

COVER SHEET

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T H U N D E R B I R D P O R O
 D E V E O P M E N T V E N T U R E S , I N C .

(Company's Full Name)

V O A P E N N S Y L V A N I A A V E N U E
 P O R O P O I N T S A N F E R N A N D O C I T Y
 L A U N I O N

(Business Address : No. Street City / Town / Province)

MARISSA T. ACADEMIA
 Contact Person

886-5555
 Company Telephone Number

Month Day
 Fiscal Year

AMENDED MANUAL ON CORPORATE GOVERNANCE
 FORM TYPE

Month Day
 Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

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Total Amount of Borrowings
 Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

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Document I.D.

Cashier

STAMPS

AMENDED MANUAL ON CORPORATE GOVERNANCE



The Board of Directors and Management, i.e. officers and staff, of THUNDERBIRD PORO DEVELOPMENT VENTURES, INC. hereby commit themselves to the principles and best practices contained in this Manual, and acknowledge that the same may guide the attainment of our corporate goals.

1. OBJECTIVE

This Manual shall institutionalize the principles of good corporate governance in the entire organization.

The Board of Directors and Management, employees and shareholders, believe that corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness within the organization as soon as possible.

2. COMPLIANCE SYSTEM

2.1 Compliance Officer

2.1.1 To insure adherence to corporate principles and best practices, the Chairman of the Board shall designate a Compliance Officer. The Compliance Officer shall hold, at the minimum, the position of a Vice-President or its equivalent. In the absence of such appointment, the Corporate Secretary, preferably a lawyer, shall act as Compliance Officer. He shall have direct reporting responsibilities to the Chairman of the Board.

2.1.2 He shall perform the following duties:

- Monitor compliance by the Corporation with the provisions and requirements of this Manual and the rules and regulations of regulatory agencies. If any violations are found, report the matter to the Board and recommend the imposition of appropriate disciplinary action on the responsible parties in accordance with the provisions of this Manual and the adoption of measures to prevent a repetition of the violation;
- Issue a certification every January 30th of the year on the extent of the Corporation's compliance with this Manual for the completed year, explaining the reason/s for its deviation/s if any; and
- Identify, monitor and suggest ways to control compliance risks.
- Appear before the Securities and Exchange Commission ("SEC") when summoned in relation to compliance with this Manual;

2.1.3 The appointment of the Compliance Officer shall be immediately disclosed to the SEC on SEC Form 17-C. All correspondence from the SEC relative to the matters as such shall be addressed to said Compliance Officer.

2.2 Plan of Compliance

2.2.1 Board of Directors

Compliance with the principles of good corporate governance shall start with the Board of Directors.

2.2.1.1 General Responsibility of the Board

A director's office is one of trust and confidence. He shall act in a manner characterized by transparency, accountability and fairness.

It is the Board's responsibility to foster the long-term success of the Corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders.

The Board shall formulate the Corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance.

2.2.1.2 Specific Duties and Functions of the Board

To insure a high standard of best practice for the Corporation and its stockholders, the Board shall:

- i. Install and implement a process for the selection of directors to ensure a mix of competent directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies.
- ii. Appoint competent, professional, honest and highly motivated management officers, and adopt an effective succession planning program for Management.
- iii. Ensure that the Corporation complies with all relevant laws, regulations and codes of best business practices.
- iv. Identify the Corporation's major and other stakeholders and formulate a clear policy on communicating or relating with them through an effective investor relations program that will keep them informed of important developments in the Corporation.

- v. Adopt a system of internal checks and balances. A regular review of the effectiveness of such system shall be conducted to ensure the integrity of the decision-making and reporting processes at all times. There shall be a continuing review of the Corporation's internal control system in order to maintain its adequacy and effectiveness.
- vi. Identify key risk areas and key performance indicators and monitor these factors with due diligence to enable the Corporation to anticipate and prepare for possible threats to its operational and financial viability.
- vii. Properly discharge Board functions by meeting regularly. Independent views during Board meetings shall be given due consideration and all such meetings shall be duly minuted;
- viii. Keep Board authority within the powers of the corporation as prescribed in the Articles of Incorporation, By-Laws and in existing laws, rules and regulations;
- ix. Provide sound strategic policies and guidelines to the Corporation on major capital expenditures. Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance.
- x. Identify the sectors in the community in which the Corporation operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them.
- xi. Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the Corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board.
- xii. Constitute an Audit Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities.
- xiii. Establish and maintain an alternative dispute resolution system in the Corporation that can amicably settle conflicts

or differences between the Corporation and its stockholders, and the Corporation and third parties, including the regulatory authorities.

