

COVER SHEET

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SEC Registration Number

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(Company's Full Name)

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B	o	n	i	f	a	c	i	o		G	l	o	b	a	l		C	i	t	y		T	a	g	u	i	g					

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

Jose Roderick F. Fernando
(Contact Person)

(632) 798-7622
(Company Telephone Number)

1	2		3	1
<i>Month</i>			<i>Day</i>	
(Fiscal Year)				

Consolidated Updates

A	C	G	R
(Form Type)			

0	6		1 st Friday
<i>Month</i>			<i>Day</i>
(Annual Meeting)			

Not Applicable
(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Articles VI and VII
Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic	Foreign

To be accomplished by SEC Personnel concerned

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SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
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SECRETARY'S CERTIFICATE

I, **JOSE RODERICK F. FERNANDO**, of legal age, Filipino, with office address at 28th Floor NAC Tower 32nd Street, Bonifacio Global City, Taguig, do hereby state and depose that:

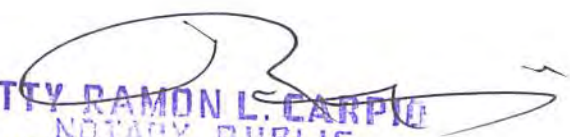
- 1.) I am the duly appointed Assistant Corporate Secretary of **NICKEL ASIA CORPORATION** (the "Company"), a corporation duly established and existing under the laws of the Philippines with principal office address at 28th Floor NAC Tower 32nd Street Bonifacio Global City, Taguig.
- 2.) As such Assistant Corporate Secretary, I have in my custody records of the Company including the minutes of the meetings of the Board of Directors.
- 3.) During a meeting of the Board of Directors on 30 July 2013, the Board nominated and elected Mr. Martin Antonio G. Zamora as a member of the Board to serve the unexpired term of Mr. Ronaldo B. Zamora who previously stepped down from his directorship, which event has been reported through an SEC Form 17-C.
- 4.) On 28 May 2014, by a unanimous vote in a referendum held among the members of the Board of Directors, the Company adopted its Code of Business Conduct and Ethics.
- 5.) This Certificate is being issued as required by the Securities and Exchange Commission in the submission of the Consolidated Updates on the Company's Annual Corporate Governance Report for the year 2014.

IN WITNESS WHEREOF, I hereunto set forth my hand this JAN 09 2015 at Taguig City, Philippines.


JOSE RODERICK F. FERNANDO
Assistant Corporate Secretary 

JAN 09 2015
SUBSCRIBED AND SWORN TO BEFORE ME this _____ affiant showing to me his Passport No. EB7275407 issued on 02 February 2013 at Manila, Philippines.

Doc. No. 389
Page No. 7
Book No. 1
Series of 2015.


ATTY RAMON L. CAPIO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2016
PTR NO. 0500-1214 TAGUIG CITY
IBP NO. 8721 TAGUIG CITY
TIN 100-018-017
MCLE IN COMPLIANCE W/ JUDGE D. G. 19/13
ROLL # 22/172

SECURITIES AND EXCHANGE COMMISSION
SEC FORM – ACGR
ANNUAL CORPORATE GOVERNANCE REPORT
GENERAL INSTRUCTIONS

(A) Use of Form ACGR

This SEC Form shall be used to meet the requirements of the Revised Code of Corporate Governance.

(B) Preparation of Report

These general instructions are not to be filed with the report. The instructions to the various captions of the form shall not be omitted from the report as filed. The report shall contain the numbers and captions of all items. If any item is inapplicable or the answer thereto is in the *negative*, an appropriate statement to that effect shall be made. Provide an explanation on why the item does not apply to the company or on how the company's practice differs from the Code.

(C) Signature and Filing of the Report

- A. Three (3) complete sets of the report shall be filed with the Main Office of the Commission.
- B. At least one complete copy of the report filed with the Commission shall be **manually** signed.
- C. All reports shall comply with the full disclosure requirements of the Securities Regulation Code.
- D. This report is required to be filed annually together with the company's annual report.

