

grown software prior to customer endorsement in order to ensure that business requirements are met.

The Service Support Department is charged with providing first level technical support and ensuring that IT services are available 24/7 to both internal and external customers of the Company. There are two groups under this department: a) the Technical Support team, which monitors and performs first level troubleshooting on services pertaining to PhilWeb's corporate & casino infrastructure and B) Field Support, which is tasked to provide first level troubleshooting for e-Games sites. Tickets reported by site personnel and operators are first escalated to this team for validation and resolution.

Highlights

Account-based play was further enhanced this year through the introduction of the e-wallet feature. Players can leave balances on their accounts and play in any e-Games site without having to carry their cash around. IT has provided improvements in the home grown systems to ensure full and seamless integration with these new features. In line with this update, IT has also deployed the new version of the casino game client to all e-games venues across the country.

Information Security

In June 2015, PhilWeb transformed the Security and Compliance Group into the Information Security Group. The Group provides guidance on securing and protecting the privacy of information, and ensures that the institution maintains appropriate operational controls, standards, processes and Information security policies. The Information Security Group reports directly to the Office of the President.

After the establishment of the Information Security Group, IT network security was transferred from The Information Technology Group to Information Security in order to provide a better alignment and direction with regards to PhilWeb Security. The IT Network Security team focuses on PhilWeb's perimeter security, on the design and implementation of security appliances, and on ensuring a secured gaming environment.

Information Security Engineering was also established to provide application security, endpoint security and access control management for PhilWeb Corporation.

The Information Security Group is composed of two teams, namely the Information Security Engineering Team and IT Network Security.

Goals and Objectives

PhilWeb Corporate, Employee, Customer, and Trading Partner information and the applications, systems, and networks that support this information, are protected from unauthorized access, modification, disclosure, and usage. This is achieved through a combination of services, solutions, awareness training, and processes that enable the business to grow and thrive, while risks and exposures are managed.

Information Security plays a vital role in:

- Securing PhilWeb's Information to avoid potential data loss
- Providing immediate resolution, recommendation and mitigation of any Information Security incidents.
- Implementing Information Security policies, best practices and standards in alignment with the ISO 27001 & ISO27002 framework.
- Identifying and managing IT-related risks and increased requirements for control over information.

Highlights

Network security was reinforced in 2015 through the combined efforts of the Information Security Group as well as the InfoSec Engineering Team.

Access Review and recertification process for PhilWeb's critical systems was established to ensure that privilege accounts are reviewed and approved by the system and application owners.

The Group also established Information Security Policies for PhilWeb which are aligned and in accordance with the ISO27001 and ISO27002 version 2013 standards.

Furthermore, the implementation of network security policies for PhilWeb's version 15 casino environment, as well as the establishment of Security Standards for game terminals and POS were completed in 2015.

1.5 Human Resources and Administration

Organization Structure

PhilWeb's Human Resources and Administration Departments were re-structured in January of 2016 and became one division, Human Resources and Administration. Merging the two departments was effective and cost efficient maximizing the combined competencies of the former 2 departments that gave more solid support for the Company.

The Human Resources Team (HRT)

Recruitment & Selection

Recruitment and Selection in PhilWeb continued to follow stringent procedures to ensure that we are hiring only qualified and competent workforce.

New Hires Orientation covering the Company's Vision, Mission and Core Values, Culture and History of PhilWeb, the Organization Chart, Product Training, Policies and Procedures and Code of Conduct as well as explanation on their Employment Contract - comprise the outline of

the Induction Program and is given prior to turnover to the requesting department. Technical orientation is handled by the respective department.

In 2016, a total of 44 employees were hired and distributed to different departments. However, due to the expiration of the PhilWeb's IPLMA with PAGCOR, hiring was put on hold since August 2016. In this connection, to achieve economy and efficiency in our operations as well as to prevent losses, 22 people were separated in November 2016. As of December 2016, the Company has 216 employees, including IT, CS and Operations ready for a potential re-start in case e-Games resumes operation.

Compensation and Benefits

The HR Team ensured timely delivery of compensation and benefits to the workforce and their professional and personal growth were charted through based Performance Evaluation/Appraisal. Corresponding rewards and compensation are fairly given, including those who have been separated from the company due to the non-renewal of the IPLMA with PAGCOR.

The Year 2016 marked the 16th year of PhilWeb in the business. During the Company's anniversary, employees were recognized for their dedicated service and loyalty rendered to PhilWeb. Twenty-one (21) employees celebrated their 5th year of service, two (2) employees for their 10th, and eight (8) for their 15th year in PhilWeb.

Workplace Learning & Development

2016 paved the way for PhilWeb to review and refocus its business goals and core values. In January 2016, top executives underwent strategic planning sessions to review PhilWeb's achievements and plan for business growth in the coming years. Employees also had the same opportunity to align their individual goals with the company's through a series of planning sessions in March 2016.

To support the company's core value of innovation, (15) employees underwent trainings to improve their skills and knowledge in their chosen fields. In-house trainings targeting different skills were also given to all employees.

Employee Engagement

In addition to workplace learning and development interventions as tool for workforce retention and engagement, regular general assemblies and other means of communication are undertaken to get the workforce pulse as regards the company's business developments.