- xiv. Appoint a Compliance Officer who shall have the rank of at least Vice President. In the absence of such appointment, the Corporate Secretary, preferably a lawyer, shall act as Compliance Officer.

2.2.1.3. Specific Duties and Responsibilities of a Director

A director shall have the following duties and responsibilities:

- i. To conduct fair business transactions with the Corporation and to ensure that personal interest does not bias Board decisions nor conflict with the interests of the Corporation;
- ii. To devote time and attention necessary to properly discharge his/her duties and responsibilities;
- iii. To act judiciously;
- iv. To exercise independent judgment;
- v. To have a working knowledge of the statutory and regulatory requirements affecting the Corporation, including the contents of its Articles of Incorporation and By-Laws, the rules, regulation and requirements of the SEC, and where applicable, the requirements of other regulatory agencies;
- vi. To observe confidentiality; and,
- vii. To ensure the continuing soundness, effectiveness and adequacy of the Corporation's control environment.

2.2.1.4 Qualifications

The directors shall possess such qualifications for membership in the Board as prescribed by the Corporation Code, Securities Regulation Code and other relevant laws, rules and regulations.

In addition, the Corporation shall require all of its directors before assuming office as such, to attend a seminar on corporate governance conducted by a duly recognized private or government institute.

2.2.1.4 Disqualifications

The following shall be grounds for the permanent disqualification of a director:

- i. 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 or any of them;
- ii. Any person who, by reason of misconduct, after hearing, is permanently enjoined by final judgment or order of the SEC 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.
- iii. 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 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;
- iv. Any person judicially convicted by final judgment of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;

- v. Any person finally found by the SEC or a court or other administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Securities Regulation Code, the Corporation Code, or any other law administered by the SEC or Bangko Sentral ng Pilipinas, or any rule, regulation or order of the Securities and Exchange Commission or Bangko Sentral ng Pilipinas;
- vi. Any person judicially declared to be insolvent;
- vii. Any person finally found guilty by a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs; and
- viii. Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment.

Any of the following shall be a ground for the temporary disqualification of a director:

- i. Refusal to fully disclose the extent of his business interest as required under the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists;
- ii. Absence or non-participation for whatever reason/s for more than fifty percent (50%) of all meetings, both regular and special, of the Board of Directors during his incumbency, or any twelve (12) month period during said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. This disqualification applies for purposes of the succeeding election;
- iii. Dismissal/termination from directorship in another listed corporation for cause. This disqualification shall be in effect until he has cleared himself of any involvement in the alleged irregularity;
- iv. Being under preventive suspension by the Corporation;
- v. If the independent director becomes an officer or employee of the same corporation he shall be automatically disqualified from being an independent director;

- vi. Conviction that has not yet become final referred to in the grounds for the disqualification of directors; and
- vii. If the beneficial equity ownership of an independent director in the Corporation or its subsidiaries or affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with.

A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.

2.2.1.5 Board Meetings and Quorum Requirement

- i. The members of the Board should attend its regular and special meetings in person or through teleconferencing conducted in accordance with the rules and regulations of the Commission.
- ii. Independent directors should always attend Board meetings. Unless otherwise provided in the By-Laws, their absence shall not affect the quorum requirement. However, the Board may, to promote transparency, require the presence of at least one independent director in all its meetings.
- iii. To monitor the directors' compliance with the attendance requirements, the Corporations shall submit to the Commission, on or before January 30 of the following year, a sworn certification about the directors' record of attendance in Board meetings.

2.2.1.6 Remuneration of Directors and Officers

No director shall participate in deciding on his remuneration. The Corporation's annual reports and 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 directors and top four (4) management officers during the preceding fiscal year.