(D) Filing an Amendment

Any material change in the facts set forth in the report occurring within the year shall be reported through SEC Form 17-C. The cover page for the SEC Form 17-C shall indicate "Amendment to the ACGR".

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is Filed for the Year 2014
2. Exact Name of Registrant as Specified in its Charter NICKEL ASIA CORPORATION
3. NAC Tower, 32nd Street Bonifacio Global City, Taguig
Address of Principal Office 1634
Postal Code
4. SEC Identification Number CS200811530
5. (SEC Use Only)
Industry Classification Code
6. BIR Tax Identification Number 007-085-191
7. +632 8926669 / +632 7987622
Issuer's Telephone number, including area code
8. 6th Floor NAC Centre 143 Dela Rosa corner Adelantado Streets, Legaspi Village, Makati City
Former name or former address, if changed from the last report

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A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	Five (5)
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Actual number of Directors for the year	Nine (9)
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(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first Elected	Date last elected (if ID, state the number of years served as ID) ¹ *	Elected when (Annual /Special Meeting)	No. of years served as director
Manuel B. Zamora, Jr.	ED	N/A	N/A	11 July 2008	06 June 2014	Annual	6
Philip T. Ang	ED	N/A	N/A	11 July 2008	06 June 2014	Annual	6
Luis J. Virata	NED	N/A	N/A	11 July 2008	06 June 2014	Annual	6
Gerard H. Brimo	ED	N/A	N/A	01 August 2009	06 June 2014	Annual	5
Martin Antonio G. Zamora	ED	N/A	N/A	30 July 2013	06 June 2014	Annual	1
Takanori Fujimura	NED	SMMPH	N/A	20 September 2010	06 June 2014	Annual	4
Takeshi Kubota	NED	SMMPH	N/A	20 September 2010	06 June 2014	Annual	4
Fulgencio S. Factoran, Jr.	ID	N/A	Philip T. Ang	20 September 2010	06 June 2014	Annual	4
Frederick Y. Dy	ID	N/A	Manuel B. Zamora, Jr.	24 September 2010	06 June 2014	Annual	4

*Based on Form 17-C filed on June 6, 2014

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

The Company adopted its Manual on Corporate Governance (the "Manual") on June 16, 2010 and the amendments thereto on March 25, 2011, so as to incorporate certain mandatory provisions of the Revised Code of Corporate Governance. The Amended Manual was submitted to the SEC on March 31, 2011. On July 30, 2014, the Company further amended its Manual to incorporate the provisions mandated under SEC Memorandum Circular No. 9, series of 2014 (based on Form 17-C filed on July 30, 2014).

The Company is committed to the principles of sound corporate governance and believes that it is a necessary component of what constitutes sound strategic business investment. The Manual has institutionalized the principles of good corporate governance within the Company and embodies the framework of rules, systems and processes that governs the performance by the Board of Directors (Board) and of Management of their respective duties and responsibilities to the shareholders.

The Company has substantially complied with its Manual on Corporate Governance and there has not been any deviation from the same.

The Company is taking further steps to enhance adherence to principles and practices of good governance

¹ Reckoned from the election immediately following January 2, 2014.

including the designation of a Chief Risk Officer ("CRO") who is the champion of enterprise risk management at the Company and oversees the entire risk management function. The risk management policy has been approved and risk officers at each operating company have also been designated.

The Company has undergone a self-assessment process and is going to implement a rational rating system to determine compliance by Directors and Officers with the Manual on Corporate Governance. Along with this, the Company integrated its risk management system.

The Company's Board is comprised of nine (9) Directors, with two (2) being Independent Directors, namely Atty. Fulgencio S. Factoran, Jr. and Mr. Frederick Y. Dy. The Company espouses the definition of independence pursuant to the Securities Regulation Code. The Company thus considers as an independent Director one who, except for his director's fees and shareholdings, is independent of management and free from any business or other relationship which, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a Director.