Corporate Social Responsibility (CSR)

PhilWeb reaffirms its commitment and responsibility to its stakeholders through sound and efficient fiscal management of its business from top to departmental level. While this is foremost in our minds, the responsibility to our constituents and community and the environment we work in cannot be undermined.

Thus, as PhilWeb's contribution to mitigate the impact of climate change, the employees participated in the Company's fourth Eco-Awareness Program, in partnership with Haribon Foundation. This partnership with Haribon Foundation started in 2014 and is sustained until now.

As we did in 2014, a group of employees participated in the tree-planting activity. Each group contributed to Haribon's "Road to 2020 Movement" by participating in the Haribon's nursery activities, i.e., sifting soil, packing soil in plastic bags for seedlings, pruning and transferring seedlings, tree-planting activities and hiking. All activities were led by Forest rangers of Haribon Foundation at Mt. Banahaw, Nagcarlan, Laguna.

Furthermore, as PhilWeb grows and delivers profit to its stakeholders, we continue to share our resources and propagates its advocacy to bring computer literacy and education to the less privileged of our society even to the farthest and remote areas. Consistent with the government's endeavor of inclusive growth, the donation does not only end in the delivery of the hardware but comes with related trainings and applications on the use of computers and applications.

In 2016, PhilWeb donated 66 desktop computers to 32 schools nationwide, namely:

1. Marciana P. Catolos Elementary School
2. Sta. Barbara Pangasinan Elementary Schools
3. Alibago Elementary School
4. Balingeo Elementary School
5. Banaoang Central School
6. Banzal Elementary School
7. Botao-Tebag Elementary School
8. Cablong Elementary School
9. Carosocan Elementary School
10. Dalongue Elementary School
11. Daroy Elementary School
12. East Central Elementary School
13. Gueguesangen Elementary School
14. Leet Elementary School
15. Malanay Elementary School
16. Maningding-Ventinilla Elementary School
17. Maronong Elementary School
18. Maticmatic Elementary School
19. Maticmatic II Elementary School
20. Minien-Tebag Elementary School
21. Nilombot Elementary School
22. Patayac Elementary School
23. Payas Elementary School

24. Primicias Elementary School
25. Sonquil Elementary School
26. Sta. Barbara Central School
27. Tebag Elementary School
28. Tuliao Elementary School
29. St. Therese School of Miarayon - CDO
30. St. Isidore High School
31. Loyola College of Culion - Palawan
32. Fr. Leoni Mission Foundation

Logistics and planning were spearheaded by the Administration Team.

The Administration Team

The Administration Team placed great effort in cost-effective measures to support the company's goal to achieve economy and efficiency in its operations without sacrificing the quality of support they render to PhilWeb.

The Administration Team continued to do their share in the timely delivery of their services, ensured that needs of the company were met and repairs and preventive maintenance on the equipment were planned and executed with the least downtime to the Company.

The Human Resources and Administration Division will continue to be strategic partners of the different business units of PhilWeb and will continue to contribute to innovation for excellence in all our endeavors.

Subsidiaries

The following are the subsidiaries of the Company:

<u>Subsidiaries</u>	<u>Line of Business</u>
1. BigGame, Inc. ("BGI")	Operates internet casino station operations.
2. Premyo sa Resibo, Inc. ("PSR") (g)	Develops and markets computer systems, applications, programs and operate gaming platforms in relation to Premyo Sa Resibo program of the BIR and Philippine Amusement and Gaming Corporation (PAGCOR).
3. PhilWeb Casino Corporation ("PCC") (a)	Develops, engages and maintains gaming systems and applications for all types of casino operations whether land-based, internet-based or virtual.

4. e-Magine Gaming Corporation ^(b)	Develops technology for the gaming industry.
5. PhilWeb Leisure & Tourism Corporation ("PLTC") ^(a)	Establishes, operates, and maintains leisure and tourism-oriented activities.
6. PhilWeb Tourism and Entertainment Corporation ("PTEC") ^(a)	Establishes, operates and maintains leisure-oriented activities, except in the travel agency business, and facilities such as but not limited to hotels, courts, stadiums and other facilities for the conduct of any and all kinds of sports and games.
7. PhilWeb International Gaming Corporation ("PIGC") ^(c)	Engages in international gaming ventures including all forms of gaming which are legal in the countries in which it will operate.
8. Easy e-Bingo, Inc. ^(e)	Engage in the business of setting up internet bingo stations and its operations.
9. PhilWeb Mobile Lottery Corp. ("PMLC") ^(a)	Operate, as may be permitted by law, either alone or in partnership with others, mobile-based lottery games and other related mobile game offerings.
10. PhilWeb Asia-Pacific Corporation	Engage in international gaming ventures including all forms of gaming which are legal in the countries in which it will operate.
11. PhilWeb (Cambodia) Ltd.	Incorporated under the laws of Kingdom of Cambodia, and shall engage in the business of operating internet-based and mobile-based games of chance including but not limited to lottery, internet casino café and other games of chance as they become legally available in the Kingdom of Cambodia.
12. PhilWeb Lorosae, Lda. ^(h)	The Company was incorporated under the laws of Timor Leste and is engaged in the business of operating instant Scratch n' Win.
13. Guam Sweepstakes Corp.	Incorporated in the Territory of Guam and entered into a Memorandum of Agreement with a prominent local family.
14. Gold Scratch and Win Co., Ltd. ^(h)	Incorporated under the laws of the Kingdom of Cambodia and engaged in the business of operating instant Scratch n' Win.
15. Best Choice Holdings, Inc.	Engages to purchase, own, and hold stocks