2.2.1.7 Penal Sanctions

A corporate director/officer shall be removed from office, in the manner provided by law, if he commits any of the following acts:

- i. When he willfully and knowingly votes or assents to a patently unlawful act;
- ii. When he is guilty of gross negligence or bad faith in the conduct of the corporate affairs;
- iii. When he acquires personal or pecuniary interest which is in conflict with his duty as such officer;
- iv. When he commits acts in violation of the pertinent and material provisions of the Corporation Code of the Philippines, the Securities Regulations Code, its implementing rules and regulations and corresponding amendments on the fiduciary duties of a corporate director or officer; and,
- v. The corporate director or officer shall be personally liable for acts committed under paragraphs (i), (ii), and (iii) above.

The penalty of removal from office imposed hereunder shall be without prejudice to the company's right to file the appropriate civil or criminal case against the corporate director or officer involved.

2.2.2. Board Committees

To aid in complying with the principles of good corporate governance, the Board shall constitute the following Committees:

a. Audit Committee

- i. The audit committee shall be composed of at least three (3) members of the Board, who shall preferably have accounting and finance backgrounds, one (1) of whom shall be an Independent Director who shall act as the Chairman. Each member shall have at least an adequate understanding or competence of most of the company's financial management systems and environment.

ii. Duties and Responsibilities

- Check all financial reports against its compliance with pertinent accounting standards, including laws and regulatory requirements;
- Perform oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the

Corporation, and crisis management. This function shall include regular receipt from Management of information on risk exposures and risk management activities;

- Pre-approve all audit plans, scope and frequency one (1) month before the conduct of external audit;
- Review the annual internal audit plan to ensure its conformity with the objectives of the Corporation. The plan shall include the audit scope, resources and budget necessary to implement it;
- Perform oversight functions with the internal and external auditors. It should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
- Elevate to international standards the accounting and auditing processes, practices and methodologies of the Corporation;
- Develop a transparent financial management system that will ensure the integrity of internal control activities throughout the company;
- Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;
- Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
- Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;
- Monitor and evaluate the adequacy and effectiveness of the corporation's internal control system, including financial reporting control and information technology security;
- Review the reports submitted by the internal and external auditors;

- Review the quarterly, half-year and annual financial statements and before their submission to the Board, with particular focus on the following matters:
 - (a) any changes in accounting policies and practices;
 - (b) major judgmental area;
 - (c) significant adjustments resulting from the audit;
 - (d) going concern assumptions;
 - (e) compliance with accounting standards; and
 - (f) compliance with tax, regulatory and legal requirements.

- Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the annual income of the external auditor and to the corporation's overall consultancy expenses. The Committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, shall be disclosed in the corporation's annual report;

Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee. The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties.

- b. The Board, if it deems necessary, may also constitute the following Committees:

- i. Nomination Committee

The Nomination Committee may be composed of at least three (3) members of the Board of Directors, one of whom shall be an independent director, and such other persons as the Board of Directors may designate. The Committee, if constituted, may be tasked by the Board to review and evaluate the qualifications of all persons nominated to the Board of Directors as well as those nominated to other positions requiring appointment by the Board.

ii. Compensation and Remuneration Committee

The Compensation or Remuneration Committee may be composed of at least three (3) members, one of whom shall be an independent director. The Committee, if constituted, may be tasked by the Board to establish the appropriate procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation's culture, strategy and control environment.

2.2.3 Independent Directors

- a. The Corporation shall have at least two (2) independent directors or such number of independent directors that constitutes twenty percent (20%) of the members of the Board, whichever is higher, but in no case less than two (2). The independent directors shall possess such qualifications for membership in the Board as prescribed by the Securities Regulation Code, its implementing rules and regulations and other relevant laws, rules and regulations.
- b. An "independent director" means 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 director of the corporation and includes, among others, any person who:
 - i. Is not a director or officer of the corporation or of its related companies or any of its substantial shareholders except when an independent director of any of the foregoing;
 - ii. Does not own more than two percent (2%) of the shares of the corporation and/or its related companies or any of its substantial shareholders;
 - iii. Is not related to any director, officer or substantial shareholder of the corporation, any of its related companies or any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
 - iv. Is not acting as a nominee or representative of any director or substantial shareholder of the corporation,

and/or any of its related companies and/or any of its substantial shareholders, pursuant to a Deed of Trust or under any contract or arrangement;

- v. Has not been employed in any executive capacity by the corporation, any of its related companies and/or by any of its substantial shareholders within the last two (2) years;
 - vi. Is not retained, either personally or through his firm or any similar entity, as professional adviser, by the corporation, any of its related companies and/or any of its substantial shareholders, within the last two (2) years; or
 - vii. Has not engaged and does not engage in any transaction with the corporation and/or with any of its related companies and/or with any of its substantial shareholders, whether by himself and/or with other persons and/or through a firm of which he is a partner and/or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms length and are immaterial.
- c. A “related company” means another company which is: (a) its holding company; (b) its subsidiary; or (c) a subsidiary of its holding company; and a “substantial shareholder” means any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.