The Board is primarily responsible for the governance of the Company and shall provide the policies for the accomplishment of the corporate objectives, including the means by which to effectively monitor Management's performance. It is the Board's responsibility to foster the long-term success of the Company and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interest of its stockholders and other stakeholders.

As provided in Section 6 of the Manual on Corporate Governance, the Board shall respect the rights of the stockholders and protect the minority stockholders' interest. The following rights of the stockholders as provided in the Corporation Code, are:

- (1) Right to vote on all matters that require their consent or approval;
- (2) Pre-emptive right to all stock issuances of the corporation;
- (3) Right to inspect corporate books and records;
- (4) Right to information;
- (5) Right to dividends; and
- (6) Appraisal right.

The Board shall be transparent and fair in the conduct of the annual and special stockholders' meetings. Stockholders shall be encouraged to personally attend. They shall be apprised in a timely manner of the right to appoint a proxy if they cannot attend. Subject to the requirements of the Company's By-laws, the exercise of the right to appoint a proxy shall not be unduly restricted and any doubt about the validity of a proxy shall be resolved in the stockholder's favor.

The Board shall promote the rights of the stockholders, remove impediments to the exercise of those rights, and provide adequate venue for stockholders to seek timely redress for breach of their rights.

The Board shall take appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether in person or by proxy. Accurate and timely information shall be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval. The disclosure duties of the Board are contained in Section 8 of the Manual on Corporate Governance and are as follows:

The Board commits to cause the timely disclosure of material information and/or transactions that could potentially affect the market price of the Company's shares or the interest of its stockholders and other stakeholders and such other information which are required to be disclosed pursuant to the Securities Regulation Code and its Implementing Rules and Regulations including, without limitation, earnings results, acquisition or disposal of significant assets, off-balance sheet transactions, related party transactions, Board membership changes, shareholding of Directors and Officers and any changes thereto, and remuneration of Directors and Officers.

The Board shall therefore commit at all times to full disclosure of material information dealings. It shall

cause the filing of all required information through the appropriate Exchange mechanisms for listed companies and submissions to the Commission for the interest of its stockholders and other stakeholders.

The Board has constituted the following Committees and appointed the named Officers to effectively manage the operations of the Company:

Audit Committee – Aside from overseeing the internal and external auditors of the Company, the Audit Committee is responsible for assisting the Board in its fiduciary responsibilities by providing an independent and objective assurance to the Management and shareholders of the continuous improvement of the risk management systems, business operations, and the proper safeguarding and use of Company resources and assets. The Audit Committee provides a general evaluation and assistance in the overall improvement of the risk management, control and governance processes.

The Audit Committee is comprised of Mr. Frederick Y. Dy, an Independent Director, as Chairman, and Messrs. Gerard H. Brimo and Takanori Fujimura as members. The Audit Committee reports to the Board and is required to meet at least once every three months.

The Board, upon the recommendation of the Audit Committee, appointed Ms. Ma. Angela G. Villamor, as the Company's Internal Auditor, who assumed office last 01 April 2011. The Internal Auditor reports directly to the Audit Committee and shall be primarily tasked with monitoring the adequacy and effectiveness of the Company's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness of operations, the safeguarding of assets, and compliance with laws, rules, regulations, and contracts.

Nomination Committee – The Nomination Committee is responsible for providing shareholders with an independent and objective evaluation of and assurance that the members of the Board are competent and will foster the Company's long-term success and secure its competitiveness.

The Nomination Committee is comprised of Mr. Manuel B. Zamora, Jr. as Chairman and Messrs. Takeshi Kubota and Fulgencio S. Factoran, Jr. as members, the latter being an Independent Director. The Nomination Committee reports directly to the Board and is required to meet at least once a year.

Compensation Committee - The Compensation Committee is responsible for the establishment of a formal and transparent procedure for developing policy on remuneration of Directors and Officers to ensure that their compensation is consistent with the Company's culture, strategy and the business environment in which it operates.

The Compensation Committee is comprised of Mr. Manuel B. Zamora, Jr. as Chairman and Messrs. Gerard H. Brimo and Frederick Y. Dy as members, the latter being an Independent Director. The Compensation Committee reports directly to the Board and is required to meet at least twice a year.