	of other corporations and to do every act and thing covered generally by the denomination "holding corporation".
30% owned with control: 16. Major Games and Amusement Corporation ^(d)	Establishes, operates and provides consultancy services with regards to amusement, recreational, gaming and gaming equipment facilities and enterprises of every kind and nature.
Special Purpose Entity: 17. Pure Corporate Investments Ltd. ^(f)	Holds 50% ownership in Host Union International Limited

(a) Not in commercial operations as at December 31, 2016.

(b) Formerly PhilWeb Gaming Solutions Corporation (PGSC), change in registered business activity and name were approved by the SEC on July 17, 2012 and December 17, 2012, respectively.

(c) Currently the parent company of PhilWeb Asia-Pacific Corporation.

(d) Became a subsidiary effective January 1, 2012.

(e) Formerly PhilWeb Homeplay Inc, change in name was approved by the SEC on April 7, 2014.

(f) Acquired in 2012, 100% owned in 2012.

(g) Ceased commercial operations effective October 1, 2014.

(h) Dissolution of PhilWeb Lorosae, Lda and Gold Ccratch and Win Co., Ltd. was approved by the Board of Directors on December 19, 2014 and January 16, 2015, respectively.

Directors and Executive Officers

PhilWeb's present Board of Directors is composed of 12 members elected by and from among the Company's stockholders. The Board is responsible for providing overall management and direction to the Company.

The directors and executive officers of the Company and a brief description of their business experience for the past five years are discussed below:

Name	Age	Position/Citizenship/Period Served/Term of Office
Gregorio Ma. Araneta III	69	Director & Chairman/Filipino/3 yrs./1 yr.
Dennis O. Valdes	55	Director & President/Filipino/10 yrs./1yr.
Tomas I. Alcantara	70	Director/Filipino/15 yrs./1 yr.
Crisanto Roy B. Alcid	47	Director/Filipino/2 yrs./1 yr.
Edgardo J. Angara	82	Director /Filipino/3 yrs./1 yr.
Michael Angelo Patrick M. Asperin	58	Director/Filipino/3 yrs./1 yr.
Edgar Brian K. Ng	47	Director/Filipino/3 yrs./1 yr.
Cliburn Anthony A. Orbe	43	Director & Corporate Secretary /Filipino/3 yrs./1 yr.
Mario A. Oreta	72	Director/Filipino/1 yr./1 yr.
Rafael B. Ortigas	45	Director/Filipino/13 yrs./1 yr.
Zaldy M. Prieto	42	Director & CFO/Filipino/3 yrs./1 yr.

Raymund S. Aquino

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Director & Assistant Corporate
Secretary/Filipino/1 yr./1 yr.

Gregorio Ma. Araneta III was elected Chairman of the Company in September 2016. He was elected Director of the Company in May 2014. He is the Chairman and Chief Executive Officer of Araneta Properties, Inc. since 2010. He is the Chairman and President of Gregorio Araneta, Inc., ARAZA Resources Corporation, H. E. Heacocks Resources Corp., Gregorio Araneta Management Corporation, Gamma Properties Inc. and Carmel Development Inc. He is also the Chairman of Energy and Gas Holdings Inc. Mr. Araneta attended the University of San Francisco and the Ateneo de Manila University, where he received his degree in Bachelor of Arts in Economics.

Dennis O. Valdes was elected Director of the Company in July 2006. He is the President of the Company, and serves as Director of Alphaland Corporation and Atok-Big Wedge Co., Inc. His previous work experience includes ten years with the Inquirer Group of Companies, as a Director of the newspaper, and also expanding their internet, printing and ink-making operations. Prior to that, he spent six years with The NutraSweet Company developing their business in Asia. He is a Certified Public Accountant, graduated magna cum laude in Business Administration and Accountancy from the University of the Philippines, and has an MBA from the Kellogg School of Management, Northwestern University.

Tomas I. Alcantara was elected Independent Director of the Company in May 2002. He holds a Bachelor of Science degree in Economics from Ateneo de Manila University, a Masters in Business Administration degree from Columbia University, USA and attended the Advance Management Program of the Harvard Business School. Mr. Alcantara was Undersecretary for the Industry and Investment Group of the Department of Trade and Industry and the Vice Chairman and Managing Head of the Board of Investments from July 1986 to March 1995. He was also Special Envoy of the Philippine President to APEC in 1996. He is presently the Chairman and President of Alsons Consolidated Resources, Inc., and of several power and property development companies in the Alcantara Group. He is Chairman of Holcim Philippines, Inc. and Eagle Ridge Golf & Country Club, Inc.