2.2.4 The Corporate Secretary

- a. The Corporate Secretary is an officer of the company and must comply with his responsibilities as set out in the by-laws of the Corporation.
- b. The Corporate Secretary shall be a Filipino citizen and a resident of the Philippines.
- c. Considering his varied functions and duties, he must possess administrative and interpersonal skills, and if he/she is not the general counsel, then he/she must be aware of the laws, rules and regulations necessary in the performance of his/her duties and responsibilities. The Corporate Secretary must also have a working knowledge of the operations of the Corporation. He must be loyal to the mission, vision and objectives of the Corporation and be able to work fairly and effectively with the Board, Management and stockholders.

d. Duties and Responsibilities

- i. Be responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its committees, as well as the all other documents, records and information essential to the conduct of his/her duties and responsibilities to the Corporation as set out in the by-laws;
- ii. Inform the members of the Board, in accordance with the by-laws, of the agenda of their meetings, and ensure that the members of the Board have accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
- iii. Attend all Board meetings and maintain record of the same, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him from doing so;
- iv. Ensure that all Board procedures, rules and regulations are strictly followed by the members; and
- v. Submit to the Commission, at the end of every fiscal year, an annual certification as to the attendance of the directors during Board meetings.

2.2.5 Adequate and Timely Information

- a. To enable the members of the Board to properly fulfill their duties and responsibilities, Management shall provide them with complete, adequate and timely information about the matters to be taken in their meetings. Members of the Board shall be given independent access to Management and the Corporate Secretary.
- b. The members, either individually or as a Board, and in furtherance of their duties and responsibilities, shall have access to independent professional advice at the Corporation's expense.

2.2.6 Accountability and Audit

- a. The Board is primarily accountable to the stockholders. Thus, management shall provide them with a balanced and comprehensible assessment of the Corporation's performance, position and prospects on a quarterly basis, including interim and other reports that could adversely affect its business, as well as reports to regulators that are required by law.

- b. Management shall formulate, under the supervision of the Audit Committee, the rules and procedures on financial reporting and internal control in accordance with the following guidelines:
 - i. The extent of its responsibility in the preparation of the financial statements of the Corporation, with the corresponding delineation of the responsibilities that pertain to the external auditor shall be clearly explained;
 - ii. An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the Corporation shall be maintained;
 - iii. On the basis of the approved audit plans, internal audit examinations shall cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the Corporation's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules and regulations; and
 - iv. The Corporation shall consistently comply with the financial and reporting requirements of the Commission.

2.2.7 External Auditor

- a. The Board, after consultations with the Audit Committee, shall recommend to the stockholders an external auditor duly accredited by the Commission who shall undertake an independent audit of the Corporation, and shall provide an objective assurance on the manner by which the financial statements shall be prepared and presented to the stockholders.
- b. An external auditor shall maintain an environment of good corporate governance in the preparation of financial records and reports of the company.
- c. The resignation, dismissal or cessation from service and the date thereof of an external auditor shall be reported in the company's annual and current reports. Said report shall include a discussion of any disagreement with said former external auditor on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure which the former auditor and the Corporation failed to resolve satisfactorily. A preliminary copy of the said report shall be given by the Corporation to the external auditor before its submission.

- d. The external auditor shall not at the same time provide internal audit services to the Corporation. Non-audit work may be given to the external auditor, provided it does not conflict with his duties as an independent auditor, or does not pose a threat to his independence.
- e. The company's external auditor shall be rotated or the handling partner shall be changed every five (5) years or earlier.
- e. If an external auditor believes that the statements made in the company's or annual report, information statement or proxy statement filed during his/her engagement is incorrect incomplete, he/she shall present his/her views in said reports.

