civil or criminal proceedings that the corporation or regulators may file for violation of existing laws. *Implementing policy: FEU Insider Trading Policy posted in FEU website.*

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

Yes. The University's **Code of Business Conduct and Ethics**[9] is made available, at any time, to all Trustees, the Senior Management and employees through the University's website. Further, the specific rules and regulations regarding proper ethical conduct is included in a handbook (Employees' Code of Conduct) that is provided to all employees and members of the management.

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

The **Code of Business Conduct and Ethics** includes policies and guidelines that reinforce our values and set forth our steadfast expectations regarding the norm of conduct to be observed by all FEU employees. The said code aims to provide a safe, secure and healthy work environment, create harmonious and productive work relationships, and nurture our individual growth not only as FEU employees but more importantly as responsible members of our community.

The Code of Conduct is implemented as follows:

1. Each employee and faculty acknowledges receipt of the Code of Conduct.
2. Employees and faculty are properly oriented on the contents of the Code of Conduct.
3. The induction program for new employees incorporates the topics on the University's Code of Conduct.
4. The Department Head/Dean submits to HRD/Academic Affairs Office an incident report based on any alleged offense or violation of an employee/faculty.
5. Based on the incident report, the HRD/Academic Affairs Office issues to the involved employee/faculty a notice to explain, indicating the offense and corrective action.

[9] Refer to the Code of Business Conduct and Ethics is posted at the FEU website.

6. An Ad hoc Committee is created, depending on the initial explanations and evidences gathered, to conduct further investigation and recommend appropriate corrective action.
7. The Ad Hoc Committee recommends to the University President the corrective action for an offense in accordance with the Code of Conduct.
8. The President endorses the recommendation of the Ad Hoc Committee to the Legal Counsel for review.
9. The HRD/Academic Affairs Office issues a notice of the decision and corresponding corrective action to the involved employee/faculty, copy furnished the Employees' Union, as applicable.

4) **Related Party Transactions**

(a) **Policies and Procedures**

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

Related Party Transactions	Policies and Procedures
(1) Parent Company	The following are the general principles under the **FEU Related Party Transactions Policy**: 1. All related party transactions (RPTs) shall have terms and conditions that are fair and equitable to the University or the Group. 2. Material/significant RPTs shall be reviewed and endorsed by the Audit Committee, prior to approval of the Board of Trustees, unless the Board decides that the review be done by another committee. The Board shall approve a material RPT before its commencement. The Board may require that an RPT approved by it be also submitted to the shareholders for consideration and ratification. 3. The Audit Committee shall clearly define the threshold for disclosure and approval of RPTs by the Board. 4. In the review of RPTs, the Audit Committee shall consider the following factors: a) Terms of the transaction b) Aggregate value of the transaction c) Benefits to the University of entering into the transaction. d) Extent to which the terms of the RPTs are less favorable than terms generally available in non-related
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	
(7) Directors including spouse/children/siblings/parents	

(8) Interlocking director relationship of Board of Trustees	transactions under the same or similar circumstances e) Possible conflict of interest or risks or contingencies for the University. f) Any material information of other factors the Audit Committee deems relevant. 5. Trustees and key management personnel shall disclose their interest in transactions and any other conflicts of interest. The University requires trustees and key management personnel to abstain and/or inhibit themselves from participating in discussions on a particular agenda they are conflicted. 6. The University and Related Parties must comply with all the disclosure requirements of the RPT mandated under applicable laws, rules, regulations and Philippine Financial Reporting Standards. 7. The University does not grant loans or any special financial assistance to trustees or key management (except when allowed pursuant to an established company benefit or plan in the case of key management). 8. The University shall ensure that RPTs carried out by its subsidiaries and associates are conducted in accordance with this Policy.

(b) **Conflict of Interest**

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

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

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	Not applicable
Name of Officer/s	
Name of Significant Shareholders	

(ii) **Mechanism**

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

	Directors/Officers/Significant Shareholders
Company (University / Parent Company)	FEU's Conflict of Interest Policy and Code of Business Conduct and Ethics require directors, officers and employees who find themselves in a potential or actual conflict of interest situation to fully and immediately disclose it and should not participate in the decision-making process. A trustee, officer or employee who has a continuing material conflict of interest with the University should seriously consider resigning from his post. A conflict of interest shall be considered material if the Trustee's personal or business interest is antagonistic to that of the University or stands to gain financial advantage at the expense of the University. Transactions of the University with other members of the Group are subject to the requirements and safeguards provided in the FEU Conflict of Interest Policy, Code of Business Conduct and Ethics Policy and Related Party Transactions (RPT) Policy. The RPT Policy provides the procedures for the review, approval and disclosure of related party transactions in order to ensure that they are on normal commercial terms and in the best interest of the University as a whole.
Group	

5) **Family, Commercial and Contractual Relations**

(a) **Indicate, if applicable, any relation of a family,[10] commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:**

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
Seyrel Investments and Realty Corporation	Family Corporation / Officers	● Mr. Aurelio R. Montinola, III is the Chairman ● Dr. Lourdes R. Montinola is the President ● Mr. Antonio R. Montinola is the First Vice President
Desrey, Inc.	Family Corporation / Officers	● Mr. Aurelio R. Montinola, III is the Chairman ● Dr. Lourdes R. Montinola is the President ● Mr. Antonio R. Montinola is the First Vice President

(b) **Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:**

Names of Related Significant Shareholders	Type of Relationship	Brief Description
	None	

[10] Family relationship up to the fourth civil degree either by consanguinity or affinity.

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

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
	None	

6) **Alternative Dispute Resolution ---**

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

	Alternative Dispute Resolution System
Corporation & Stockholders	Conciliation meetings
Corporation & Third Parties	
Corporation & Regulatory Authorities	
Corporation & Employees/Faculty	

C. BOARD MEETINGS & ATTENDANCE

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

Yes; meetings of the Board of Trustees are scheduled at the beginning of the year. The Board of Trustees holds one regular meeting every month[11] which is scheduled on the 3rd Tuesday of the every month.

2) Attendance of Directors[12]

Board	Name	Date of Election[13]	No. of Meetings Held during the year	No. of Meetings Attended	%
Chair Emeritus	Lourdes R. Montinola	08/2015	5	5	100%
Chair	Aurelio R. Montinola, III	08/2015	5	5	100%
President	Michael M. Alba	08/2015	5	4	80%
Corporate Secretary	Angelina P. Jose	08/2015	5	5	100%
Trustee	Paulino Y. Tan	08/2015	5	4	80%
Independent	Sherisa P. Nuesa	08/2015	5	5	100%
Independent	Robert F. Kuan	08/2015	5	3	60%
Independent	Edilberto C. de Jesus	08/2015	5	4	80%
Trustee	Antonio R. Montinola	08/2015	5	4	80%

11 See Amended By-Laws, *Section XXII* – BOARD MEETING

12 Attendance presented above is for the fiscal year 2015-2016, as of September 2015

13 Incumbent members of the Board are re-elected during the most recent Regular Annual Meeting of Stockholders held on August 22, 2015

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

None.

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

As set forth in the University's **Amended By-Laws**, a majority of the Trustees shall be necessary at all meetings to constitute a quorum for the transaction of any business[14].

5) **Access to Information**

(a) How many days in advance are board papers[15] for board of directors meetings provided to the board?

As a matter of policy, board papers are required to be submitted to the Board two (2) days prior to scheduled regular board meetings.

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

Yes. As provided for in the University's **Amended Revised Manual on Corporate Governance**, "Reliance on information volunteered by the Management would not be sufficient in all circumstances and further inquiries may have to be made by a member of the Board to enable him/her to properly perform his duties and responsibilities. Hence, the members of the Board should be given independent access to Management and the Corporate Secretary[16]".

(c) State the policy of the role of the company secretary.

In accordance with Section XVI – Secretary of the FEU's Amended By-Laws, "the Corporate Secretary shall perform all the duties generally devolving upon his/her position such as affixing his/her signature on all stock certificates of the University and such other duties as may be assigned to him/her by the Board of Trustees" [17].

Further, FEU's Amended Revised Manual on Corporate Governance provides that the corporate secretary:

(1) Be responsible for the safekeeping and preservation of the integrity of the minutes of meetings of the Board and its Committees as well as official records.
(2) Be loyal to the mission, vision and objectives of the corporation.
(3) Work fairly and objectively with the Board, Management, stockholders and other stakeholders.
(4) Have appropriate administrative and interpersonal skills.
(5) If he is not at the same time the corporation's legal counsel, be aware of the laws, rules and regulations necessary in the performance of his duties and responsibilities.
(6) Have a working knowledge of the operations of the corporation.
(7) Inform the members of the Board, in accordance with the By-Laws, of the agenda of their meetings and ensure that the members have before them accurate information that will enable them to arrive at

14 See Amended By-Laws, *Section XXI* – BOARD QUORUM

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

16 See Amended Revised Manual on Corporate Governance, Item No. 5 ADEQUATE AND TIMELY INFORMATION

17 See Amended By-Laws, *Section XVI* – SECRETARY

intelligent decisions on matters that require their approval.

(8) Attend all Board meetings, except when justifiable causes that prevent him from doing so. and
(9) Ensure that all Board procedures, rules and regulations are strictly followed by the members.

Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc?

Yes refer to the role of the corporate secretary above.

(d) Is the company secretary trained in legal, accountancy or company secretarial practices?

The University's Corporate Secretary is trained only in corporate secretarial practice. Board matters requiring legal or accounting expertise are referred by the corporate secretary to the University's legal counsel or accountants for consultation.

Please explain should the answer be in the negative.

Board matters requiring legal or accounting expertise are referred by the corporate secretary to the University's legal counsel or accountants for consultation.

(e) Committee Procedures

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes [X] No [ ]

Committee	Details of the procedures
Executive	Information for committee meetings may be obtained from concerned Offices and/or Departments participating in the meeting. Communications may be coursed through formal written communication (memo) or formal email, or phone calls.
Audit	
Nomination	
Remuneration	
Corporate Governance	
Risk Management	

6) **External Advice**

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

As embodied in the University's Amended ***Revised Manual on Corporate Governance***, the members of the Board of Trustees, either individually or as a Board, and in furtherance of their duties and responsibilities, should have access to independent professional advice at the University's expense[18].

[18] Amended Revised Manual on Corporate Governance, Item No. 5 ADEQUATE AND TIMELY INFORMATION

Procedures	Details
Consultation with External Auditors	Trustees receive advice from the University's external auditors through discussion of matters relating to financial reporting, accounting and tax compliance. External auditors discuss key findings and recommendations with the Audit Committee which approves the financial statements, prior to subsequent ratification by the Board.
Consultation with Internal Legal Counsel	Trustees receive advice from the University's In-House Legal Counsel pertaining to on-going and possible exposures to labor-related cases and litigations
Consultation with External Legal Counsel	Trustees receive advice on other legal matters, including but not limited to compliance with regulatory agencies, tax assessments and other corporate legal issues which may significantly affect the University

7) **Change/s in existing policies**

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

Existing Policies	Changes	Reason
Not applicable	None	Not applicable

D. REMUNERATION MATTERS

1) **Remuneration Process**

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

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	● Entry rates are based on industry rates and applicant's qualifications ● Subsequent increases are based on yearly performance evaluation and the degree/scope of one's responsibility	
(2) Variable remuneration	None	
(3) Per diem allowance	Per diem, if any, shall be approved by the Executive Committee and ratified by the Board of Trustees	
(4) Bonus	Standard bonuses similar to those given to employees	
(5) Stock Options and other financial instruments	None	
(6) Others	Standard benefits similar to those given to employees	

2) **Remuneration Policy and Structure for Executive and Non-Executive Directors**

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	1) As executive officers – Remuneration and benefits are similar to those given to employees	1) • Fixed monthly salary • Christmas Bonus (CB) / Easter Bonus (EB) / Personnel Leave Cash Conversion (PLCC) • Medical, retirement and other benefits	1) • Fixed rate less absences • Length of service • Fixed except retirement which is based on basic salary
	2) As director – allowance given to Trustees	2) Gas allowance during Board of Trustees' meetings	2) Attendance-based
	3) As director – bonus given to the Trustees	3) Year-end directors bonus	3) Term-based
Non-Executive Directors	No remuneration and benefits except for allowance and bonus given to Trustees	1) Gasoline allowance for attending Board of Trustees' meetings	1) Attendance-based
		2) Transportation/ representation allowance for attending Executive Committee meetings	2) Attendance-based
		3) Year-end Director's bonus	3) Term-based

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors?

Yes. Stockholders have the opportunity to approve the total remuneration in the case of the Trustees' annual bonus. Further, as provided for in the University's **Amended Revised Manual on Corporate Governance**, the University's annual reports, information and proxy statements shall include a clear, concise and understandable disclosure of all fixed and variable compensation that may be paid, directly or indirectly, to its Trustees and top four (4) management officers during the preceding fiscal year[19]. The matters included in the annual reports are approved, ratified and confirmed by the stockholders during the annual stockholders' meeting.

Provide details for the last three (3) years.

No changes in Trustees' annual bonus for the last three (3) years.