Senator Edgardo J. Angara was elected Independent Director of the Company in May 2014. He was the longest serving senator in the post-EDSA Senate, authoring many laws including the Free High School Education Act, the Generics Act, Philhealth Act, the Senior Citizens Act, the Renewable Energy Act, and others. He graduated from the University of the Philippines in 1958, passed the bar in 1959, and joined the law firm of Ponce-Enrile Siguion-Reyna Montecillo & Belo Law Offices. He obtained his Masters of Laws majoring in International Relations & Corporate laws from the University of Michigan under the DeWitt Fellowship. Senator Angara is a founding member of the ACCRA Law Offices, one of the Philippines' top law firms. He also served as president of the Philippine Bar Association in 1975, president of the Integrated Bar of the Philippines in 1979 and founding president of the ASEAN Law Association.

Michael Angelo Patrick M. Asperin was elected Director of the Company in August 2014. He graduated from the Philippine Military Academy in 1981. He served as Senior Vice President for Security for the Company from 2009 to 2012, and as Enterprise Risk and Security Management Officer of Petron Corporation from 2007 to 2009. He is also the CEO of Alphaland Balesin Island Club Inc., Executive Vice President for Operations of Alphaland Corporation, and President of Alphaland Aviation, Inc.

Edgar Brian K. Ng was elected Director of the Company in May 2014. He is currently the Senior Vice President for Gaming of the Company. In the past, he served as Managing Director/Country Manager of Affinity Express Philippines, Inc., Vice President & Country Manager of RR Donnelley Global Outsourcing, Director for Operations of OfficeTiger Philippines Corporation, and Director of Special Projects (Global Operations Support) for SPi. He also spent six years with The Print Town Group starting as a Prepress Manager for FEP Printing Corp and ending as Senior Vice President of LexMedia Digital. Aside from the corporate world, Mr. Ng has been heavily involved in the academe, as an instructor at both the undergraduate and graduate levels of Ateneo Universities. He has a Bachelor of Arts degree from the Ateneo de Manila University and an MBA from the Ateneo Graduate School of Business.

Cliburn Anthony A. Orbe was elected Director of the Company in May 2014. He also serves as the Company's Corporate Secretary and Corporate Information Officer. He has a Bachelor of Laws degree from Mindanao State University where he graduated cum laude and class valedictorian. He was formerly an associate of the Rodrigo Berenguer Guno law firm. He is a member of the Integrated Bar of the Philippines.

Crisanto Roy B. Alcid was elected Director of the Company in April 2015. He is the President and Chief Operating Officer of Araneta Properties, Inc. while concurrently serving as Director and Executive Vice President of Gregorio Araneta, Inc., Carmel Development Corp., Gregorio Araneta Management Corporation, and Araza Resources Corporation. He is also a Director of Philippine Coastal Storage & Pipeline Corp. Before joining the Araneta Group, he was formerly connected with Ayala Land, Inc., Asiatrust Development Bank, and Citibank N.A. Mr. Alcid holds a Bachelor of Science Degree in Management Engineering from the Ateneo de Manila University and has completed the General Management Program at the Harvard Business School.

Mario A. Oreta was elected Director of the Company in May 2016. He is also a former President and Vice-Chairman of Alphaland Development, Inc., Alphaland Balesin Island Resort Corporation, Alphaland Makati Place, Inc., The City Club at Alphaland Makati Place, Inc., Alphaland Balesin Island Club, Inc., and Alphaland Property Management Corporation. He is also a Director of Atok-Big Wedge Co., Inc. Mr. Oreta graduated with honors from the Ateneo De Manila University with a degree of Bachelor of Laws and immediately joined the law firm of Siguion Reyna, Montecillo and Ongsiako. He was also the founder and managing partner of Tanjuatco Oreta and Factoran Law Offices.

Rafael B. Ortigas was elected Director of the Company in April 2002. He is the Chairman and President of Leafar Commercial Corporation, a Director of Sagitro, Inc.

and ISM Communications Corporation. He was a director of Itogon-Suyoc Resources, Inc., and OCLP Holdings, Inc. and former General Partner of Ortigas and Company Ltd. Partnership. He is also a Trustee and President of Leafar Foundation, Inc. and a Trustee of the Ortigas Foundation, Inc. He has a Bachelor of Science degree in Computer Science from De La Salle University and an MBA from Ateneo de Manila Graduate School of Business.

Zaldy M. Prieto was elected Director of the Company in May 2014. He was elected as the CFO and Treasurer of the Company in November 2008. Mr. Prieto is a certified public accountant and certified financial consultant. He has been practicing as a finance professional since 1995. His previous work experiences include being a senior tax consultant of SGV & Co., assistant vice president for finance in Ford Motor Company and plant controller and assistant finance director of James Hardie Philippines. He has also served as a director of Primus Finance and Leasing Co., and Ford Philippines Component Manufacturing Company. He is a member of the Philippine Institute of Certified Public Accountants and Institute of Financial Consultants.

Raymund Nonato S. Aquino was elected Director of the Company in May 2016 and was elected Assistant Corporate Secretary of the Company in May 2011. He was a director of SGV & Co. He has a Juris Doctor Degree from the Ateneo de Manila University College of Law and a Bachelor of Arts degree major in Legal Management from the Ateneo de Manila University. He is a member of the Integrated Bar of the Philippines.