2.6.8 Internal Auditor

- a. The Corporation shall have in place an independent internal audit function which shall be performed by an Internal Auditor or a group of Internal Auditors, through which its Board, senior management, and stockholders shall be provided with reasonable assurance that its key organizational and procedural controls are effective, appropriate, and complied with.
- b. The Internal Auditor shall report to the Audit Committee.
- c. The minimum internal control mechanisms for management's operational responsibility shall center on the President, being ultimately accountable for the Corporation's organizational and procedural controls.
- d. The scope and particulars of a system of effective organizational and procedural controls shall be based on the following factors: the nature and complexity of business and the business culture; the volume, size and complexity of transactions; the degree of risk; the degree of centralization and delegation of authority; the extent and effectiveness of information technology; and the extent of regulatory compliance.
- e. The Internal Auditor shall submit to the Audit Committee and Management an annual report on the internal audit department's activities, responsibilities and performance relative to the audit plans and strategies as approved by the Audit Committee. The annual report shall include significant risk exposures, control issues and such other matters as may be needed or requested by the Board and Management. The Internal Auditor shall certify that he conducts his activities in

accordance with the International Standards on the Professional Practice of Internal Auditing. If he does not, he shall disclose to the Board and Management the reasons why he has not fully complied with the said standards.

3. NOMINATION AND ELECTION OF DIRECTORS

The following rules shall apply with respect to the nomination and election of all members of the Corporation's Board of Directors:

- 3.1 Nomination of directors shall be conducted by the Nomination Committee prior to the annual stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity of the would-be nominees and shall be submitted to the Nomination Committee and the Corporate Secretary at least forty five (45) calendar days before the date of the actual meeting.
- 3.2 The Nomination Committee shall pre-screen the qualifications and prepare a Final List of all Candidates for directors and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for directors.
- 3.3 After the nomination, the Nomination Committee shall prepare a Final List of Candidates to be submitted to the Board of Directors, which shall contain all the information regarding the background and experience of the nominees required to be ascertained and made known under the Securities Regulation Code and relevant rules and regulations of the SEC. Said Final List of Candidates shall be disclosed in the reports required by law, rules and regulations to be submitted to the SEC and to all stockholders.
- 3.4 Only nominees whose names appear on the Final List of Candidates shall be eligible for election as directors. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. No further nomination shall be entertained or allowed on the floor during the actual annual stockholder's meeting.
- 3.5 It shall be responsibility of the Chairman of the stockholders' meeting to inform all stockholders in attendance of the mandatory qualifications and procedures for nominating and electing directors.
- 3.6 Specific slots for independent directors shall not be filled up by unqualified nominees.
- 3.7 Any controversy or issue arising from the selection, nomination or election of independent directors shall be resolved by the SEC by appointing independent directors from the list of nominees submitted by the stockholders.

- 3.8 In case of failure of election, resignation, disqualification or cessation of independent directorship, the vacancy shall be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum; otherwise, said vacancy shall be filled only by candidates approved by the Nomination Committee. An independent director so elected to fill a vacancy shall serve only for the unexpired term of his predecessor in office.

4. COMMUNICATION PROCESS

- 4.1 This manual shall be available for inspection by any stockholder of the Corporation at reasonable hours on business days.
- 4.2 All directors, executives, division and department heads are tasked to ensure the thorough dissemination of this Manual to all employees and related third parties, and to likewise enjoin compliance in the process.
- 4.3 An adequate number of printed copies of this Manual must be reproduced under the supervision of the Legal department, with a minimum of at least one (1) hard copy of the Manual per department.

5. TRAINING PROCES

- 5.1 If necessary, funds shall be allocated by the CFO or its equivalent officer for the purpose of conducting an orientation program or workshop to operationalize this Manual.
- 5.2 A director shall, before assuming as such, be required to attend a seminar on corporate governance which shall be conducted by a duly recognized private or government institute.

6. REPORTORIAL OR DISCLOSURE SYSTEM OF COMPANY'S CORPORATE GOVERNANCE POLICIES

- 6.1 The reports or disclosures required under this Manual shall be prepared and submitted to the Securities and Exchange Commission by the responsible Committee or officer through the Corporation's Compliance Officer.
- 6.2 The Corporation shall disclose all material information, in accordance with the Securities and Regulations Code and its implementing rules and regulations.
- 6.3 All disclosed information shall be released via the approved stock exchange procedure for company announcements as well as through the annual report.