Remuneration Scheme	Date of Stockholders' Approval
Not applicable	Not applicable

[19] Amended Revised Manual on Corporate Governance, Item No. 4 BOARD GOVERNANCE, *(I) Remuneration of Trustees and Officers*

3) **Aggregate Remuneration**[20]

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	As Executive As Director	₱9,813,032 -0-	None	None
(b) Variable remuneration		None	None	None
(c) Per diem allowance		None	None	None
(d) Bonuses/13th month	As Executive As Director	₱1,204,459 ₱4,500,000	-0- ₱4,500,000	-0- ₱4,500,000
(e) Stock Options and/or other financial instruments		None	None	None
(f) Transportation/representation as member of the Executive Committee		None	₱311,999	None
(g) Personnel Leave Cash Conversion	As Executive As Director	₱757,049 -0-	None	None
Total		₱16,274,540	₱4,811,999	₱4,500,000

Other Benefits		Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances		None	None	None
2) Credit granted		None	None	None
3) Pension Plan/s Contributions	As Executive As Director	₱1,962,606 -0-	None	None
(d) Pension Plans, Obligations incurred		None	None	None
(e) Life Insurance Premium		None	None	None
(f) Hospitalization Plan	As Executive As Director	₱180,000 -0-	None	None
(g) 0 (h)				
(g) Car Plan	As Executive As Director	₱343,200 -0-	None	None
(h) Gasoline allowance for members of the Board of Trustees	As Director	₱72,000	₱72,000	₱72,000
Total		₱2,557,806	₱72,000	₱72,000

[20] The above details on remuneration is for the fiscal year 2014-2015

4) Stock Rights, Options and Warrants

(a) **Board of Directors**

Complete the following table, on the members of the company's Board of Directors who own or are entitled to stock rights, options or warrants over the company's shares:

Director's Name	Number of Direct Option/Rights/ Warrants	Number of Indirect Option/Rights/ Warrants	Number of Equivalent Shares	Total % from Capital Stock
	Not applicable			

(b) **Amendments of Incentive Programs**

Indicate any amendments and discontinuation of any incentive programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:

Incentive Program	Amendments	Date of Stockholders' Approval
	Not applicable	

5) Remuneration of Management

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

Name of Officer/Position	Total Remuneration[21]
Juan Miguel R. Montinola / Chief Financial Officer	
Maria Teresa Trinidad P. Tinio / Senior Vice President for Academic Affairs	Salary - ₱ 15,265,589 Bonuses (CB / EB / Special Year-end) - 3,312,530 PLCC
Rosanna E. Salcedo / Treasurer	
Rudy M. Gaspillo / Vice President for Facilities and Technical Services	**<u>₱ 18,578,119</u>**
Glenn Z. Nagal / Comptroller	

[21] The above details on remuneration is for the fiscal year 2014-2015

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-Executive Director (NED)	Independent Director (ID)				
Executive[22]	3	1	--		General policy formulation	To steer the University towards the attainment of set goals To approve and endorse for ratification of the Board all major University policies and major business transactions requiring Board's approval	
Audit	--	1	3	Yes	Per FEU Audit Committee Charter, the purpose of the Committee is to assist the Board of Trustees (or the Board) in fulfilling its oversight responsibilities over FEU's systems and processes relative to financial reporting, internal controls, the audit functions, and monitoring of compliance with laws and regulations.	The Audit Committee's responsibilities include among others the following: A. Financial Reporting and Disclosures 1. Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters: (a) any change/s in accounting policies and practices; (b) Major judgmental areas; (c) significant adjustments resulting from the audit; (d) going concern assumptions; (e) compliance with tax, legal and regulatory requirements. 2. Assist the Board in ensuring that the corporation consistently complies with the financial reporting requirements of the Securities and Exchange Commission. B. Internal Control 1. Monitor and evaluate the adequacy and effectiveness of, and suggest measures for improvements in, the internal control systems and structures, including financial reporting control and information technology security and control. C. Risk Management 1. In coordination with the Risk Management Committee of the Board, ensure the implementation of the Board-approved risk oversight plans, and monitor management's	

[22] Includes Mr. Juan Miguel R. Montinola, Chief Financial Officer, who is not a member of the University's Board of Trustees.

						activities in managing credit, market, liquidity, operational, legal and other relevant risks of the corporation. This function shall include receipt from management of appropriate information on risk exposures and risk management activities. D. Internal Audit 1. Review the appointment, performance, removal and replacement of the internal audit head who shall functionally report to the Committee and administratively to the Chairman and Chief Executive Officer. 2. Review and approve, for Board ratification, the annual audit plan (which shall include the audit scope, resources and budget necessary to implement it) and all major changes to the plan and ensure that internal audit examinations cover the evaluation of adequacy and effectiveness of controls. E. External Audit 1. Prior to the commencement of the audit, discuss with the external auditors the nature, scope and expenses of the audit. 2. Evaluate and determine the non-audit work, if any, of the external auditors and review periodically their non-audit fees as to materiality. The Committee shall disallow any non-audit work that will conflict with the duties or independence of the external auditor. The non-audit work, if allowed, should be disclosed. F. Compliance 1. Coordinate, monitor and facilitate compliance laws, rules and regulations. G. Other Responsibilities 1. Review the terms and conditions of material RPTs and their required disclosures and endorse the same to the Board for approval, as needed, by itself or in coordination with others, as may be determined by the Board. The Committee's responsibilities are set forth in complete detail in the **Audit Committee Charter**.

Nomination[23]	--	2	1	Yes	Per FEU Nomination Committee Charter, the purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities for the good governance of the corporation, and in setting of policies for the accomplishment of the corporate objectives, relative to the appointment or engagement of board directors/trustees and key management officers. The Committee conducts a review and evaluation of the qualifications of all persons nominated to the Board and other appointments that require Board approval.	The Nomination Committee's responsibilities include among others the following: 1. Establish a process for the selection of trustees and officers who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. Review the systems in monitoring and compliance of the Board to the processes and procedures in the election or replacement of Trustees. 2. Process, prescreen and short list all candidates nominated to become a member of the Board and officers of the corporation in accordance with the qualifications and disqualifications indicated in the Securities and Exchange Commission Regulations, FEU By-laws, Code of Corporate Governance and Code of Ethics. Ensure that the nominees have all the qualifications and none of the disqualifications as provided by law, regulations, and corporate policies. The Committee's responsibilities are set forth in complete detail in the **Nomination Committee Charter**.	
Remuneration/ Compensation[24]	1	--	1		To establish a formal and transparent procedure for developing a policy on remuneration of Trustees and Officers	To ensure that Trustees' and Officers' compensation are consistent with the University's culture, strategy and the business environment in which it operates	To set reasonable and competitive compensation for all employees
Corporate Governance[25]	--	--	2	Yes	Per FEU Corporate Governance Committee Charter, the main purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities for the good governance of the corporation, setting of policies for the accomplishment of the corporate objectives and to provide an independent check on Management.	The Corporate Governance Committee's responsibilities include among others the following: 1. Formulate policies to enhance an environment of good governance within the organization. 2. Identify, evaluate and address all possible risks areas that could befall the University. 3. Investigate and resolve governance issues and violations to the Code of Corporate Governance and Code of Ethics by the trustees and officers.	

23 Includes Mr. Juan Miguel R. Montinola, Chief Finance Officer, who is not a member of the University's Board of Trustees.

24 Includes Mr. Juan Miguel R. Montinola, Chief Financial Officer, which is not a member of the University's Board of Trustees.

25 Includes Mr. Juan Miguel R. Montinola, Chief Financial Officer, and Atty. Gianna R. Montinola, Vice President for Corporate Affairs, who are not members of the University's Board of Trustees.

						4. Conduct an annual review of the Company's Corporate Governance Charter, Manual on Corporate Governance, Corporate Strategy Map as well as a review of the governance and any related scorecards. The Committee's responsibilities are set forth in complete detail in the **Corporate Governance Committee Charter**.
Risk Management[26]	1	--	2	Yes	Per FEU Risk Management Committee Charter, the primary responsibility of the Committee is to oversee, evaluate and recommend for approval the company-wide risk management policies and practices, and to assist the Board in: • Overseeing that the executive team has identified and assessed all the risks that the University faces and has established a risk management infrastructure capable of addressing those risks; • Overseeing, in conjunction with other board committees or the Board, if applicable, risks, such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational, and other risks; and • Establishing and adopting the University's enterprise wide risk management (ERM) framework.	The Risk Management Committee's responsibilities include among others the following: 1. Provide input to management regarding the University's risk appetite and tolerance and, ultimately, approve a risk management plan that will be communicated throughout the University and by Institutes or departments. 2. Monitor the University's risk profile – its on-going and potential exposure to risks of various types and re-evaluate the likelihood of occurrence, severity of impact of risk exposures, and any mitigating measures affecting those risks. 3. Review and assess the effectiveness of the University's enterprise-wide risk management (ERM) processes and recommend improvements, where appropriate; review and address, as appropriate, management's corrective actions for deficiencies that arise with respect to the effectiveness of such programs. The Committee's responsibilities are set forth in complete detail in the **Risk Management Committee Charter**.

[26] Includes Mr. Juan Miguel R. Montinola, Chief Financial Officer, who is not a member of the University's Board of Trustees.

2) **Committee Members**[27]

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Aurelio R. Montinola, III	September 2015	4	4	100%	26 yrs. 3 mos.
Member	Michael M. Alba	September 2015	4	4	100%	3 yrs. 7 mos.
Member	Angelina P. Jose	September 2015	4	4	100%	17 yrs. 11mos.
Member	Paulino Y. Tan	September 2015	4	4	100%	7 yrs. 8 mos.
Member	Juan Miguel R. Montinola	September 2015	4	4	100%	5 yrs. 8 mos.

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Sherisa P. Nuesa	September 2015	2	2	100%	5 yrs. 7 mos.
Member (ID)	Edilberto C. de Jesus	September 2015	2	2	100%	3 yrs. 7 mos.
Member (ID)	Robert F. Kuan	September 2015	2	1	50%	11 yrs. 8 mos.
Member	Paulino Y. Tan	September 2015	2	1	50%	5 yrs. 8 mos.

Disclose the profile or qualifications of the Audit Committee members.

Sherisa P. Nuesa, 61 (Independent Trustee)

Ms. Nuesa is the President and a member of the Board Directors of ALFM Mutual Funds Group. She is an Independent Director of the following: East Asia Educational Foundation, Manila Water Company, FERN Realty Corporation and the Actimed/Generika Group. She serves as an Independent Trustee of East Asia Computer Center, Inc., an Independent Governor of the FEU Health, Welfare and Retirement Fund Plan and a Director of the Institute of Corporate Directors (ICD), the Integrity Initiative, Inc. and the Financial Executives Institute of the Philippines (FINEX) Foundation. Ms. Nuesa is also a Consultant of Vicsal Development Corporation.

She graduated with the degree of Bachelor of Science in Commerce (*Summa Cum Laude*) at Far Eastern University in 1974 and received her Master in Business Administration degree from Ateneo – Regis Graduate School of Business in 2010. She completed an Advanced Management Program from the Harvard Business School in 1999 and a Finance Management Program at Stanford University in 1991. She received the ING – FINEX CFO of the Year award in 2008.

Edilberto C. de Jesus, 73 (Independent Trustee)

Dr. de Jesús, served as the president of the Asian Institute of Management (2009-2012), where he now holds a Professor Emeritus appointment. He had also served as president of the University of the Cordilleras in Baguio City (2008-2009) and at Far Eastern University (1995-2002). While at FEU, he served on the boards of the Coordinating Council for Private Educational Associations and the Philippine Association of Colleges and Universities (PACU), which elected him president in 2002. Also, an independent director of Phinma Corp.

[27] Date of Appointment pertains to the most recent date of appointment of the members of the Committees; Length of Service in the Committee is reckoned from the Trustees' first appointment as members of the respective Committee until May 2016.

He served as Deputy Commissioner in President Cory Aquino's Peace Commission, on secondment from AIM in 1987, and from 1988 to 1992, held a concurrent, Cabinet-rank appointment as Presidential Adviser on Rural Development. He was appointed Secretary of Education in 2002 and served as president of the SEAMEO (Southeast Asia Ministers of Education Organization) Council in 2003. He resigned at the end of the first Arroyo Administration in 2004 to serve as SEAMEO Secretariat Director (2005-2007) in Bangkok.

Dr. de Jesus completed his basic education and earned his B.A. Honors degree in Humanities (*Cum Laude*) at the Ateneo de Manila University. He obtained his Ph.D. degree in Modern Southeast Asian History from Yale University.

Robert F. Kuan, 67 (Independent Trustee)

Mr. Kuan held the following directorial positions: Trustee, St. Luke's Medical Center, Quezon City (Chairman, 1996 – 2011); Trustee, St. Luke's Medical Center, Global City, Inc. (Chairman, 2009 – 2011); Trustee, St. Luke's College of Medicine–William H. Quasha Memorial; Trustee, Brent International School of Manila; Chairman, Brent International School Baguio, Inc.; Trustee, Brent International School Subic, Inc.; Chairman, Brent International School, Inc.; Chairman, St. Theodore of Tarsus Hospital in Sagada, Inc.; Director, China Banking Corporation; Founder/President, Chowking Food Corporation (1985 – 2000); Independent Director, Far Eastern College – Silang, Inc.; and Director, SEAOIL Philippines, Inc.

Mr. Kuan graduated from the University of the Philippines (UP) with a degree of Bachelor of Science in Business Administration in 1970. In 1975, he earned his Masters in Business Management from the Asian Institute of Management (AIM). In 1993, he took up the Top Management Program at AIM, a program exclusively for Company Presidents and Chief Executive Officers. He was a TOFIL (Ten Outstanding Filipino) Awardee in 2003 in the field of Business & Entrepreneurship; Agora Awardee for Entrepreneurship; Triple-A Awardee of AIM; and Outstanding Alumnus of UP in the field of business.

P**aulino Y. Tan, 69**

Dr. Tan currently serves as the President of Asia Pacific College. He is a member of the Board of Directors/Trustees of the following companies: Nicanor Reyes Educational Foundation, Inc., FEU Educational Foundation, Inc., East Asia Educational Foundation, Inc., Lyceum of Batangas, Lyceum of Laguna, SM (Shoemart) Foundation, Inc., Asia Pacific Technology Educational Foundation, FERN Realty Corporation and Far Eastern College – Silang, Inc.

Dr. Tan obtained the Degree of Bachelor in Science in Chemical Engineering (*Summa Cum Laude*) from De La Salle University. He obtained both his M.S. and Ph.D. degree in Chemical Engineering from the University of Notre Dame, Indiana, USA.

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

1) Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit
2) Review the performance of the external auditors, and exercise final approval on the appointment or discharge of the auditors
3) Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the University and discussing such relationships with the auditors, if any.
4) Approval for the engagement of external professionals (external audit firms) to perform non-audit services, in any.