Corporate Secretary – Atty. Barbara Anne C. Migallos is the incumbent and duly qualified Corporate Secretary of the Company. She is currently fulfilling the duties and responsibilities of her office, ensuring that all Board procedures, rules and regulations are strictly followed.

Compliance Officer – Atty. Jose Roderick F. Fernando, aside from being designated as the Assistant Corporate Secretary of the Company, has likewise been appointed by the Board as the Compliance Officer, to monitor compliance by the Company with the Manual and the rules and regulations of regulatory agencies.

Corporate Governance Officer - On May 6, 2014, the Board of Directors approved the appointment of the Mr. Emmanuel L. Samson as the Company's Corporate Governance Officer to assess and monitor the governance framework and ensure compliance with policies, laws and regulations related to governance.

On May 28, 2014, the Board of Directors established a Code of Business Conduct and Ethics ("Code"). The Code is adopted for the guidance of Directors, Officers and Employees of Nickel Asia Corporation and its subsidiaries who are all expected to maintain high ethical standards of conduct and to comply fully with

applicable laws and governmental regulations. The Code is designed to ensure consistency in how Directors, Officers and Employees conduct themselves within the Company, and in their dealings outside of the Company with respect to matters dealing with the Company. The Code is guided by the Company's core values and the following standards of business conduct and ethics – integrity; compliance with laws, regulations and standards; safety; proper communication: disclosure; confidentiality of certain information; conflict of interest and related party transactions; insider trading; competition and fair dealing: procurement governance; gifts, hospitality and sponsored travel; environmental policy; and risk management. The Code also provides guides on employee disclosures and complaints, as well as a periodic acknowledgment of compliance with the Code (Form 17-C filed on May 6, 2014).

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

The Board reviews the vision and mission on a regular basis to ensure its continued relevance in the light of changes in the environment. This Board review is normally performed as part of the approval of the Company's strategy and during the budget review.

(d) Directorship in Other Companies

(i) Directorship in the Company's Group²

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

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Manuel B. Zamora, Jr.	<ul style="list-style-type: none"> • Cordillera Exploration Company, Inc. • Taganito Mining Corporation • Rio Tuba Nickel Mining Corporation • Cagdianao Mining Corporation • Hinatuan Mining Corporation • La Costa Shipping and Lighterage Corporation • Samar Nickel Mining Resources Corporation 	<ul style="list-style-type: none"> • Chairman • Chairman • Chairman • Non-executive • Non-executive • Non-executive • Non-executive
Philip T. Ang	<ul style="list-style-type: none"> • Cordillera Exploration Company, Inc. • Taganito Mining Corporation • Cagdianao Mining Corporation • Hinatuan Mining Corporation • La Costa Shipping and Lighterage Corporation • Samar Nickel Mining Resources Corporation 	<ul style="list-style-type: none"> • Non-executive • Executive • Non-executive • Chairman • Executive • Non-executive
Gerard H. Brimo	<ul style="list-style-type: none"> • Taganito Mining Corporation • Cordillera Exploration Company, Inc. • Rio Tuba Nickel Mining Corporation • Cagdianao Mining Corporation 	<ul style="list-style-type: none"> • Executive • Executive • Executive • Executive

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

	<ul style="list-style-type: none"> • Hinatuan Mining Corporation • La Costa Shipping and Lighterage Corporation • Samar Nickel Mining Resources Corporation 	<ul style="list-style-type: none"> • Executive • Executive • Chairman
Martin Antonio G. Zamora	<ul style="list-style-type: none"> • Taganito Mining Corporation • Cordillera Exploration Company, Inc. • Rio Tuba Nickel Mining Corporation • Cagdianao Mining Corporation • Hinatuan Mining Corporation • La Costa Shipping and Lighterage Corporation • Samar Nickel Mining Resources Corporation 	<ul style="list-style-type: none"> • Non-executive • Non-executive • Executive • Non-executive • Non-executive • Non-executive • Executive
Fulgencio S. Factoran, Jr.	<ul style="list-style-type: none"> • Cordillera Exploration Company, Inc. 	<ul style="list-style-type: none"> • Non-executive
Takanori Fujimura	<ul style="list-style-type: none"> • Cordillera Exploration Company, Inc. 	<ul style="list-style-type: none"> • Non-executive
Luis J. Virata	<ul style="list-style-type: none"> • Rio Tuba Nickel Mining Corporation 	<ul style="list-style-type: none"> • Non-executive