Except for Tomas I. Alcantara, Edgardo J. Angara, Raymund S. Aquino, Michael Angelo Patrick M. Asperin, Edgar Brian K. Ng, Cliburn Anthony A. Orbe and Zaldy M. Prieto, the foregoing will be nominated for re-election to the Board of Directors at the meeting. None of the above mentioned directors have declined to stand for re-election to the Board of Directors since the date of the last annual stockholders' meeting because of a disagreement with the Company on any matter relating to the Company's operations, policies, or practices.

New nominees for directors:

Edgar N. Ang is a Filipino and 65 years old. He is the Chairman and President of both The Angcore Group of Companies and AB&T Resources, Inc., which are engage in Automotive Distribution. He is also the President of Rubiken Trading Corporation a fertilizer-chemical company. Previously, he was the founder and managing director of Davao Cable World Network and Filipino Cable Corporation prior to its sale. He is also currently serving as Honorary Consul of the Republic of Korea to Davao City. He studied at the Ateneo de Manila University and Sophia University in Tokyo, graduating with Bachelor of Science degrees in Economics & Business Administration.

Luis M. Araneta is a Filipino and 31 years old. He is a Director and the Business Development Manager of Araneta Properties, Inc. He is the President of Estancias Holdings, Inc. and Cerros Corp, Vice-President and Treasurer of ARAZA Resources Corporation, Director and Corporate Secretary of Carmel Development, Inc., Director of

PAGREL, Inc. He is a Director of Belisama Hydropower Corporation and Gregorio Araneta Energy Holdings, Inc. and Corporate Secretary of Gamma Properties, Inc. He studied at the Pace University in New York City where he earned his degree in Business Administration in Management.

Philip S. Tuazon is a Filipino and 66 years old. He is currently a Director of the Philippine Ports Authority as Private Sector Representative, which position he also held in 1993 to 1999. Concurrently he is also a Director of JYT Investment and Vice President/Director of Fairwind Harbor Services, Incorporated. He was formerly connected with New Filipino Maritime Agencies, Incorporated as Executive Vice President/Director and Director/President of Dolomite Mining Corporation. He was appointed as Administrator of Maritime Industry Authority (MARINA) where he served for almost seven years. He attended his collegiate years in Ateneo De Manila University, where he received his degree in Bachelor of Arts in Economics.

William M. Valtos, Jr. is a Filipino and 56 years old. He is the Group President for Financial Services of ICCP Group. He is the Vice Chairman and CEO of Investment & Capital Corporation of the Philippines and a Director of Fiducia Asset Management Pte. and the Senior Managing Director of ICCP SBI Venture Partners. He studied at the University of Illinois where he earned his degree in Bachelor of Arts in Economics and Political Science, and has an MBA from the Kellogg School of Management, Northwestern University.

F. Market Price, Dividends and Related Stockholder Matters

Market Information

PhilWeb Corporation's stocks are listed with the Philippine Stock Exchange.

The following table sets forth the high and low closing sales prices of the Common Shares listed on the PSE during the respective periods indicated according to published financial sources.

	Price per Share	
	High	Low
2012		
First Quarter (ending March 2012)	13.90	12.70
Second Quarter (ending June 2012)	17.62	12.70
Third Quarter (ending September 2012)	17.00	12.24
Fourth Quarter (ending December 2012)	17.04	12.26
2013		
First Quarter (ending March 2013)	14.68	12.70
Second Quarter (ending June 2013)	15.80	14.00
Third Quarter (ending September 2013)	15.10	10.84

Fourth Quarter (ending December 2013)	11.24	8.40
2014		
First Quarter (ending March 2014)	8.96	5.02
Second Quarter (ending June 2014)	5.61	4.89
Third Quarter (ending September 2014)	5.45	4.40
Fourth Quarter (ending December 2014)	9.75	5.09
2015		
First Quarter (ending March 2015)	13.88	10.82
Second Quarter (ending June 2015)	22.35	13.56
Third Quarter (ending September 2015)	19.00	18.00
Fourth Quarter (ending December 2015)	23.10	18.76
2016		
First Quarter (ending March 2016)	28.00	20.00
Second Quarter (ending June 2016)	24.80	21.90
Third Quarter (ending September 2016)	19.00	4.25
Fourth Quarter (ending December 2016)	14.74	5.80
2017		
First Quarter (ending March 2017)	10.86	7.70
Second Quarter (ending June 2017)	11.58	7.06
August 29, 2017	10.78	10.48

Dividends

PhilWeb declared a cash dividend of P0.10 per share which was paid on September 15, 2014 to the holders of common stock as of September 1, 2014. PhilWeb declared a cash dividend of P0.10 per share which was paid on December 5, 2014 to the holders of common stock as of November 21, 2014. PhilWeb declared a cash dividend of P0.15 per share which was paid on February 16, 2015 to the holders of common stock as of January 30, 2015. PhilWeb declared a cash dividend of P0.15 per share which was paid on May 21, 2015 to the holders of common stock as of May 7, 2015. PhilWeb declared a cash dividend of P0.15 per share which was paid on August 28, 2015 to the holders of common stock as of August 14, 2015. PhilWeb declared a cash dividend of P0.15 per share which was paid on November 26, 2015 to the holders of common stock as of November 12, 2015. PhilWeb declared a cash dividend of P0.20 per share which was paid on March 4, 2016 to the holders of common stock as of February 19, 2016. PhilWeb declared a cash dividend of P0.20 per share which was paid on June 24, 2016 to the holders of common stock as of June 14, 2016.