5) On a regular basis, meet separately with the external auditors to discuss any matters that the Committee or the auditors believe should be discussed privately.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held *	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Sherisa P. Nuesa	September 2015	1	1	100%	5 yrs. 8 mos.
Member	Paulino Y. Tan	September 2015	1	1	100%	12 yrs. 8 mos.
Member	Antonio R. Montinola	September 2015	1	1	100%	1 yr. 8 mos.
Member	Juan Miguel R. Montinola	September 2015	1	-	-	3 yrs. 8 mos.

*In 2015

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held *	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Aurelio R. Montinola, III	September 2015	1	1	100%	1 yr. 8 mos.
Member (ID)	Robert F. Kuan	September 2015	1	1	100%	5 yrs. 8 mos.
Member	Juan Miguel R. Montinola	September 2015	1	1	100%	5 yrs. 8mos.

*In 2015

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

(e) Corporate Governance Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Edilberto C. de Jesus	September 2015				3 yrs. 8 mos.
Member (ID)	Robert F. Kuan	September 2015				7 yrs. 8 mos.
Member	Gianna R. Montinola	September 2015				5 yrs. 8mos.
Member	Juan Miguel R. Montinola	September 2015				2 yrs. 8 mos.

(f) Risk Management Committee

Office	Name	Date of Appointment	No. of Meetings Held *	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Robert F. Kuan	September 2015	1	1	100%	8 yrs. 8 mos.
Member	Michael M. Alba	September 2015	1	1	100%	3 yrs. 8 mos.
Member (ID)	Sherisa P. Nuesa	September 2015	1	1	100%	3 yrs. 7 mos.
Member	Juan Miguel R. Montinola	September 2015	1	1	100%	5 yrs. 8 mos

*In 2015

3) **Changes in Committee Members**

Indicate any changes in committee membership that occurred during the year and the reason for the changes:

Name of Committee	Name	Reason
Executive	None	Not applicable
Audit	None	Not applicable
Nomination	None	Not applicable
Remuneration	None	Not applicable
Corporate Governance	None	Not applicable
Risk Management	None	Not applicable

4) **Work Done and Issues Addressed**

Describe the work done by each committee and the significant issues addressed during the year.

Name of Committee	Work Done	Issues Addressed
Executive	Formulated various policies of the University	Appointments, scholarships, academic issues and other operational concerns

Audit	Reviewed and approved the overall scope and the respective audit plans of the company's internal auditors and independent auditors Punongbayan and Araullo (P&A). Also discussed the results of their audits and their assessment of the company's internal controls and found that the system is adequate and operating effectively. Reviewed and approved all audit and non-audit services provided by the external auditor to the University and concluded that non-audit fees are not significant to impair the external auditor's independence. Discussed with external auditor the matters required to be discussed by the prevailing applicable Auditing Standards such as the external auditor's independence. Reviewed, discussed, and endorsed for the approval of the Board, the quarterly unaudited and annual audited consolidated financial statements of Far Eastern University, Inc. and Subsidiaries.	Compliance with financial reporting standards and auditing standards, operational efficiency and other corporate regulatory requirements.
Nomination	Screened, evaluated and shortlisted nominees to the Board of Trustees (re-election of the members of the Board)	Ensures qualifications of Officers and members of the Board
Remuneration	Sets standard hiring rates	Resolve issues on inequitable pay
Corporate Governance	Sets good governance standard within the organization	Ensures efficiency in operations and compliance with existing laws and regulations, particularly that concerning corporate governance matters required by the SEC and PSE
Risk Management	Reviewed and approved the initiatives and action plan for the University's enterprise-wide risk management (ERM) process based on the (COSO) Committee of Sponsoring Organization of the Treadway Commission ERM framework.	Plans to mitigate the adverse effects of identified possible risks

	Identified and evaluated the significance and likelihood of occurrence of various potential risks that may have an impact on the University.	

5) **Committee Program**

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

Name of Committee	Planned Programs	Issues to be Addressed
Executive	Formulation of policies for the continuous improvement of faculty, facilities and curriculum as well as the general operational policies;	• Eliminate misalignment of degrees (courses offered) vis-à-vis industry needs • Promote operational efficiency
Audit	Ensure that the University's Internal Audit work plan for the coming year is prepared and implemented using a risk-based approach.	To endure that audit procedures cover all possible audit risk areas and to carry out the needed audit procedures efficiently
Nomination	Continuous improvement of nomination procedures	To ensure continuity of corporate leadership, succession planning and to ensure compliance with regulator-required developments, trainings and competence of executive officers and members of the Board
Remuneration	Continuous evaluation and study to come up with a reasonable and effective remuneration package	To maintain the reasonableness and competitiveness of remunerations provided by the University to its officials, employees and faculty
Corporate Governance	Continuous improvement of good governance practices	To ensure operational efficiency, transparency in reporting to stakeholders and compliance with regulatory requirements
Risk Management	Monitor the implementation of initiatives and action plan for the University's enterprise-wide risk management process. Review and recommend for approval of Board of Trustees a Risk Management Committee Charter.	To reduce the possible adverse impact of risks. To define the specific powers, responsibility, composition and procedures of the risk management committee.

F. RISK MANAGEMENT SYSTEM

1) **Disclose the following:**

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

FEU considers risk management as a fundamental to good management practice and a significant aspect of corporate governance. Effective management of risk will provide an essential contribution towards the achievement of FEU's strategic and operational objectives and goals.

Risk management must be an essential part of FEU's decision making and routine management, and must be incorporated within the strategic and operational planning processes at all levels across the organization.

Risk assessments must be conducted on new endeavors and activities, including projects, processes, systems and commercial activities to ensure that these are aligned with FEU's objectives and goals. Any risks or opportunities arising from these assessments will be identified, analyzed and reported to the appropriate management level. FEU is committed to ensuring that all staff, particularly the heads of Schools, Institutes and Departments are provided with adequate guidance and training on the principles of risk management and their responsibilities to implement risk management effectively.

FEU's management will regularly review and monitor the implementation and effectiveness of the risk management process, including the development of an appropriate risk management culture across the organization.

During fiscal year 2015-2016, the Risk Management Committee recommended that the University formally adopt an enterprise-wide risk management (ERM) framework based on the (COSO) Committee of Sponsoring Organization of the Treadway Commission ERM framework. Under the COSO ERM framework, the University will consider internal and external risks related to FEU's strategic, operational, financial, reporting, and compliance. As part of the implementation of the ERM framework, the Risk Management Committee recommended for the University to conduct workshops and discussions with the different departments and Institutes regarding ERM. The main objective of the workshops and discussions is to assist the different departments and Institutes of the University in the effective identification and evaluation of the top risks affecting the University. The said list of top risks (or what is to be called "University risk register") that is expected to come out of this process will be presented to the Risk Committee, Audit Committee and ultimately to the Board of Trustees for review and action. The ERM workshops and discussions are on-going.

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

As discussed above, the implementation of the ERM using the COSO framework is on-going. The Risk Management Committee and the Audit Committee receive from the Internal Audit Department status report on the implementation of the ERM framework. The "University risk register" that is expected to come out of this process will be presented to the Risk Committee, Audit Committee and ultimately to the Board of Trustees for review and action. The Audit Committee shall include such discussion in its Audit Committee Report. Further, when the implementation of the ERM framework has been completed, the Audit Committee, with the assistance of the Internal Audit Department, will review the effectiveness of the University's risk management system.

(c) **Period covered by the review;**
As discussed above, the implementation of the ERM using a COSO framework is on-going. When the implementation process has been completed, the Audit Committee, with the assistance of the Internal Audit Department, will review the effectiveness of the University's risk management system.

(d) **How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness; and**

When the implementation of the ERM using a COSO framework has been completed, the Audit Committee will determine the frequency of review of the University's risk management system.

(e) **Where no review was conducted during the year, an explanation why not.**
As discussed above, the implementation of the ERM using a COSO framework is on-going. When the implementation of the ERM framework has been completed, the Audit Committee, with the assistance of the Internal Audit Department, will review the effectiveness of the University's risk management system.

2) **Risk Policy**

(a) **Company**

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

Risk Exposure	Risk Management Policy	Objective
Change of curriculum (K-to-12 Program)	Financial and operational strategy that focuses on income streams, capital budgeting, cost control and operational efficiencies	Reduce/minimize the effect of the government-mandated K-to-12 Program on the University's financial results of operations
Natural calamities	Business Continuity Plan (BCP) and Disaster Recovery Program	Reduce the effect of disasters and calamities on the operations of the University especially on information technology and data resources
Increase in tuition and other fees	Government mandated increase in tuition fees vis-à-vis the autonomous status of FEU; increase in tuition fees are strategically planned to prevent loss of student enrollees and at the same time minimize the negative impression of the tuition fee increase on FEU	Reduce the effect of loss in enrollment due to increase in tuition fees

(b) **Group**

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

Risk Exposure	Risk Management Policy	Objective
Governance problems include – ● Complexity in decision making ● Complexity of committee structure which may lead to misconceptions as to the role and authority of individual bodies; ● Inability of the University's governance structure to quickly react to opportunities and threats in the external environment such as those arising from competitors; ● Lack of transparency and accountability across committees and other executive bodies	● Encouragement of excellence in delivery of services through its academic self-government or autonomous status ● Proper assignment of matters to be taken up by the Board to the appropriate Committee as defined in the respective Committees' charter and upon agreement by the Trustees acting as a body ● Presence and participation of Internal Audit, under the supervision of the Audit Committee, to oversee proper financial reporting, implementation of internal control and compliance with laws and	Development of a governance strategy with a view of delivering a governance structure that promotes excellence which is associated with the University's deliver of service coupled with good internal control and management; in the short-term, proper and accurate definition of roles, division of responsibilities and decision structures that would improve transparency and accountability

	regulations (including corporate governance requirements) ● Full disclosure and access to adequate and timely information	

(c) **Minority Shareholders**

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

Risk to Minority Shareholders
Principal-principal conflict refers to conflicts between two groups of principals: controlling shareholders and minority shareholders. The perception by the minority shareholders that their interests are not being protected may result to loss of confidence in the management of the University which may influence minority stockholders to sell their shares or prevent further investment. It may also lead to abuse in power since the steering/decision-making would be left solely to a few large shareholders. This risk is managed by the University through compliance with laws and regulations that protect minority shareholders and implementation of policies intended to protect the rights of minority shareholders including the FEU Amended Revised Manual on Corporate Governance. It also adopts appropriate policies on related party transactions, which are normally discussed and pre-approved by a committee that includes independent directors.

3) **Control System Set Up**

(a) **Company**

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

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Hiring of incompetent and dishonest employees	Inability to attract excellent and competitive staff, to retain existing excellent staff or offer 'opportunity culture' (career structure, development and advancement opportunities, glass ceiling measures); salaries have been eroded in comparison with other universities and other industries; in the medium to long term, this could become a threat to the University's ability to recruit and retain quality staff	● Development of a general Human Resources Strategy and action plan; ● Improved performance evaluation and promotion schemes for academic and support staff; ● Implementation of extensive staff development programs; ● Administration of qualifying exams, and stricter policy on screening and evaluation of credentials for hiring new employees
Staff and/or student dissatisfaction	● Staff and/or student dissatisfaction leads to disruption to business continuity. This may possibly arise as a result of pressures for changes in staff pay and terms and conditions of employment (including pension funds)	● Maintaining continuous dialogue to promote harmonious working relationships with employee union representatives; consultations with student councils/organizations to as an initial step to promote students' welfare;

	● Implementation of higher student tuition fees with inadequate improvement to educational facilities	● Tuition fee increase is with authority of CHED; fulfillment of regulatory requirements; ● Constant facility repairs, upgrading and constructions
Poor performance in license exams	Poor performances in license examinations have a negative effect on the University's reputation as among the best higher education institutions in the country. In the long run, such may result to decrease in enrollment and inability to attract/retain good students	● Continuous improvement of research which is aimed at upgrading academic and teaching competencies and standards; ● Hiring of qualified faculty and continuous development of their competencies with regard to their respective fields of expertise
Promoting financial sustainability and ensuring effective delivery of key strategic and operational plans; failure to effectively safeguard University assets and failure to identify and monitor continuous flow and new sources of revenue	Failure to maintain financial sustainability and failure to ensure effective delivery of key strategic and operational plans which may result to poor results of operations and inefficient use or loss of resources	● Formulation of financial strategy which include financial planning and budgetary/forecasting processes; ● Benchmarking/financial analysis using relevant market and industry data; ● Implementation of various financial/management strategies; ● Implementation of cost reduction measures, integration and cost sharing opportunities
Insufficient investment in and oversight of systems developments to ensure systems and infrastructure provide the functionality and services expected of a leading global University	Reputational damage; loss of, or inadequate operational processes; major disruption to research, teaching and learning processes, student account administration and other various management and administrative processes and functions	● Proper planning of processes; ● Continuous programs improvement and infrastructure upgrades; ● Testing by internal and external auditors, including external penetration testing applied to University information technology systems and procedures

(b) **Group**

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

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Competition with local and other global universities (higher education institutions)	The University remains at the forefront among local universities. Major industry players seek to attract outstanding and/or competent staff and employees (including faculty) and excellent students. Also, there is a great importance of support from businesses, the governments and other major sectors of the society. With such a competitive environment, there is a risk of being unable to cope up with the current level of competition and eventually would level down the University's reputation as among the top universities in the country. The University should maintain the quality and competitiveness of its graduates, continuous development in the field of research and significant investments in the development and upgrading of facilities and other educational resources so as to remain on top of the competition as among the world-class higher institutions of learning in the Philippines.	● Evaluation and analysis of the University's strengths and weaknesses and identifying effective practices that will help the University cope with existing and potential competition ● Maintaining the excellent quality of the University's academic and other operational standards in order to remain at par (or surpass) with the best in the Philippines ● Clear competitive positioning of FEU against its competitors in the industry
Competitiveness of course offerings fall below expectation. Unsatisfactory student (graduate) qualifications and competence may lead to decline in the University's reputation of excellence as compared with other local and international higher education institutions (local and international competitors).	The competitiveness of graduates is reflective of the quality of education provided by the University. As a basic tool, such quality education should be founded on a curriculum which enhances the students' full potential and would respond to the needs of the industry. With regard to the foregoing, there is a risk that the University will not be able to produce competent graduates who can fulfill industry standards and needs. Accordingly, the University's academic managers are in continuous monitoring and evaluation so as to ensure the competitiveness of undergraduate and post-graduate courses offered by the University.	● Continuous study, evaluation and development of curriculum ● Participation of competent and highly qualified professors and instructors

(c) **Committee**

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Committee/Unit	Control Mechanism	Details of its Functions
Risk Management Committee under the Board of Trustees	Formulation of a Risk Management Policy and Risk Management Plan	Identifies, assesses, manages and monitors risks and allows investors and other stakeholders to be informed of material changes to the University's risk profile
Audit Committee under the Board of Trustees	Establishment of documentations and monitoring of control environment; direct supervision of the Internal Audit Department's work and activities	Oversees the financial reporting and disclosure process; monitors compliance with accounting standards; appoints the external auditors and monitors the external auditors' performance and compliance with independence requirements; Oversees regulatory compliance involving financial reporting standards, monitoring of internal control process, and evaluating risk management policies and practices.
Internal Audit Department	Independent and objective assurance and consulting services based on approved risk-based audit plans.	Provides consulting activity and independent and objective assurance which is designed to add value and improve the organization's operations. It provides assistance to Management in order to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

G. INTERNAL AUDIT AND CONTROL

Internal Auditing and Control

1) **Internal Control System**

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

(a) **Explain how the internal control system is defined for the company**

The FEU defined internal control as a system established by the Board of Trustees and management, for the accomplishment of the University's objectives, the efficient operations of its business, the reliability of its financial reporting, and faithful compliance with applicable laws, regulations and internal rules. (Source: FEU Amended Revised Manual on Corporate Governance)

(b) **A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate**

The Board of Trustees, through the Audit Committee has reviewed the internal control system of the University based on the assessments completed and reported by the internal and external auditors. The Board found the internal control system to be effective.