The Corporation shall comply with all disclosure requirements imposed by the Securities and Exchange Commission and the Philippine Stock Exchange on listed and registered companies.

7. SHAREHOLDERS' BENEFIT

The company recognizes that the most cogent proof of good corporate governance is that which is visible to the eyes of investors. Therefore the following provisions are issued for the guidance of all internal and external parties concerned, as governance covenant between the company and all its investors:

7.1 Rights of Investors/Minority Interests

The Board shall be committed to respect the following rights of the stockholders:

7.2 Voting Right

7.1.2.1 Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code and the by-laws of the Corporation.

7.1.2.2 Cumulative voting shall be used in the election of directors.

7.1.2.3 A director shall not be removed without cause if it will deny minority shareholders representation of the Board.

7.3 Pre-emptive Right

All stockholders shall have pre-emptive rights, unless the same is denied in the articles of incorporation or an amendment thereto. They shall have the right to subscribe to the capital stock of the Corporation. The Articles of Incorporation shall lay down the specific rights and powers of shareholders with respect to the particular shares they hold, all of which shall be protected by law so long as they shall not be in conflict with the Corporation Code.

7.4 Power of Inspection

All shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code and shall be furnished with annual reports, including financial statements, without cost or restrictions.

7.5 Right to Information

7.1.5.1 The shareholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the directors and officers and certain matters such as their holdings of the Company's shares, dealings with the Company,

relationships among directors and key officers, and the aggregate compensation of directors and officers.

7.1.5.2 The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.

7.1.5.3 The minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".

7.6 Right to Dividends

7.1.6.1 Shareholders shall have the right to receive dividends subject to the discretion of the Board.

7.1.6.2 The company shall be compelled to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except: (a) when justified by definite corporate expansion projects or programs approved by the Board or (b) when the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or (c) when it is clearly shown that such retention is necessary under special circumstances obtaining Corporation, such as when there is a need for special reserve for probable contingencies.

7.7 Appraisal Right

The shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code of the Philippines, under any of the following circumstances:

- In case any amendment to the articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and

- In case of merger or consolidation.

It shall be the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms.

They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The directors shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal constraints.

8. MONITORING AND ASSESSMENT

- 8.1 Each Committee shall report regularly to the Board of Directors.
- 8.2 The Compliance Officer shall establish an evaluation system to determine and measure compliance with this Manual. Any violation thereof shall subject the responsible officer or employee to the penalty provided under Part 8 of this Manual.
- 8.3 The establishment of such evaluation system, including the features thereof, shall be disclosed in the company's annual report (SEC Form 17-A) or in such form of report that is applicable to the Corporation. The adoption of such performance evaluation system must be covered by a Board approval.
- 8.4 This Manual shall be subject to quarterly review unless the same frequency is amended by the Board.
- 8.5 All business processes and practices being performed within any department or business unit of Model Corporation that are not consistent with any portion of this manual shall be revoked unless upgraded to the compliant extent.

9. PENALTIES FOR NON COMPLIANCE WITH THE MANUAL

- 9.1 To strictly observe and implement the provisions of this Manual, the following penalties shall be imposed, after notice and hearing, on the Corporation's directors, officers and staff in case of violation of any of the provision of this Manual:
 - In case of first violation, the subject person shall be reprimanded.
 - Suspension from office shall be imposed in case of second violation. The duration of the suspension shall depend on the gravity of the violation.

- For third violation, the maximum penalty of removal from office shall be imposed.

9.2 The commission of a third violation of this Manual by any member of the Board of the Company shall be sufficient cause for removal from directorship.

9.3 The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend to the Chairman of the Board the imposable penalty for such violation, for further review and approval of the Board.

Signed this 23rd day of June 2010 at Makati City.

For: **Peter Le Sar**
President and Chairman of the Board



Marissa T. Academia
Compliance Officer and
Corporate Secretary

To ensure adherence to good corporate governance, the Board of Directors of Thunderbird Poro Development Ventures, Inc. doing business under the name and style of "Thunderbird Resorts - Poro Point", in its meeting has unanimously approved the designation of **Ms. Marissa T. Academia** as its Compliance Officer. She shall perform the duties as mandated by Section 2, subsection 2.1.2 of the Manual on Corporate Governance