The Company's future retained earnings corresponding to undistributed equity in net earnings are not available for dividend distribution until declared by the affiliates. There is no restriction that limits the payment of dividend on common shares.

Holders

There were 1,466 shareholders of record holding the Company's outstanding capital stock of 1,435,626,680 common shares as of July 31, 2017 net of treasury shares of 81,380,938. There is only one class of common shares.

Top 20 Stockholders

The top 20 stockholders of record of common shares as of July 31, 2017 (based on total outstanding capital stock of 1,435,626,680 common shares, net of treasury shares of 81,380,938) were:

Name of Stockholder	No. of Subscribed Common Shares	% to Total Outstanding
1. PCD Nominee Corporation: Filipino - 890,181,266 Non-Filipino - 130,998,722	1,021,179,988	71.13%
2. PhilWeb Casino Corporation	252,892,307	17.62%
3. Ang, Ramon S.	53,854,536	3.75%
4. Evermore Trading Limited	24,558,303	1.71%
5. HKPirate Holdings, Inc.	21,223,565	1.48%
6. Gregorio Araneta, Inc.	13,043,478	0.91%
7. Elkhound Resources, Inc.	6,482,549	0.45%
8. Coherco Securities, Inc. FAO 181513051200	6,400,000	0.45%
9. Olasiman, Edilberto O.	4,940,000	0.34%
10. Pilapil, Mary Grace Bautista	3,961,300	0.28%
11. Ponce, Jonathan D.	3,872,500	0.27%
12. Borlado, Larry L.	3,633,000	0.25%
13. Valdes, Dennis O.	2,399,999	0.17%
14. Recto, Eric O.	2,000,000	0.14%
15. Regina Capital Development Corporation 022332	1,927,900	0.13%
16. Amores, Allyson Martinez	1,834,500	0.13%
17. Beckel Realty, Inc.	1,000,000	0.07%
18. Umali, Amparo Cordial	835,400	0.06%
19. Lam, Anthony Luz	809,720	0.06%
20. Prieto, Zaldy M.	553,000	0.04%

Recent Sales of Unregistered/Exempt Securities

There has been no sale in the past three years of any unregistered securities of the Company.

G. Compliance with Corporate Governance Practices

The Company through its Compliance Officer, Atty. Cliburn Anthony A. Orbe, has monitored the Company's compliance with SEC Memorandum Circular No. 2 dated April 15, 2002 and the relevant SEC Circulars on Corporate Governance and noted that no substantive or major deviations occurred. The Company's directors and officers have complied with the practice and policies contained in the Company's Manual on Corporate Governance. The Company has submitted its self-rating performance assessment sheet in compliance with SEC requirements. All of the Company's directors and officers attended a seminar on corporate governance. The Company's new directors will be encouraged to attend seminars as well.

The Company's Board of Directors and officers have been properly briefed on their specific responsibilities as embodied on the Manual on Corporate Governance. The compliance officer monitors the Company's compliance with the provisions and requirements of the manual and determines violations if any.

There were no deviations made from the adopted Manual on Corporate Governance.

The Company's management considers its Manual on Corporate Governance sufficient and believes that there is no need to amend it. It ensures that the provisions of the manual are properly implemented.

H. UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE COMPANY'S SEC FORM 17-A (ANNUAL REPORT) DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE STOCKHOLDER MAY BE CHARGED A REASONABLE COST FOR PHOTOCOPYING THE EXHIBITS.

ALL REQUESTS MAY BE SENT TO THE FOLLOWING ADDRESS:

PhilWeb Corporation
The Penthouse Alphaland Southgate Tower
2258 Chino Roces corner EDSA
Makati City 1232

Attention: Mr. Zaldy M. Prieto
SVP/Chief Finance Officer

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **MARIO A. ORETA**, Filipino, of legal age, with address at 10/F Ortigas Building, Ortigas Avenue, Quezon City, after having sworn to in accordance with law, hereby depose and state that:

1. I am a nominee for Independent Director of PhilWeb Corporation (the "Corporation");
2. I am affiliated with the following companies or organizations:

Company	Position/Relationship	Period of Service
Alphaland Makati Place, Inc.	President	February 2010 - present
The City Club at Alphaland Makati Place, Inc.	President	October 18, 2010 - present
Atok-Big Wedge Co., Inc.	Director	November 2009 - present
Major Holdings Corporation	Chairman	July 1982 - present
Major Homes, Inc.	Chairman	January 1987 - present
Major Properties Corporation	Chairman	June 1982 - present
Toyota Pasong Tamo, Inc.	Director	April 2002 - present
La Finca Farm and Country Resort	Chairman	September 2005 - present
The Law Firm of Tanjuatco Oreta & Partners	Founding Partner	September 2016 - present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation as provided for in Section 38 of the Securities Regulations Code, its implementing Rules and Regulations and other SEC issuances;
4. I am not related to any director/officer/substantial shareholder of the Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3. of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

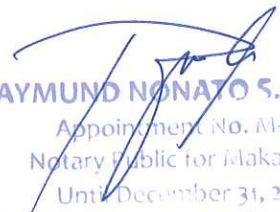
7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done this _____ day of August 2017, Makati City.