The statement of the directors on the effectiveness of the University's internal control system is embodied in the Audit Committee Report for fiscal year 2015-16 that will be included in the SEC Form 20-IS Definitive Information Statement.

The most recent **Audit Committee Report** filed with the SEC in 2015 covering fiscal year ended March 31, 2015 reported that the Audit Committee stated that it had reviewed the internal audit reports ensuring that Management is taking appropriate actions, where required, in a timely manner**[31]**.

(c) **Period covered by the review.**

For the fiscal year ended March 31, 2016. As indicated above the Audit Committee Report for fiscal year 2015-16 will be included in the SEC Form 20-IS Definitive Information Statement.

The internal audit department assists the Board of Trustees, through the Audit Committee, in assessing the effectiveness of the University's internal control system on an annual basis using a risk-based audit methodology.

The director's criteria for assessing the effectiveness of internal control system includes the following which is based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) internal control framework:

1. Control environment – refers to management's tone at the top and standards of conduct.

2. Risk assessment – refers to how management identify, evaluate and mitigate risks to the achievement of objectives.
3. Control activities – refers to actions taken by management to mitigate risks; include policies and procedures, best practices to ensure compliance with laws, regulations, and internal policies.

4. Information and communication – refers to how management ensures that relevant, accurate and timely information is made available to individuals in the organization.

5. Monitoring activities – refers to how management monitors the University's internal control system.

(d) **Where no review was conducted during the year, an explanation why not.**

Not applicable. Review was performed during the fiscal year ended March 31, 2016. The statement of the directors on the effectiveness of the University's internal control system is embodied in the Audit Committee Report for fiscal year 2015-16 that will be included in the SEC Form 20-IS Definitive Information Statement.

2) **Internal Audit**

(a) **Role, Scope and Internal Audit Function**

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

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/ Auditing Firm	Reporting Process
Per FEU Internal Audit Manual: The basic objective of the Internal Audit function is to provide independent, objective assurance and consulting services designed to add value and improve the University's operations.	Per FEU Internal Audit Manual: The internal audit function assists the University in fulfilling its vision, mission, strategic initiatives, and objectives, while adhering to its core values, by bringing a systemic, disciplined approach to evaluate and improve the effectiveness of University-wide risk management, internal control system and governance processes.	In-house	Rogelio C. Ormilon, Jr.	Functionally to the Audit Committee, and administratively to the Chairman/CEO

(b) **Does the appointment and removal of Internal Auditor or the accounting/ auditing firm or corporation to which the internal audit function is outsourced requires the approval of the audit committee?**

Yes. The FEU Audit Committee Charter provides that the Audit Committee "review and concur in the appointment, replacement, or dismissal of the Internal Audit Manager". Further, the FEU Amended Revised Manual on Corporate Governance provide that the Audit Committee "organize an internal audit department and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal**[32]**."

(c) **Discuss the internal auditor's reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel?**

The head of the Internal Audit Department reports directly to the Audit Committee.

The internal audit function as empowered by the Audit Committee Charter, the Internal Audit Charter and FEU Amended Revised Manual on Corporate Governance has free and unrestricted access to all records, properties and personnel**[33]**.

(d) **Resignation, Re-assignment and Reasons**

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them.

Name of Audit Staff	Reason
Robert W. Caracas	Resigned from his position as Internal Audit Manager effective August 1, 2015 for another job.
Rogelio C. Ormilon, Jr.	Appointed as the new Internal Audit Manager effective September 21, 2015
Kert Arsmel E. Fetalco	Resigned from his position as IT Audit Section Head I effective December 1, 2015 for another job.
Vergil Ian R. Seballe	Appointed as the new IT Audit Section Head I effective January 18, 2016
Jacinto Mateo, Jr	Inter-department transfer effective December 1, 2015
Ramil P. Zaldivar	Inter-department transfer effective December 1, 2015

(e) **Progress against Plans, Issues, Findings and Examination Trends**

State the internal audit's progress against plans, significant issues, significant findings and examination trends.

Progress Against Plans	The activities of the internal audit department are being performed based on the audit plan that was approved by the Audit Committee. The Internal Audit Department periodically reports to the Audit Committee on the status of audit activities, accomplishments, key findings and recommendations as well as management's responses thereto.
Issues	There are no significant issues noted based on the results of the audit procedures completed at the end of the fiscal year.
Findings	There are no significant issues noted based on the results of the audit procedures completed at the end of the fiscal year.
Examination Trends	The current examination trend shows that issues and findings are immediately settled and communicated to the appropriate departments.

[The relationship among progress, plans, issues and findings should be viewed as an internal control review cycle which involves the following step-by-step activities:

1) Preparation of an audit plan inclusive of a timeline and milestones;
2) Conduct of examination based on the plan;
3) Evaluation of the progress in the implementation of the plan;
4) Documentation of issues and findings as a result of the examination;
5) Determination of the pervasive issues and findings ("examination trends") based on single year result and/or year-to-year results;
6) Conduct of the foregoing procedures on regular basis.]

Audit Control Policies and Procedures

Disclose all internal audit controls, policies and procedures that have been established by the company and the result of an assessment as to whether the established controls, policies and procedures have been implemented under the column "Implementation."

Policies & Procedures	Implementation
FEU Internal Audit Manual	Review is on-going. Updates/enhancements will be incorporated in fiscal year 2016-17
FEU Internal Audit Charter	Completed.

(f) **Mechanism and Safeguards**

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the company's shares and imposition of internal approval procedures for these transactions, limitations on the non-audit services that an external auditor may provide to the company):

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
Internal Auditors: The Internal Audit Manager reports directly to the Audit Committee. (Source: FEU Internal Audit Manual and FEU Organizational Chart) : The Internal Audit Department is prohibited to make any management decision or engage in any other activity which could be reasonably construed to compromise its independence. (Source: FEU Internal Audit Manual) · The Internal Audit Manager is authorized to communicate directly, and on his own initiative, to the President, the members of Audit Committee and the Board. (Source: FEU Internal Audit Manual) · The internal audit function is subject to independent review, as required, carried out by independent professionals/organizations (e.g. external auditors, IIA). (Source: FEU Internal Audit Manual) · The Audit Committee will ensure that the Internal Auditors shall be free from interference in determining its scope, performing its work and communicating the results thereof. (Source: FEU Audit Committee Charter) ● The Internal Audit Department does not have direct authority or responsibility over the materials audited. The ownership of these materials remains with the department which developed and has responsibility over such. ● The Internal Audit Department is prohibited to make	The University's transactions with such parties should be generally in compliance with the University's **Conflict of Interest Policy**. In certain cases where potential conflict of interest exists, as a matter of policy, the concerned Trustee, Officer, or Employee is required to fully disclose the fact immediately and should be prohibited to participate in, or seek to influence any negotiations or decisions pertaining to the transaction which is the subject of interest. Further, certain transactions of the University with such parties, as may be deemed necessary by the Management and in compliance with the applicable provisions of law and other regulatory requirements, are required to be approved by the Board and/or the stockholders. The University also discourages transactions with banks and financial institutions with questionable integrity. For financial analysts and rating agencies, such usually practices in accordance with their own corporate governance rules and in accordance with their professional code of conduct and/or established ethical standards.		

any management decision or engage in any other activity which could be reasonably construed to compromise its independence. Its ultimate responsibility is to provide the Audit Committee with the information necessary to execute its responsibilities. ● The Internal Audit Manager reports directly to the Audit Committee. ● The Internal Audit Manager is authorized to communicate directly, and on his own initiative, to the President, the members of Audit Committee and the Board. ● The internal audit function is subject to independent review, as required, carried out by independent professionals/organizations (e.g. external auditors, IIA).	
External Auditors: ● On an annual basis, prior to appointment/re-appointment of External Auditors, the Audit Committee ensures that the auditing firm complies with the required independence as provided for in the Code of Ethics for Professional Accountants in the Philippines and the Securities Regulation Code. ● Prior to the re-appointment of the External Auditor, the Audit Committee ensures that the auditing firm complies with the requirement for the rotation of the signing partner. The signing partner shall be rotated after every five (5) years and which a two-year (2) cooling off period shall be observed in the re-engagement of the same signing partner. ● Also, on an annual basis, the External Auditor confirms, through the engagement letter, that the performance of the audit will not impair independence. ● *The Audit Committee shall evaluate and determine the non-audit work, if any, of external auditor and review periodically the non-audit fees*	

paid to the external auditor in relation to the total annual income of the external auditor and to the University's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as external auditor or may pose threat to his independence. (Source: FEU Amended Revised Manual on Corporate Governance)	

(g) **State the officers (preferably the Chairman and the CEO) who will have to attest to the company's full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employers of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.**

Under SEC Memorandum Circular No. 5, Series of 2013, the submission of the certificate of compliance with the SEC CG Code has been discontinued. Prior to the discontinuance, or until 2012, the FEU certificate of compliance was signed by the Compliance Officer and President as required under SEC Memorandum Circular No. 3, Series of 2007.

On May 31, 2013, the Company has also submitted to the SEC the notarized Annual Corporate Governance Report for 2012 signed by the Chairman and two independent directors of the Company.

On June 3, 2016, the Company submitted to the SEC the Consolidated Changes in the Annual Corporate Governance Report for 2014. On May

H. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' welfare	Its students are the main customers of the University. The University commits to satisfy the expectations of its customers. This commitment is embodied in the University's vision/mission statement: "Committed to the highest intellectual, moral and cultural standards, Far Eastern University strives to produce principled and competent graduates." Through the Student Development Office (SDev), the University envisions a dynamic support unit that is responsive to the diverse needs of the students through the creation of learning experience for students' holistic development.	● Facilities enhancement and upgrading (expansion and upgrading of the central library at NRH, renovation of additional science laboratories, improvement of lightings and air-conditioning of classrooms and other various developments); ● Enhanced use of information technology (continued streamlining of online enrollment and payment system; launch of e-textbooks); ● Strengthened security for students protection (installation of additional CCTV cameras and gate monitoring systems);

	Towards this end, the University, through SDev, implements the following core programs[28]: ● Student Organization Activities and Research (SOAR) ● Circles of Leadership Influence Program (CLIP) ● Leadership Succession ● Student Off-Campus Engagements (SOCE) ● Student Welfare Programs	● Continuous faculty development (researches and publications); ● Improvement of course curriculum in accordance with industry needs and accreditation (leveling up) of courses; ● Ensuring accessibility and continuous development of student services and development activities (athletics, student leadership programs, research, active linkages with industry partners and international educational institutions, and others) ● Quality service from each personnel of the University
Supplier/contractor selection practice	In dealing with its suppliers, the University embodies the ideals and principles set forth in its Code of Business Conduct and Ethics so as to ensure transparent and fair business dealings. The University is guided by the general rule that purchases are based on competitive bidding, provided by qualified and accredited suppliers and shall be for the best interest of the University.	● Accreditation of suppliers based on established and approved standards; ● Canvassing and bidding for potential suppliers; ● Monitoring in order to regulate receipt of gifts from third parties with business dealings with the University so as to maintain impartiality among Trustees, Officers and employees
Environmentally friendly value-chain	The University's policy on environment is primarily embodied in its vision/mission statement: "It nurtures a service-oriented and environment conscious community which seeks to contribute to the advancement of the global society." One of the manifestations of the University's commitment to environmental consciousness, the Tamaraw became the athletic mascot of all athletic teams and pet name of every student of the University. The Tamaraw is an endangered animal which is endemic in the island of Mindoro, Philippines. The University's Community Extension Services (OCES) Office carries out the University's various environmental and community programs. It serves as the main bridge of the University to the larger Philippine community and society.	● Tamaraws Save Tamaraws Program which aims to double the number of the Tamaraw population by 2020; ● FEAST (FEU's Eco-Advocacy on the Segregation of Trash); ● Support and participation in various Fun Runs for the promotion of environmental preservation (Run for Pasig)

[28] Details of these programs are also posted in the University's website: ***http://www.feu.edu.ph/manila/index.php/campus-life/office-of-student-development/***

Community interaction	Promotion of community interaction is evident on the University's vision/mission statement: "It nurtures a service-oriented and environment conscious community which seeks to contribute to the advancement of the global society." The OCES carries out the University's various environmental and community programs. It serves as the main bridge of the University to the larger Philippine community and society. The extension services (carried out by OCES) of the University becomes the application of the academic thrust of FEU in so far as it wishes to be of service to the broader society via its chosen advocacies and programs. The University also endeavors to strengthen the National Service Training Program (NSTP) for its students which include the actual implementation of community service projects.	● Project Hope (outreach services for the inmates of the Manila City Jail); ● Silang Yaman (seminars and workshops on capability building and development of livelihood skills, sports and fitness programs and supplemental programs on English, Math and Science provided to various communities in Silang, Cavite); ● FEU-Gawad Kalinga (GK) Community (formation, training and support of the GK Women's group known as TAM-GKBlossom Catering Services); ● FEU Medical Mission, Feeding and Distribution of Basic Medical Kits; ● Other various outreach programs and services carried out by the difference institutes and offices of the University
Anti-corruption programmes and procedures	Anti-corruption policy of the University is embodied in the **Code of Business Conduct and Ethics**. The set of principles in the Code ensures that dealings of each Employee, Senior Management and Trustee are fair, transparent, in accordance with laws and regulations and to the best interest of the University.	● Implementation of Whistle Blowing Policy, Conflict of Interest Policy, Insider Trading Policy and the provision of the Code of Business Conduct and Ethics; ● Full disclosures of related-party transactions in the financial statements and other appropriate reports; ● Full disclosures of significant transactions/ changes in the organization through the FEU's website and postings at the PSE website; ● Examinations by the Internal Audit function and the External Auditors
Safeguarding creditors' rights	In dealing with creditors, the University is guided by the principles embodied on its **Code of Business Conduct and Ethics**. As part of its commitment to good governance, relevant information will be made available to its creditors, like with that of the other stakeholders and the general investing public.	● The latest audited financial statements and relevant financial reports of the University are made accessible to all creditors through the University website and postings at the PSE website; ● Providing certifications and/or approvals by the officers and/or the Board, as necessary; ● Providing full disclosures on material transactions/changes in the University, as may be deemed necessary

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

Yes. Reports on Corporate Social Responsibility is included the President' Report which is published and issued annually. In the said report, there is a separate section for the Office of Community Extension Services (OCES) and NSTP. Such office/unit carry-out the community extension services and outreach programs of the University. Likewise, there is a separate "Community Outreach" portion for each of the departments', offices' and institutes' report that discusses the community services and outreach activities undertaken specifically by the respective departments, offices and institutes.

3) Performance-enhancing mechanisms for employee participation.

(a) What are the company's policy for its employees' safety, health, and welfare?

The University takes all possible measures to ensure the health, safety, and protection, of all its employees, faculty and students, from all health hazards arising in the campus. This is carried out in accordance with the standards set by the Philippine Occupational Health and Safety standards, OSHC, Department of Labor and Employment, Department of Health and other regulatory organizations. FEU is a smoke free campus and drug free work place.

To promote employee health, welfare and development, the following benefits are provided to employees:

- Medical and dental benefits
- Attractive and competitive retirement benefits
- Educational scholarships to employees and dependents
- Safety shoes and prescribed uniform for identified positions
- Calamity Premium Pay and Hazard Pay
- Minimum of 30 days personnel leave credits a year; seven (7) days emergency leave
- Clothing allowance
- Recreational activities such as sports fests, summer outings, and various fellowship activities

(b) Show data relating to health, safety and welfare of its employees.

- For the fiscal year 2015-2016, P36.8 million was spent for employees' medical benefits and health plan.
- The University makes monthly contributions to the employees' retirement fund. The amount contributed is equivalent of 20% of an employee's basic pay. For the fiscal year 2015-2016, the University contributed a total of P75.9 million to its retirement plan.

(c) State the company's training and development programs for its employees. Show the data.

The University's Management ensures the continuous training and development of its employees in order to have a competent and productive workforce. Such is one of the strategies and objectives of the University which is achieved by providing its employees with opportunities for individual and group learning. The Management supports the design and implementation of competency development programs to enable its employees to perform successfully in their roles, maximize their skills and abilities, uncover their potentials, and eventually enrich their personal and professional growth.

The University encourages the use of a broad range of competency development approaches that will enable its employees to sustain or improve their performances and contribute to the desired results. These are reflected in its General and Technical Competencies Curricula which include classroom-based training and other learning interventions such as on-the-job training (OJT), developmental assignments, and self-study programs.

For SY 2015-2016, the University incurred P 0.93 million for various conferences and seminars for its employees and faculty.

The following major programs which were implemented by the University's HRD include:

- Competency Development Programs:
  - Team Building activities
  - Presentation by the CFO on Effective Presentation to Non-Academic Managers
  - HR Management learning event for HR practitioners
  - Lenten Recollection

- 2015 Faculty and Employee Recognition Program:
  - Awarding of Model Supervisor and Rank and File Employee
  - Awarding of 89 service awards
  - Three faculty members received the Faculty University Service Award
  - Ten Faculty Members received the Publication Award
  - The 10 Outstanding Faculty Members of the Year were named

- Promotion and Merit Increase Program – there were 12 employees promoted and 11 employees were granted merit increases

- FEU Non-Teaching Personnel Fellowship:
  - Work Life Balance
  - Outing at Klub Keluarga, San Juan, Batangas

(d) State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.

The compensation and rewards granted by the University shall support the achievement of its strategies and objectives. It shall be a source of competitive advantage and a major driver in:

1. Sustaining **membership** of high performing and key contributing employees;
2. Motivating employees to achieve superior levels of quality **performance**;
3. Encouraging employees to develop desired **competencies**; and
4. Building employee **engagement** to the organization.

The employees of the University shall be rewarded for their performance and competency to motivate them to continuously produce desired outcomes and thereby drive the whole organization towards achieving the vision to be the University of Choice in Asia.

FEU's Rewards Programs shall be anchored on the following guiding principles:

1. An employee can influence his pay level by the quality of his performance, at team and individual levels.
2. An employee can influence growth and improvement of his pay through the attainment of required competencies.
3. Fair returns are accorded to the employee considering FEU's performance and affordability as well as pay levels of comparator market groups.
4. Teamwork is encouraged and rewarded in the achievement of the University's strategies and plans.

5. Rewards programs are communicated to all employees to inform, motivate and mobilize them towards performance.

4) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behavior? Explain how employees are protected from retaliation.

General procedures

The University follows the following procedure:

1. Employee submits letter of complaint to management.
2. Based on letter of complaint, the Management conducts preliminary investigation and/or audit as needed.
3. Based on preliminary investigation and/or audit, HRD issues to the involved employee a Notice to Explain, indicating the offense and corrective action.
4. An Ad hoc Committee is created, depending on the explanation and evidence, to conduct further investigation and recommends appropriate corrective action.
5. The Ad Hoc Committee recommends to the University President the corrective action for the offense based on the Code of Conduct.
6. The President endorses the recommendation of the Ad Hoc Committee to the Legal Counsel for review.
7. HRD issues a notice containing its decision and corresponding corrective action to the employee, copy furnished the Employees' Union.

To protect the employee who complained, the University conducts audits and preliminary investigation and uses the results as basis for the Notice to Explain.

Whistleblowing system

Per FEU Whistleblowing Policy:

Upon receipt of a report through the whistleblowing system, the Executive Committee conducts a preliminary investigation of the matter. It may refer the matter to the Internal Audit Department for further investigation as maybe warranted, in coordination with the Legal Counsel and Human Resources Department. The person who made the report shall be informed of the results of the investigation. The guilty party shall be subject to disciplinary action without prejudice to any civil or criminal proceedings that the Corporation or regulators may file for violation of existing laws.

The Corporation shall protect the whistleblower from any form of retaliation or discrimination. The identity of the person making the report and the contents of the report shall be kept confidential to the extent legally permissible.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
Seyrel Investment and Realty Corporation	4,717,162	28.63%	Lourdes R. Montinola
Sysmart Corporation	3,546,138	21.52%	Henry Sy
Desrey, Inc.	1,318,464	8.00%	Lourdes R. Montinola

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
	N/A		
TOTAL			

2) Does the Annual Report disclose the following:

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	Yes
Dividend policy	Yes
Details of whistle-blowing policy	Yes
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Yes
Training and/or continuing education programmes attended by each director/commissioner	Yes
Number of board of directors/commissioners meetings held during the year	Yes
Attendance details of each director/commissioner in respect of meetings held	Yes
Details of remuneration of the CEO and each member of the board of directors/commissioners	Yes

Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure.

Not applicable as the Annual Report disclose all of the above information.

3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
Punongbayan & Araullo	● **For fiscal year 2015 - 2016**: P985,000 (exclusive of Value-Added Tax) plus 12% Out-of-Pocket Expenses ● **For Fiscal Year 2014 – 2015:** P940,000 (exclusive of Value-Added Tax) plus 12% Out-of-Pocket Expenses ● **For Fiscal Year 2013 – 2014:** P895,000 (exclusive of Value-Added Tax) plus 12% Out-of-Pocket Expenses ● **For Fiscal Year 2012 – 2013:** P800,000 (exclusive of Value-Added Tax) plus 12% Out-of-Pocket Expenses	None

4) Medium of Communication

List down the mode/s of communication that the company is using for disseminating information.

For Shareholders and Investors:

- Disclosures filed (financial reports, disclosures of material events and transactions and various other reports in accordance with applicable regulatory requirements) with the SEC and PSE which are posted at the PSE website
- Annual and Quarterly Reports
- Annual Regular/Special Stockholders' Meeting
- President's Report (Academic Report of the President)
- University's website (Investor's Information)
- Official Statements and/or various news or press releases

For Employees, Students and Alumni:

- E-mail announcements
- Various notices sent thru courier and/or registered mail
- Official newsletters and publications
- University's website (General University Information)

5) Date of latest release of audited financial report: June 16, 2015

6) Company Website

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

Business operations	Yes
Financial statements/reports (current and prior years)	Yes
Materials provided in briefings to analysts and media	Yes
Shareholding structure	Yes
Group corporate structure	Yes
Downloadable annual report	Yes

Notice of AGM and/or EGM	Yes
Company's constitution (company's by-laws, memorandum and articles of association)	Yes

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

Not applicable as all the foregoing information are disclosed in the University's website.

7) Disclosure of RPT[29]

RPT	Relationship	Nature	Value *(in Philippine Pesos)*
FERN Realty Corporation	Subsidiary	Rental expense Dividend income Rental income	83,466,357 6,674,690 1,158,515
East Asia Computer Center, Inc.	Subsidiary	Dividend income Non-interest bearing advances	50,319,741 244,195
Far Eastern College – Silang, Inc.	Subsidiary	Rental income Reimbursement of expenses (receivable) Reimbursement of expenses (payable)	2,501,025 1,476,000 180,727
FEU Alabang	Subsidiary	Non-interest bearing advances	84,372
FEU High School, Inc.	Subsidiary	Non-interest bearing advances	280,761
East Asia Educational Foundation, Inc.	Affiliates	Rental income Management fee (income) Non-interest bearing advances	48,154,351 41,429,784 1,321,130

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

See previous section on Related Party Transactions.

The University and its subsidiaries shall enter into any related party transactions solely in the ordinary course of business, on ordinary commercial terms and on the basis of arm's length arrangements, and subject to appropriate corporate approvals and actions of the university or the related parties, as the case may be. Any related party transactions entered into by the university or its affiliates shall be in accordance with applicable laws, rules and regulations.

Significant/material related party transactions are reviewed by the Audit Committee (which is headed by an independent director and composed mostly of independent directors) and approved the Board of Trustees. All related party transactions are appropriately disclosed in the company's audited financial statements, in accordance with SEC and accounting and audit reporting standards.

[29] Based on balances as of March 31, 2015.

J. RIGHTS OF STOCKHOLDERS

1) **Right to participate effectively in and vote in Annual/Special Stockholders' Meetings**

(a) **Quorum**

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

Quorum Required	A majority of stock issued and subscribed and entitled to vote shall be requisite at every meeting to constitute a quorum for the election of Trustees or for the transaction of any other business whatsoever[30].

(b) **System Used to Approve Corporate Acts**

Explain the system used to approve corporate acts.

System Used	By Vote
Description	Approval and endorsement by the Executive Committee; ratification by the Board of Trustees; and in certain cases (as required), ratification by the stockholders

(c) **Stockholders' Rights**

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

Stockholders' Rights under The Corporation Code	**Stockholders' Rights <u>not</u> in The Corporation Code**
Right to vote on all matters that require their consent or approval	None
Pre-emptive right to all stock issuance of the corporation	
Right to inspect corporate books and records	
Right to information	
Right to dividends	
Appraisal right	

[30] Amended By-Laws, Section V – MEETINGS; QUORUM

Dividends

Declaration Date	Record Date	Payment Date
July 16, 2015	June 30, 2015	July 14, 2015
December 11, 2015	December 29, 2015	January 15, 2016

(d) **Stockholders' Participation**

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

Measures Adopted	Communication Procedure
As a matter of policy, as set forth in the University's Amended Revised Manual on Corporate Governance, the stockholders should be encouraged to personally attend the annual and special stockholders' meeting. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy[31]. Such apply to both individual and institutional shareholders. Disclosure of Definitive Information Statements to generally inform all stakeholders (particularly the stockholders) of the matters concerning an upcoming Annual (or Special) Stockholders' Meeting	Posting of the SEC Form 20-IS at the University's website and at the PSE website which may be accessed by the general public
Sending copies of Notice of Annual (or Special) Stockholders' Meeting to all stockholders	Formal notices were sent through courier and mail in order that all stockholders are individually informed and notified regarding the Annual (or Special) Stockholders' Meeting
Open forum during the Annual Stockholders Meeting which encourages stockholders to relay their queries to the Board of Trustees	Person-to-person question and answer method; stockholders are given the opportunity to obtain answers to their queries directly from the members of the Board of Trustees

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

a. Amendments to the company's constitution

In amending its Articles of Incorporation, the University sends individual notices to stockholders in order to encourage each stockholder to participate and vote during a stockholders' meeting. The notices sent includes the agenda of the meeting which details the matters requiring stockholders' approval. Further, such notice mentions that in case a stockholder is unable to attend, he/she may appoint a Proxy who would vote on behalf of the stockholder; this is to encourage the exercise of stockholders' voting rights and participation in the University's corporate decision-making. Further, such is in compliance with the provision of **Section**

[31] Amended Revised Manual on Corporate Governance, Item No. 7 STOCKHOLDERS' RIGHTS AND PROTECTION OF MINORITY STOCKHOLDERS' INTEREST, *(B)*

16, **Amendment of Articles of Incorporation**, of the **Corporation Code of the Philippines** which provides that any matters stated in the articles of incorporation may be amended by a majority vote of the board of directors or trustees and the vote or written assent of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock, without prejudice to the appraisal right of dissenting stockholders.
During the period covered by this report, the University did not undertake to amend any provisions in the University's Articles of Incorporation.

b. Authorization of additional shares

In compliance with **Section 38**, **Power to increase or decrease capital stock; incur, create or increase bonded indebtedness**, of the **Corporation Code of the Philippines** which provides that no corporation shall increase or decrease its capital stock unless approved by a majority vote of the board of directors (trustees) and two-thirds (2/3) vote of the outstanding capital stock, a stockholders' meeting should be duly called for such purpose. Accordingly, such matter, if any, is to be fully disclosed in the notice of stockholders' meeting which is sent to individual stockholders in order to encourage their participation and exercise their right to vote, either personally or by proxy, on the said corporate matter presented for their approval.