MARIO A. ORETA
Affiant

SUBSCRIBED AND SWORN TO before me this AUG 25 2017 day of August 2017 at Makati City, affiant exhibiting to me his TIN 106-196-040.

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RAYMUND NONATO S. AQUINO
Appointment No. M-395
Notary Public for Makati City
Until December 31, 2018

The Penthouse, 4th Floor, Southgate Tower,
2258 Chino Roces Ave. cor. EDSA, Makati City
Roli No. 59348

PTR No. 5912863; January 5, 2017/Makati City
IBP No. 1058184; January 6, 2017/RSM

MCLE Compliance No. 100263-2-2/9/17; TIN 106-527782

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **MARIO A. ORETA**, Filipino, of legal age, with address at 10/F Ortigas Building, Ortigas Avenue, Quezon City, after having sworn to in accordance with law, hereby depose and state that:

1. I am a nominee for Independent Director of PhilWeb Corporation (the "Corporation");
2. I am affiliated with the following companies or organizations:

Company	Position/Relationship	Period of Service
Alphaland Makati Place, Inc.	President	February 2010 - present
The City Club at Alphaland Makati Place, Inc.	President	October 18, 2010 - present
Atok-Big Wedge Co., Inc.	Director	November 2009 - present
Major Holdings Corporation	Chairman	July 1982 - present
Major Homes, Inc.	Chairman	January 1987 - present
Major Properties Corporation	Chairman	June 1982 - present
Toyota Pasong Tamo, Inc.	Director	April 2002 - present
La Finca Farm and Country Resort	Chairman	September 2005 - present
The Law Firm of Tanjuatco Oreta & Partners	Founding Partner	September 2016 - present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation as provided for in Section 38 of the Securities Regulations Code, its implementing Rules and Regulations and other SEC issuances;
4. I am not related to any director/officer/substantial shareholder of the Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3. of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

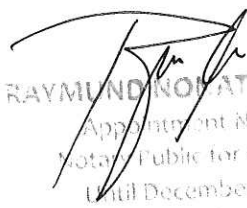
7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done this _____ day of August 2017, Makati City.


MARIO A. ORETA
Affiant

SUBSCRIBED AND SWORN TO before me this 25 day of August 2017 at Makati City, affiant exhibiting to me his TIN 106-196-040.

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RAYMUNDO RENATO S. AQUINO
Appointment No. AI-305
Notary Public for Makati City
Until December 31, 2018
The Penthouse, Alpha and Omega Tower,
1573 Chino Roces Ave. cor. EDSA, Makati City
Roll No. 39348
PTR No. 5912863; January 5, 2017/Makati City
IBP No. 1058184; January 6, 2017/RSM
BIR Compliance No. 8-0074043-3/9/17/TIN 162-317-782

CERTIFICATION OF INDEPENDENT DIRECTOR

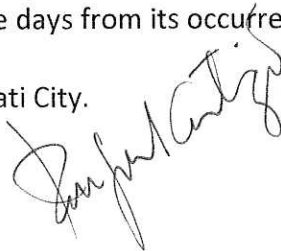
I, **RAFAEL B. ORTIGAS**, Filipino, of legal age, with address at 10/F Ortigas Building, Ortigas Avenue, Pasig City, after having sworn to in accordance with law, hereby depose and state that:

1. I am a nominee for Independent Director of PhilWeb Corporation (the "Corporation");
2. I am affiliated with the following companies or organizations:

Company	Position/Relationship	Period of Service
Leafar Commercial Corporation	Chairman/ President	2009 to present
Sagitro, Inc.	Director	2009 to present
Ortigas Foundation, Inc.	Trustee	2011 to present
Leafar Foundation, Inc.	Trustee & President	2012 to present
ISM Communications Corp.	Director	2002 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation as provided for in Section 38 of the Securities Regulations Code, its implementing Rules and Regulations and other SEC issuances;
4. I am not related to any director/officer/substantial shareholder of the Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3. of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done this 16th day of August 2017, Makati City.



Rafael B. Ortigas
RAFAEL B. ORTIGAS
Affiant

AUG 25 2017

SUBSCRIBED AND SWORN TO before me this 16th day of August 2017 at Makati City, affiant exhibiting to me his TIN 190-639-264.

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Raymund Nonato S. Aquino
RAYMUND NONATO S. AQUINO
Appointment No. A-365
Notary Public for Makati City
Until December 31, 2018

The Peithouse, Alphaland Southgate Tower,
2058 Chino Roces Ave. cor. Edsa, Makati City
Tel. No. 35348

PTR No. 5912905; January 5, 2017/Makati City
IBP No. 1055184; January 6, 2017/RSM

MCI Compliance No. MCI-001-2017-001; JTB 167 317-782

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **PHILIP S. TUAZON**, Filipino, of legal age, with address at Unit 14-D Twin Towers Condominium, Ayala Avenue, Makati City, after having sworn to in accordance with law, hereby depose and state that:

1. I am a nominee for Independent Director of PhilWeb Corporation (the "Corporation");
2. I am affiliated with the following companies or organizations:

Company	Position/Relationship	Period of Service
Philippine Ports Authority	Director	2017 to present
JYT Investment Corp.	Director	1986 to present
Fairwind Harbor Services	Director/ Vice President	2010 to present

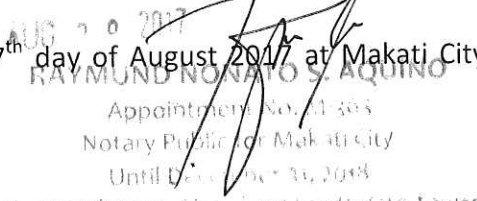
3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation as provided for in Section 38 of the Securities Regulations Code, its implementing Rules and Regulations and other SEC issuances;
4. I am not related to any director/officer/substantial shareholder of the Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3. of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I have the required written permission or consent from the Philippine Ports Authority to be an independent director of the Corporation pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done this 17th day of August 2017, Makati City.


PHILIP S. TUAZON
 Affiant

SUBSCRIBED AND SWORN TO before me this 17th day of August 2017 at Makati City, affiant exhibiting to me his TIN 101-825-490.

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RAYMOND NONATO S. AQUINO
 Appointment No. 11305
 Notary Public for Makati City
 Until Dec 31, 2018
 The Penthouse, Ayala Land Southgate Tower,
 1258 China Road, Alabang, Muntinlupa, Makati City
 Roll No. 39115
 PRC No. 5912803; January 5, 2017/Makati City
 PRC No. 1958144; January 6, 2017, R304



Bonifacio Drive, South Harbor, Port Area, Manila 1018, Philippines, P.O. Box 436, Manila, Philippines
Tel No. (0632) 527-8356 to 83, Fax No. (0632) 527-4853, <http://www.ppa.com.ph>

CERTIFICATION

Pursuant to Republic Act No. 10194 otherwise known as the GOCC Governance Act of 2011, GCG Memorandum Circular No. 2012-05 on Fit and Proper Rule for Appointive Directors and CEOs, and the Philippine Ports Authority (PPA) Manual for Corporate Governance, PPA interposes no objection to the nomination of Mr. Philip S. Tuazon, appointive Director of PPA representing the private sector, as an Independent Director of Philweb Corporation. This is, however, subject to the condition/s that Mr. Tuazon shall, at all times, avoid any conflict of interest as prescribed in the Code of Conduct and Ethical Standards for Public Officials, that Mr. Tuazon shall disclose or inform PPA immediately of any potential or actual conflict of interest, and that Mr. Tuazon shall inhibit himself from any and all deliberations regarding issues or matters which may have actual or potential conflict between the interests of PPA and PhilWeb Corporation.

This Certification is being issued upon the request of Mr. Tuazon in connection with his nomination as an Independent Director of PhilWeb Corporation and for any other legal purpose it may serve.

City of Manila, 17th day of August 2017.


JAY DANIEL R. SANTIAGO
General Manager

VISION

"By 2020, PPA shall have provided port services of global standards."

MISSION

1. Provide reliable and responsive services in ports, sustain development of communities and the environment, and be a model corporate agency of the government.
2. Establish mutually beneficial, equitable and fair relationship with partners and service providers.
3. Provide meaningful and gainful employment while creating a nurturing environment that promotes continuous learning and improvement.
4. Establish a world-class port operation that is globally competitive, adding value to the country's image and reputation.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **WILLIAM M. VALTOS, JR.**, Filipino, of legal age, with address at 17/F Robinsons Summit Centre, 6783 Ayala Avenue, Makati City, after having sworn to in accordance with law, hereby depose and state that:

1. I am a nominee for Independent Director of PhilWeb Corporation (the "Corporation");
2. I am affiliated with the following companies or organizations:

Company	Position/Relationship	Period of Service
Investment & Capital Corporation of the Philippines	<ul style="list-style-type: none">▪ Chief Executive Officer▪ Vice Chairman	2013 to present 2009 to 2013
ICCP SBI Venture Partners	<ul style="list-style-type: none">▪ Senior Managing Director▪ Executive Vice President and Managing Director	1999 to present 1996 to 1999

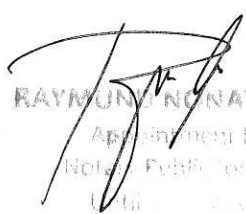
3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation as provided for in Section 38 of the Securities Regulations Code, its implementing Rules and Regulations and other SEC issuances;
4. I am not related to any director/officer/substantial shareholder of the Corporation and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3. of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five days from its occurrence.

Done this 24th day of August 2017, Makati City.


WILLIAM M. VALTOS, JR.
Affiant

SUBSCRIBED AND SWORN TO before me this 24th day of August 2017 at Makati City, affiant exhibiting to me his TIN 910-341-569.

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RAYMOND NONATO S. AQUINO
Appointment No. M-305
Notary Public for Makati City
Unit No. 1001, 10th Floor

The Penthouse, Agri Tower, 10th Floor Tower,
22-8 C Bino Roxas Ave. cor. EDSA, Makati City
Roll No. 39345

PIR No. 4912263; January 5, 2012/Makati City
IRP No. 101 PIR; January 6, 2012/2012

MCLE Compliance No. V-011-047-1091-101-101-2017-702