During the period covered by this report, the University did not undertake to increase or decrease its capital stock.

c. Transfer of all or substantially all assets, which in effect results in the sale of the company

The University complies with the provision of **Section 40, Sale or other disposition of assets**, of the **Corporation Code of the Philippines** which provides that a corporation may sell, lease, exchange, mortgage, pledge or otherwise dispose of all or substantially all of its assets upon such terms and conditions and for such consideration as its board of directors (trustees) may deem expedient, when authorized by at least two-thirds (2/3) of the outstanding capital stock at a stockholders' meeting duly called for the purpose. In this regard, such matter, if any, shall be fully included in the notice of stockholders' meeting for the stockholders' meeting wherein such matter will be presented to the stockholders for their approval.

There was no substantial transfer of any of the University's assets during the period covered by this report.

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?

As set forth in the University's ***Amended By-Laws***, notice of annual stockholders' meeting shall be mailed at least fifteen (15) days prior to the date of the said meeting[32].

a. Date of sending out notices last year: July 31, 2015

b. Date of the Annual/Special Stockholders' Meeting last year: August 22, 2015

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

Upon discussion of each matter/business transacted during the stockholders' meeting held last August 22, 2015, the Chairman has given the stockholders present the opportunity to raise any comments or concerns on the

32 Amended By-Laws, Section VIII – NOTICE OF MEETING

matter/business being discussed. Also, prior to the adjournment of the stockholders' meeting, the Chairman again encouraged the stockholders present to raise comments, however, none of the stockholders present raised any comment or query. [33]

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

Resolution	Approving	Dissenting	Abstaining
1) RESOLVED, That the reading of the minutes of the regular annual meeting of stockholders held on 23 August, 2014 be dispensed with and that said minutes be approved as presented, in as much as the same has been posted on FEU's Investors website and copies were made available to all stockholders present.	14,007,885 (85.02%)	0 (0.00%)	625 (0.00%)
2) RESOLVED, That the Academic Report of the President, Far Eastern University, Inc. for the Academic Year 2014-2015 be, as it is hereby noted.	14,007,900 (85.02%)	0 (0.00%)	610 (0.00%)
3) RESOLVED, That the Annual Report of Far Eastern University, Inc. covering the operations for the Fiscal Year 2014-2015 be approved, ratified and confirmed.	14,007,900 (85.02%)	0 (0.00%)	610 (0.00%)
4) RESOLVED, That the acts of the officers and Trustees of Far Eastern University, Inc. in the furtherance of the matters covered by the annual report for the Fiscal Year 2014-2015 be approved, ratified and confirmed.	14,008,393 (85.02%)	0 (0.00%)	117 (0.00%)
5) RESOLVED, That there being only nine nominees, all votes be cast, as they are hereby cast equally, and that the nine nominees be henceforth declared as elected members of the Board of Trustees of Far Eastern University, Inc. for the Fiscal Year 2015-2016 or until their successors are duly elected and qualified: As Trustees: Dr. Lourdes R. Montinola Mr. Aurelio R. Montinola III Dr. Michael M. Alba Mrs. Angelina P. Jose Dr. Paulino Y. Tan Mr. Antonio R. Montinola As Independent Trustee: Ms. Sherisa P. Nuesa Dr. Edilberto C. de Jesus Mr. Robert F. Kuan	14,008,002 (85.02%)	0 (0.00%)	508 (0.00%)
6) RESOLVED, That the firm PUNONGBAYAN and ARAULLO be appointed External Auditor of Far Eastern University, Inc. for the Fiscal Year 2015-2016.	14,008,002 (85.02%)	0 (0.00%)	508 (0.00%)

[33] Refer to item *X. ADJOURNMENT* of the Minutes of Regular Annual Meeting of Stockholders of Far Eastern University, Inc. for the stockholders' meeting held last August 22, 2015

7) **RESOLVED**, That Far Eastern University, Inc. be authorized to effect a change in its fiscal year to such period, and date of its annual stockholders' meeting to such date, as may be determined by the Board of Trustees of the Corporation; RESOLVED, That the Board of Trustees of Far Eastern University, Inc. be delegated the authority to: a) Determine the new fiscal year of the corporation b) Determine the new date of annual stockholders' meeting of the Corporation c) Amend the By-Laws of the Corporation in order to effect such changes in the fiscal year and date of annual stockholders' meeting of the Corporation. RESOLVED, That the Board of Trustees of Far Eastern University, Inc. be authorized to file the amended by-laws of the Corporation with the Securities and Exchange Commission and other government agencies and bodies, and to perform such further acts and deeds as may be necessary, convenient or appropriate to give force and effect to the above resolutions, with full authority to delegate such authority to such person or persons as the Board of Trustees may deem appropriate.	14,007,900 (85.02%)	0 (0.00%)	610 (0.00%)

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

August 24, 2015

(e) **Modifications**

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

Modifications	Reason for Modification
None	Not applicable

(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	Total % of SH attendance
Regular/ Annual	**Members of the Board:** Lourdes R. Montinola Aurelio R. Montinola, III Michael M. Alba Angelina P. Jose Antonio R. Montinola Sherisa P. Nuesa Edilberto C. De Jesus **Officers:** Juan Miguel R. Montinola Gianna R. Montinola Glenn Z. Nagal	August 22, 2015	By poll / proxy	0.34%	84.68%	85.02%

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

Yes; the University's stock transfer agent, Stock Transfer Service, Inc. (STSI), was engaged to independently count and verify the votes during the meeting.

(iii) Do the company's common shares carry one vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.

Yes. As provided for by the University's By-Laws, each share of stock is counted as one (1) vote[34].

The University has only one (1) class of shares.

(g) **Proxy Voting Policies**
State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

	Company's Policies
Execution and acceptance of proxies	Completely filled-up and signed Proxy Form submitted to the Corporate Secretary
Notary	Not required
Submission of Proxy	At least 24 hours before the time set for the meeting as required by the By-Laws, or not later than 3:00 p.m. of the day immediately preceding the day of the scheduled date of the meeting[35]

34 Amended By-Laws, Section VI – MEETINGS; VOTING

35 Refer to the most recent Notice of Annual Stockholders' Meeting dated July 23, 2015 for the University's annual stockholders meeting held on August 22,

Several Proxies	Allowed
Validity of Proxy	One (1) year
Proxies executed abroad	Allowed subject to validation
Invalidated Proxy	Not counted
Validation of Proxy	Against signature card or personally signed
Violation of Proxy	Not counted

(h) **Sending of Notices**

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

Policies	Procedure
Written notice of the annual meeting of the University shall be mailed to each registered shareholder at the address, within the Philippines, which said shareholder shall have registered for the purpose. Said notice shall be so mailed at least fifteen (15) days prior to the date of the said meeting[36]. No notice shall be required to be sent to any address outside the Philippines.	Notices are sent to individual stockholders of record after the temporary closing of stock transfer book prior the scheduled meeting. Such notices are sent by means of a courier and/or registered mail.

(i) **Definitive Information Statements and Management Report**

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	1,521
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	July 31, 2015
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	July 31, 2015
State whether CD format or hard copies were distributed	CD Format
If yes, indicate whether requesting stockholders were provided hard copies	Yes, stockholders were likewise provided with hard copies

(j) **Does the Notice of Annual/Special Stockholders' Meeting include the following:**

Each resolution to be taken up deals with only one item.	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election	Yes
The auditors to be appointed or re-appointed	Yes
An explanation of the dividend policy, if any dividend is to be declared	Yes
The amount payable for final dividends	Yes
Documents required for proxy vote.	Yes

2015

[36] Amended By-Laws, Section VIII – NOTICE OF MEETING

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

Not applicable as all the foregoing information are disclosed in the notice of stockholders' meeting.

7) **Treatment of Minority Stockholders**

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

Policies	Implementation
Right to vote on all matters that require their consent or approval;	Full implementation
Pre-emptive right to all stock issuances of the corporation;	Full implementation
Right to inspect corporate books and records;	Full implementation
Right to information;	Full implementation
Right to dividends; and	Full implementation
Appraisal right	Full implementation

(b) **Do minority stockholders have a right to nominate candidates for board of directors?**

Generally, minority stockholders have the right to nominate candidates to the Board as there are no provisions in any of the University's internal policies and procedures which would prohibit minority stockholders to nominate a candidate for the Board of Trustees.

K. INVESTORS RELATIONS PROGRAM

1) Discuss the company's external and internal communications policies and how frequently they are reviewed.

The University believes in transparency as an indispensable component of good governance and that timely, relevant, transparent and accurate information should be made available to the shareholders and the general public. As such, important matters affecting the stakeholders are made known to them by the University's designated offices.

Further, as provided for in the **Amended Revised Manual on Corporate Governance**, the Board of Trustees shall therefore commit at all times to full disclosure of material information dealings. It shall cause the filing of all required information through the appropriate exchange mechanisms for listed companies and submission to the Commission for the interest of its stockholders and other stakeholders[37].

Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.

[37] Amended Revised Manual on Corporate Governance, Item No. 8 DISCLOSURE AND TRANSPARENCY

The Executive Committee reviews and approves the University's major announcements. Further, filings with regulatory agencies, disclosures to the Philippine Stock Exchange, press releases, minutes of meetings, approved board resolutions and other corporate information which are made available to the stockholders and the general public through the University's website is reviewed by the Compliance Officer, the Investor Relations Officer, the Corporate Secretary and the President, as applicable.

2) Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.

	Details
1) Objectives	To showcase the University's financial strength (stability, profitability and liquidity) and operational efficiency through good corporate governance
2) Principles	Good governance through participative leadership and transparency
3) Modes of Communications	• Reports and disclosures to SEC and PSE • Investor relations section of the University's website • Annual report provided to all stockholders
4) Investors Relations Officer	Juan Miguel R. Montinola

3) What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets?

Acquisition of corporate control in capital markets, and extraordinary transactions such as mergers and sales of substantial portions of corporate assets, if any, are required to be approved by the Executive Committee and ratified by the Board of Trustees, and by the stockholders, as necessary. Prior to approval, the approving body ensures that any transaction complies with the documentary, substantive and procedural requirements in accordance with the requirements of the Corporation Code and the Securities and Regulations Code, including the applicable rules and regulations promulgated by the SEC and the PSE.

Further, legal and financial due diligence is conducted by independent legal advisers and external auditors, respectively, in order to evaluate the fairness of any transaction.

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

Not applicable. During the period covered, the University was not a party to any extraordinary transactions mentioned above.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Title of the Outreach Programs	Objectives of the Outreach Programs	Target Beneficiaries
FOUR FLAGSHIP PROGRAMS		
FEU–GK PABAHAY Project (*A community services flagship project on housing and community development in Madrigal Estate, San Francisco del Monte, Quezon City).*	The **FEU Pabahay** project is the housing and community development project established through the unified effort of the entire community of FEU in partnership with Gawad Kalinga 777 located at San Antonio Madrigal Gawad Village. *Its main goal is to help the marginalized families own decent houses, regain their values, hopes and aspirations and make sure that the potential of the poor are nurtured through productivity. Moreover, (5) core programs geared towards providing decent shelters, health services, education, livelihood, and community empowerment will be provided the select beneficiaries.* Objectives: - to raise the level of community involvement and social awareness of students. - to register a significant impact in the lives of several urban informal dwellers in the country through the unified efforts of the FEU Community; and - to build decent, wholesome and habitable housing units for informal dwellers that will further boost the recipients' esteem.	59 members of the families, 20 barangay officials and core members, Catered to great numbers of Out of school youths and kids through various activities.
FEU TAMARAWS SAVE THE TAMARAWS PROJECT: **(***A community services flagship project on preserving and conserving the tamaraws and their habitat)*	The program's general objectives: 1. Raise awareness and concern and involve the whole FEU community in this noble cause of helping in the conservation of the tamaraws in Mindoro. 2. Promote the continuous and stable existence of tamaraws in Mindoro. 3. Serve as an example that educational institution and/ or private corporations and government can thrive in partnership to accomplish goals and provide solutions to community problems. Specific objectives: 1. Conduct studies, researches on the dynamics of Tamaraws to better understand them and develop better and appropriate programs to conserve them. 2. Provide amplified, significant and positive results on the major components of the Tamaraw Conservation Program. 3. Get assistance and support from the different organizations, associations in FEU. 4. Provide literacy, livelihood and educational programs and support to selected Mangyans Community.	Thousands of supporters across concerned agencies.

	Focused on the Tamaraw and Habitat Conservation	
PARTICIPATION IN THE ANNUAL TAMARAW COUNTING SINCE 2005 Annual Tamaraw Count since 2005 including the Philippine Expedition 2007 conducted by the Scientific Exploration Society. 2008 – **263** (April 2008) 2009 – 274 (April 2009) 2010 – **314** (April 2010) 2011 – **274** (April 2011) 2012 **– 327** (April 2012) 2013 - 345 (April 2013) 2014 – **382** (April 2014) 2015 –405 (April 2015)	Program component of the "Save the Tamaraws Project," one of the university's flagship programs.	World Wide Fund for Life (WWF), Department of Environment and Natural Resources (DENR) and Mangyan Tribe
Tamaraw Conservation Month Exhibit and Forum at FEU, October 13 and 16, 2015	This activity through the adherence of Presidential Proclamation No. 273 October Month was declared as Special Month for the Conservation and Protection of the Tamaraws. This is in coordination with Department of Environment and Natural Resources (DENR) and Mindoro Biodiversity Conservation Foundation, Inc.	Tamaraws HABITAT
PROJECT H.O.P.E. *A flagship project on harnessing offenders' personal empowerment)*	The project aims to: 1. Determine the extent of services rendered to the inmates in the areas of: health, physical development, legal and psycho-social services, economic and education. 2. Identify needs and concerns for possible interventions. 3. Select inmates for holistic services and follow-up program	Beneficiaries ranging from 50 to 100 inmates per session/program. 10 to 20 DILG BJMP Manila City Jail and Barangay Officials
SILANG LIVELIHOOD PROGRAM highlighted with the *adoption of the Biga Elementary School* in Silang, Cavite: FEU's aims and objectives in its Adopt –A –School Program is to raise the level of the quality of education of the underprivileged pupils in the public schools, notably of the BIGA Elementary School whose majority of the learners are poor but high performing pupils.	The project operates with the following objectives: (1) To enable the poor families of the identified barangays to be self-sufficient by way of providing them livelihood training programs; (2) To provide them with the proper training and exposure on the product development, packaging, costing and marketing; (3) To help source out micro-financing scheme to sustain their micro-enterprise; and (4) To instill and restore in them their self-worth and confidence • FEU Silang Yaman Project – Students from different institutes, prior to the putting up of FEU Silang campus, have made their presence felt through various community service activities such as livelihood programs, sports development, literacy enrichment, to name a few.	200 plus participants (every visit and project) involving the parents, teachers and staff and pupils of Biga Elementary School.

TAM-CES-SHIFT **Program/Activities Undertaken**	TAM-CES SHIFT, one of the elemental auxiliary programs, refers to ***S**kills Honing **I**ndividuals for **F**uture **T**ransformation*. It is *anchored on the Founder's Legacy re:* ***education for the less privileged*** *guided by his* Philosophy that the "***The worth of the individual is measured by the quality of service he renders to his community".*** **The** program components are: - Education: Literacy Programs - Business: Small Scale Business,\Livelihood Programs and Entrepreneurship - Health and Fitness - Psycho-social Interventions - Creative/Technical/Vocational and Artistic Skills Enhancement	BJMP Female Inmates
LIVELIHOOD FOR BJMP, September 20, 2014 The Art of Beads Making. Follow-up of the production of bag making out of old newspaper	Day 05 – Complete Set Meal Day 06- Culminating Activity	BJMP Female Inmates
PHASE I. THE ART OF EMOTIONAL HEALING". . *. A SERIES. . Modular form* September 22, October 13, November 3, 24, December 15, 2014 January 12, 2015	A continuation of the training conducted last February 2014 re: Bag Making out of old newspaper.	BJMP Female Inmates
Creative Therapy	This is a series of whole day seminars designed for the BJMP female inmates with activities that includes the use of art in emotional healing. This is highlighted with art appreciation through dance, music and basic painting. Likewise, therapeutic intervention shall be employed out of the activities as specified above.	GK, Quezon City Gota de Leche
Reflexology Training for Inmates, September 24 and October 9, 2015		
Health Resource Development Program for a Pool of Potential Leaders, September 25, October 1, 24, November 14, and 15, 2015	The program on health related endeavor includes the following: Reflexology and Massage Therapy (3rd batch) for BJMP female inmates.	BJMP Female Inmates
	The program on health related endeavor includes the following: - Health Education and Health Management (Health Assessment, Presentation of Data) designed for the following as target participants: - GK, Quezon City - Gota de Leche	
Sabayang Pagbigkas at Bureau of Jail Management and Penology, November 27, 2014 to February 4, 2015	A project initiated by IAS-Tanggapan ng Larangan ng Filipino (TLF) basically to train selected BJMP female	Barangay 395, Zone 41 Gawad Kalinga Barangay 531 Zone 52 Pingkian Pasong Tamo Q.C.

Computer Literacy Training Program, February 4 and 7, 2015 and March 21 and 25, 2015 PC Assembly and Troubleshooting Photoshop Training	inmates in Chorale reading as part of Literacy Program and Art Appreciation. Activities include lectures on chorale reading, practice and contest on chorale reading. These competence building activities largely involved in-house training through institutes and partnership linkages. This project intends to identify ways to overcome the barriers to workforce development towards individual skills development and transformation. Its primary objective is to develop basic computer skills for out of school youths through simplified approach and strategies.	Little Sisters Barangay San Antonio, GK youth
Teaching Basic Filipino and English Language, February 11,18, March 4, 11 and 18, 2015 Theme: *"Be Fluent! Be Empowered and Be Brave!"*	This activity aims to help foreign and aspirant sisters of St. Teresa Jornet Home improve their communicative competence in order to become more productive and empowered individuals of the society.	Ninoy Aquino Parks and Wildlife Center and Barangay 395 Zone 41, Sampaloc Manila
Values Formation and Feeding Program dubbed with Literacy Program and catering for about 150 kids, Feb 22, 2015	This activity aims to develop and instill good manners and right conduct among to the children and youth of community. Activities include: Feeding, storytelling, fun games and interaction with barangay and GK children.	
The Ethos Art: Filipino Values through Visual Artworks of Fine Arts Students, March 11, 18-19,25,2015 at Ninoy Aquino Parks and Wildlife Center, Quezon City and Barangay 395 Zone 41, Sampaloc, Manila Art Fundamentals: Painting, Sculpture, Handicrafts	This activity focuses on transforming imaginative and visual artworks through painting. Activity includes: lecture-workshop on arts and handicrafts and mural painting.	
<u>Project Barangay CARe-A-VAN</u>, *(<u>CARe</u>-<u>A</u>-<u>V</u>eritable <u>A</u>ction for <u>N</u>eighbor)*. **Project Barangay CARe-A-VAN,** December 11, 2014-March 27, 2015Dubbed with: -Literacy Programs -Proper Hygiene Seminar -Seminar on Basic Human Rights and Legal Concerns -Seminar-Workshop on Personality Development and Culinary Class -Livelihood Training, etc.	The project is focuses on showing "CARE" for the marginalized sector in our society. The analogy of caring for the body reflects the truth behind the same. More often than not, we spend much on our head more than we do with the lower parts of our body (like the feet). This is also true in our society where those on top are given more attention and privileges than those who have less – the marginalized. **"CARe-A-VAN"** project is an initiative to give attention to the least of our neighbors, to let them feel that they too are important and are not left out in our society.. It entails showing them that we care through simple acts of sharing our	GK Community, Q.C. Barangay Payatas B Little Sisters, San Juan Barangay 531 Zone 52 Barangay Tatalon BJMP, Manila Barangay 395, Manila

	resources and blessings. "CARe-A-VAN" may just be a little act but will sure make a big difference in their lives – for the same affirms the fact that they too are of importance.	
Project AGREE *(**A**gricultural **G**ardening for the **R**estoration of the **E**arth and **E**nvironment)*.	**Project AGREE** stands for Agricultural Gardening for the Restoration of the Earth and the Environment. Its thrust is Saving the Earth, a concern that is now significantly recognized by the whole world. Activities such as planting, composting and other ecologically related efforts are subsumed under this project. Initially its immediate beneficiaries is, the RSCC (Reception and Study Center for Children) children of DSWD. Creating an environment that is conducive to the children is tantamount to envisioning a better future for the community and the world. Equally important is the involvement of the FEU community, the faculty and staff and students. The practice of civic involvement and volunteerism are two of the values the project wants to inculcate. Eventually, we envisioned to venture into a bigger rehabilitation project aligned with the national agenda on environmental preservation.	25 RSCC staff and around 28 adopted Children/kids of RSCC
Project MAKE-OVER: Activity • **Green House Renovation** at DSWD Reception and Study Center for Children, Quezon City, September 12-17, 2014	This undertaking is in partnership with our alumni, partner industries and other linkages. The project includes major repairs, refurbishing, painting of physical plant and donation of school supplies, and attending to the priority needs of the target beneficiaries. This is normally highlighted with literacy, feeding programs and socialization with the target participants.	RSCC staff, and adopted Children
ANNUAL SUMMER INTENSIVE TRAINING PROGRAM Annual Summer Intensive Training Program for Biga Elementary School Pupils, Teachers and Parents, Biga Elementary School, Silang Cavite from 2009 to 2014.	This annual program aims to help the pupils of Biga Elementary Schools as well as community in Silang become progressive through continuous programs and projects that require commitment and hands-on involvement where the community utilizes their means and thus get to help one another by donating time, talent and skills to worthy causes.	300 pupils of Biga Elementary Schools, 50 parents and teachers and staff
SUMMER "ART CAMP" • 1st Summer arts camp (Off-Campus), May 29-31, 2010 at FEU – College Silang • 2nd Summer arts camp (Off-Campus), May 9-13, 2011 at FEU – Silang	This project/program initiated by PCC (President's Committee on Culture) is developmental in nature. Volunteers from PCC cultural groups render free classes in theater, dance and visual art. The program was also replicated by selected members of the FTG, FDC and FBB and sponsored by the Vallehermoso Helping Hands Foundation to provide intensive arts classes as per their area to children in Negros Oriental.	103 participants 73 participants 111 participants 132 participants 80 participants 250 participants

• 3rd Summer arts camp (Off-Campus), May 7-12, 2012 at FEU – College Silang • 4th Summer Arts Camp (in-Campus), May 6-10, 14-20 at AB 211 and LB 205 • 5th Summer Arts Camp (in-campus), May 5-9, 21-21, 2014 • 6th Summer Arts Camp (in-campus), May 4-18, 2015		
BRIGADA ESKWELA • Brigada Eskwela 2009, May 16, 2009, Biga Elementary School • Brigada Eskwela 2010, Biga Elementary School, May 2010 • Brigada Eskwela 2011 Biga Elementary School, May 2011 • Brigada Eskwela 2012, May 2012 • Brigada Eskwela 2013, May 25, 2013, Philippine School for the Deaf and Blind, Pasay City and Arellano High School, Sta. Cruz, Manila • Brigada Eskwela 2014, Dr. Aldana Elementary School, P. Gomez Elementary School, Biga Elementary School, Graciano Lopez Jaena Elementary School, May 2014 • Brigada Eskwela 2015, V. Mapa High School, Biga Elementary School and Graciano Lopez Jaena Elementary School, May 2015	Form part of the annual Brigada Eskwela being held in different sites and adopted public schools beneficiaries.	Selected Public Schools Dr. Benigno Aldana Elementary School P. Gomez Elementary School Biga Elementary School Graciano Lopez Jaena Elementary School Philippine School for the Deaf and Blind, Pasay City Arellano High School, Sta. Cruz, Manila Principal ,staff and pupils
RELIEF OPERATIONS (Always ready to serve). • Catanduanes Super Typhoon REMING "November 26-December 1, 2006 Relief Drive • Relief Operation 2009 "Typhoon Ondoy" • Typhoon "PEPENG" September 30-October 11, 2009 • Relief Operation "TS Maring Habagat", Aug. 20,2013, FEU Campus • 15 Oct 2013 magnitude 7.2 **earthquake** jolted Carmen, **Bohol**	Demonstrates University's readiness every time there's in need to share resources in services, kind or in cash through relief operation. This form part of the "TAMBAYANIHAN initiatives of the students and volunteers across sectors with the full support of the University management through CES/NSTP. The effort is wholeheartedly undertaken for casualties/victims brought about by the onslaught of the typhoons, earthquakes or any form of calamity.	Nearby communities Various Beneficiaries

and other parts of the Visayas and Mindanao. • Relief Operation for 7.5 2013 • Relief Operation "Super Typhoon Yolanda", Nov. 8,2013, FEU Campus • Relief Operation "Typhoon Pablo" December 2012 • Relief Operation "Typhoon Glenda" 2014 • Relief Operation: Typhoon Mario, September 22-30, 2014 • Relief Operation: "Typhoon Lando", Barangay San Marcos, Calumpit and Barangay San Roque, Hagonoy, Bulacan, October 27, 2015		
A**NCOP GLOBAL WALK** • 1st ANCOP Global Walk 2011 August 21, 2011 at Mall of Asia • 2nd ANCOP Global Walk 2012, August 12, 2012 at Quirino Grandstand • 3rd ANCOP Global Walk 2013, August 25, 2013 at Quirino Grandstand • 4th ANCOP Global Walk 2014, May 25, 2014 at SM Mall of Asia • 5th ANCOP Global Walk 2015, August 16, 2015 at Quezon City Memorial Circle	The third of the series, a walk for a cause organized by couples for since 2011 with the proceeds going to a scholarship program.	Maintaining six (6) scholars
HANDS ON MANILA SERVATHON ● Servathon 2009, October 10, 2009 at Plainview Elementary School in Mandaluyong City ● Servathon 2010, September 18, 2010 at Pangarap Shelter Taft Avenue, corner Escobal Street, Pasay City ● Servathon 2011, November 26, 2011 at Philippine General Hospital (PGH) Pediatric Ward ● Servathon 2012, October 20, 2012 at Freedom Island Las Piñas ● Servathon 2013, November 16, 2013 at Pasay City ● Servathon 2014 on September 27, 2014 at TESDA ● Servathon 2015 on October 17, 2015, Quezon City	FEU consistently joined the volunteer works prescribed by the Hands on Manila (HOM).	# of varies depending on the projects Hands on Manila Personnel and Beneficiaries

ANNUAL BLOOD LETTING "Dugo Mo, Karugtong ng Buhay Ko," a Blood Letting Activity in cooperation with FEU Health Services and the Manila Health Department and DOH. (initiated since 2000) January 23, 2015, the Phil. Blood Center in partnership with the UHS	The FEU community's way of inculcating in the volunteer's mind that donating blood is such a heroic and a lifesaving act. This is consistently undertaken twice a year.	Referred
CHILDREN'S HOUR • Children's Hour 2009 • Children's Hour 2010 • Children's Hour 2011 • Children's Hour 2012 • Children's Hour 2013 • Children's Hour 2014 • Children's Hour 2015, Feb. 26, 2015	The Far Eastern University is also in partnership with an organization that is committed to serving the needs and requirements of indigent children in the Philippines. The organization is called Children's Hour with main office located at Unit 505 Liberty Building, 835 A. S. Arnaiz Avenue, Legazpi Village, Makati City.	Selected Children
SCHOOL SUPPLIES DISTRIBUTION The **Tamaraws'** Way - A gesture of social concern and commitment, May 2015	A gesture of support to the selected beneficiaries but the primary objective is to gather the pupil/beneficiaries together with their parents and to maximize the opportunity to provide literacy and awareness programs and education on the priority areas such as: prime social issues, health, proper grooming and values education.	Selected public schools
DDB's STAND Project launching dubbed with "**On the Spot Painting Contest"** with the theme: "Kaya ko 'To ng Walang Droga", Jan. 29, 2014 at FEU UCC • **MURAL PAINTING: The DDB's STAND Project** (in partnership with DDB & A3D), May 22-24, 2014 at P. Gomez, Elementary School, (Site: Eight (8) walls measuring 8X9 facing Central Market) • **2nd Mural Painting** in line with the **Project STAND** *(STreet Artist: No to Drugs)* at Culiat Highschool, Tandang Sora, Quezon City	A program in partnership with Dangerous Drugs Board form part of its campaign against use and abuse of illegal drugs. • Program component of DDB's Project STAND designed to be implemented to three (3) selected sites. • This is the 2nd of the series under Project STAND a partnership with Dangerous Drugs Board (DDB) and (A3D) Association of Advocates Against Drugs. Its objective is to involve Street Artists/Fine Arts students of the different schools/colleges/universities within Metro Manila in the information drive on the hazards and prevention of the illegal use of dangerous drugs and controlled precursors and essential chemicals (CPECs) and in disseminating the same to the general public particularly targeting the youth through mural paintings. • This objective of this activity is to involve Street Artist/Fine Arts student of the	• FIVE winners from (UE, EARIST,FEU,BSU) with their TEAM, DDB Representatives; A3D Officers; Principal – P. Gomez; P. Gomez Supervisor; Bgy Officials headed by Bgy. Chairman • Dangerous Drugs Board (DDB)/ Association of Advocates Against Drugs (A3D) Culiat High School

• **3rd Mural Painting** in line with the **Project STAND** *(**ST**reet **A**rtist: **N**o to **D**rugs), March 4 and 5, 2016* at Barangay, Sta. Cruz, Makati City	different school/colleges/universities within Metro Manila in the information drive on the hazards and prevention of the illegal use of dangerous drugs and controlled precursors and essential chemicals (CPECs) and in disseminating the same to the general public particularly targeting the youth through mural paintings.	• Dangerous Drugs Board (DDB)/ Association of Advocates Against Drugs (A3D) Barangay, Sta. Cruz, Makati City
Visit of FEU Korea Students and Faculty Members tagged as Saranghaeyo Pilipinas 2015 Project: Korean Volunteer Works and Community Immersion Program in partnership with FEU Manila, June 20-29, 2015 at Ninoy Aquino Parks and Wildlife Center, Quezon City and Reception and Study Center for Children, Quezon City.	This is a continuation of the program started last year under Project Make-over. This aims to welcome and assist Korean students from Far East University Korea school mostly composed of student leaders and volunteers who expressed interest and organized a trip to the Philippines for a visit and partnership with the university in terms of volunteer works and community services.	Reception and Study Center for Children Ninoy Aquino Parks and Wildlife Center
FEEDING AND NUTRITION PROJECT (for infants and toddlers with their respective mothers) Gota De Leche; Lepanto Manila.	Programs extended are classified as supplemental program mostly on health and nutrition for street children unprivileged mothers with infant.	35 infants and parents from Gota De Leche
• **F.E.A.S.T. Program** (**F**ar Eastern University's **E**co waste-**A**dvocacy on **S**egregation of **T**rash): **Tree Planting** at Carmona, Cavite, October 1, 2015 • **Far Eastern University's Eco-waste Advocacy on Segregation of Trash (FEAST) Program** at FEU and Ninoy Aquino Parks and Wildlife Center, Quezon City, February 22 – March 7, 2016	This activity aims to be environmentally-themed endeavor stresses the care for the environment as it applies the learning and insight of the NSTP module seminars on environmental care and awareness as community immersion. This includes vertical/vegetable and Hydroponic Gardening	FEU students and Ninoy Aquino Parks and Wildlife Center
Metro Art KKK *(Kalinisan, Kalikasan at Kalusugan)* at FEU Main Campus, October 1, 2015	This activity aims to be environmentally themed endeavor stresses the care for the environment as it applies the learning and insight on environmental care and awareness.	FEU students
"Tambayanihan: FEU Medical Mission and Feeding and Distribution of Basic Medical Kits", September 26, 2013, Barangay Bangkal, Malolos, Bulacan	An outreach and social responsibility initiative in partnership with the Alumni Relations and Placement Office.	1500 plus from Malolos Bulacan Beneficiaries, Barangay Officials, Malolos City Hall
TAMBAYANIHAN: FEU Medical Mission at Barangay Payatas, Quezon City, March 21, 2016	An outreach and social responsibility initiative in partnership with the Alumni Relations and Placement Office.	Barangay Payatas, Q.C.

TAMBAYANIHAN: FEU Medical, Dental and Legal Mission at Barangay Payatas, Quezon City, October 3, 2015	This community outreach activity intends to provide basic health care services, medical and dental treatment particularly fever and flu, cough and colds, wounds, allergies, diarrhea, hypertension and vitamin deficiency, Also this activity offers legal assistance to the community	Barangay Payatas, Q.C.
BJMP Male and Female Inmates Annual Fitness and Wellness Program.	Program component of Project H.O.P.E	100 BJMP Male and Female Inmates and BJMP Staff and Officials
Project Barangay CARe-A-VAN: Sound Mind and Sound Body Fitness Program at Bureau of Jail Management and Penology, November 10, 2015	This activity serves as an avenue for educating the community in order to meet their physical, psychological, emotional and social needs to prepare them from taking full responsibility for their own lives and welfare through fitness. It will also help in educating the community through fitness, potential and abilities of each individual. The project is geared towards promoting a just and humane society, in accordance with the vision-mission of the institution.	BJMP Female Inmates
Project Barangay CARe-A-VAN: Laban ni Maria- Cervical Screening and Health Promotion at Bureau of Jail Management and Penology-Female Dorm Inmates,November 25, 2015	Cervical cancer is the 2nd most significant cause of malignant morbidity among women of reproductive age, who has already had sexual debut. This is caused by Human Papilloma Virus 16, and 18. The same likewise cause other form of inflammatory processes in the female reproductive tract that later on would cause significant sequelae like infertility and warts formation.	BJMP Female Inmates
Christmas Cheers for Children at Floridablanca, Zambales, December 5, 2015	This activity provides a venue for collaboration of various alumni organizations in the quest to actualize a community service framework where the different alumni associations are connected with the FEU Alumni Foundation (umbrella organization). The FEU-AF officers together with the alumni associations aim to highlight the direction and plans of FEU-AF for the FEU Alumni community. The gathering with the aeta community is a community service initiative involving the alumni as the FEU community celebrates the Christmas season.	AETA Community in Florida Blanca, Pampanga
IARFA Art Exhibit 2015: Sining para sa Kalikasan dubbed under The Ethos Art and Culture through Visual Artworks at Ninoy Aquino Parks and Wildlife Center, Quezon City, December 11, 2015	This activity focuses on transforming their imaginative and visual artworks through painting which will be showcase through exhibit.	Ninoy Aquino Parks and Wildlife Center
Project Barangay CARe-A-VAN: Kwentong may Kwenta at Bureau of Jail Management and Penology, December 18, 2015	The project is focused on showing "CARE" for the marginalized sectors in our society. This project is an initiative to give attention to the least of our neighbors, to let them feel that they are too important and are not left out in our society. This activity includes storytelling to female incarcerated	BJMP Female Inmates

	women, group discussion and sharing among others.	
Project Barangay CARe-A-VAN *(CARe-A-Veritable Action for Neighbor), Dec. 15-21, 2015* Dubbed with: -Literacy Programs -Proper Hygiene and Sanitation Seminar -Values Education, etc.	The project is focused on showing "CARE" for the marginalized sectors in our society. The analogy of caring for the body reflects the truth behind the same. Most often than not, we spend much on our head more than we do with the lower parts of our body (like the feet). This is project is an initiative to give attention to the least of our neighbors, to let them feel that they too are important and are not left out in our society. Showing them that we care through simple projects like the "CARe-A-VAN" may just be a little act but will sure make a big difference in their lives – for the same affirms the fact that they too are of importance..	GK Community, Roosevelt Q.C., Payatas Q.C. and Barangay 395 and 396 and BJMP Female Inmates
Project Barangay CARe-A-VAN dubbed with Socialization and Feeding Program at Reception and Study Center for Children, Quezon City, January 16, 2016	This activity aims to develop their sense of volunteerism and socialization through storytelling, fun games and group dynamics in which feeding program is being initiated to the children of RSCC.	Reception and Study Center for Children
Forum on Youth Significant Contributions to Nation Building (Summit and Expo) with the theme: Be Involved at FEU, January 27 – 29, 2016	This is an "Opening Salvo" of Community Extension Services and NSTP in celebration of the FEU's 88th Founding Anniversary, featuring the successful youth contribution (as role model) to Nation Building, worth emulating. Also, highlights the best practices of colleges and universities in the area of social responsiveness, community service and environmental awareness.	FEU students, BJMP, Caritas Manila, Hands-on-Manila
Project Barangay CARe-A-VAN: Seminar on Stress Management at Bureau of Jail Management and Penology, February 5, 2016	This project aims to inculcate awareness and understanding on the causes and effects of stress in our body and its management or interventions towards releasing and reducing the stress level in our mind and body.	BJMP Female Inmates
Project Make-over: Repainting of RSCC Playground at Reception and Study Center for Children, Quezon City, February 13, 2016	This project is in collaboration with the Kiwanis International. Activities include refurbishing and repainting of physical plant and attending to the priority needs of the target beneficiaries. Also, it is highlighted with tree planting, feeding programs and socialization with the target participants.	Reception and Student Center for Children
Project Care and Compassion: Camp Pag-ibig 2016 at Balara, Quezon City, February 14, 2016	This project is spearheaded by the Department of Education-Bureau of Elementary Education-Special Education Division. It focused on goal to create more awareness and more opportunities for people with disabilities. The camp provides an avenue for children with disabilities to socialize and integrate themselves in the community. Activities include swimming, painting, outdoor games, socialization, dance, arts and crafts.	2,000 disabled students
2nd Walk for Peace 2015: Walk against Hazing and other types of violence in our communities at Bonifacio Shrine to Quirino Grandstand, Manila, August 1, 2015	This activity aims for awareness campaign against hazing and other types of violence in our communities especially in educational institutions.	Manila Community and Manila City Hall

NSTP Community Immersion: 30th International Coastal Clean Up Dive at Manila Bay, Roxas Blvd., Manila, September 19, 2015	This program serves as to: (1) engage people to remove trash and debris from beaches, waterways and other water bodies; (2) identify the sources of debris; (3) change behaviors that cause pollution; (4) raise awareness on the extent of the marine debris problem and (5) aid in better informed policy decisions and improved solid waste management programs. These are all in consonance with the NSTP 1 module on Environmental Care and Protection.	Community along Roxas Boulevard and Manila City Hall
Clean Up Drive in line with the celebration of the National Law Week held at Manila Bay along Roxas Blvd., Manila, September 24, 2015	The objectives of this Clean Up are to: (1) engage people to remove trash and debris from beaches, waterways and other water bodies; (2) identify the sources of debris; to change behaviors that cause pollution; (4) to raise awareness on the extent of the marine debris problem; and (5) to aid in better-informed policy decisions and improved solid waste management programs.	Community along Roxas Boulevard and Manila City Hall

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/President.

	Process	Criteria
Board of Directors	Self-evaluation	1) Attendance; 2) Participation in and conduct; 3) Conflict of interest; 4) Business knowledge and expertise
Board Committees	Self-evaluation	
Individual Directors	Self-evaluation	
CEO/President	Self-evaluation	

N. INTERNAL BREACHES AND SANCTIONS

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

Violations	Sanctions
1) Willful violations that govern securities and banking activities	Permanent disqualification as director
2) Fraudulent acts	Permanent disqualification as director
3) Independent trustee who became an officer, employee or consultant of the same corporation	Permanent disqualification as director
4) Trustee who is judicially declared as insolvent	Permanent disqualification as director
5) Conviction by final judgment of any crime punishable by imprisonment of more than 6 years	Permanent disqualification

6) Refusal to comply with disclosures request of the Securities Regulation Code and its implementing rules and regulation	Temporary disqualification which shall be in effect as long as the refusal persists.
7) Dismissal or termination for cause as trustee of any corporation	Temporary disqualification which shall be in effect as long as he has not cleared of the offense
8) Independent trustee whose beneficial equity ownership in the corporation, its subsidiaries and affiliates exceeds 2% of the subscribed capital stock	Temporary disqualification which shall be in effect as long as he exceeds the limit

***