(ii) Directorship in Other Listed Companies

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

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Luis J. Virata	<ul style="list-style-type: none"> • Benguet Mining Corporation 	Non-executive
Fulgencio S. Factoran, Jr.	<ul style="list-style-type: none"> • Atlas Consolidated Mining & Development Corporation • BDO Leasing & Finance 	Independent
Frederick Y. Dy	<ul style="list-style-type: none"> • Security Bank Corporation 	Non-executive
Philip T. Ang	<ul style="list-style-type: none"> • Security Bank Corporation 	Non-executive

(iii) Relationship within the Company and its Group

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

Director's Name	Name of the Significant Shareholder	Description of the relationship
Martin Antonio G. Zamora	Manuel B. Zamora, Jr.	Son

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

No. The Company has not set any limit on the number of board seats in other companies that its director may hold. The Board shall adopt guidelines on the number of directorships that its members can hold in other corporations or entities. The optimum number shall take into consideration the

capacity of a Director to diligently and efficiently perform his duties and responsibilities as a Director of the Company. The CEO and other executive directors may be covered by a lower indicative limit. Independent or non-executive Directors who at the same time serve as full-time executives in other corporations may be subject to a similar limit. In every case, the capacity to diligently and efficiently perform duties and responsibilities as Directors of the Company shall not be compromised (see Sections 3.2.1 and 3.2.2 of the Manual on Corporate Governance).

(e) Shareholding in the Company³

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

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Manuel B. Zamora, Jr.	1,484,953	79,509/through PCD Nominee Corp. 645,333,513/through Mantra Resources Corporation	25.59%
Gerard H. Brimo	3,478,125	771,500/through PCD Nominee Corp.	00.16%
Martin Antonio G. Zamora	100	27/through PCD Nominee Corp.	00.00%
Philip T. Ang	391,934	48,992/through PCD Nominee Corp. 338,910,461/through Ni Capital Corporation	13.42%
Luis J. Virata	0	323,613,047/PCD Nominee Corp.	12.80%
Fulgencio S. Factoran Jr.	281	0	00.00%
Frederick Y. Dy	281	0	00.00%
Takanori Fujimura	375	0	00.00%
Takeshi Kubota	375	0	00.00%
TOTAL	6,345,701	1,307,908,772	51.98%

2) Chairman and CEO

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

Yes

No

Identify the Chair and CEO:

Chairman of the Board	Manuel B. Zamora, Jr.
CEO/President	Gerard H. Brimo

(b) Roles, Accountabilities and Deliverables

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

The following are the duties and responsibilities of the Chairman and the CEO as provided in the Company's Manual on Corporate Governance:

³ As of 31 December 2014.

	Chairman	Chief Executive Officer
Role	<p>Presiding the meetings of the Board and ensure that these meetings are held in accordance with the By-laws or as the Chairman shall deem necessary;</p> <p>Supervising the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of Management and the Directors; and</p> <p>Maintaining qualitative and timely lines of communication and information between the Board and Management.</p>	<p>Developing and implementing high-level strategies;</p> <p>Making major corporate decisions;</p> <p>Managing the overall operations and resources of the company; and</p> <p>Acting as the main point of communication between the board of directors and the corporate operations.</p>
Accountabilities	<p>Together with the other board members, is primarily responsible in fostering the long-term success of the Company, sustaining its competitiveness and profitability, formulating the vision, mission, strategic objectives, policies and procedures to effectively monitor Management's performance (see Section 3.6.1 of the Manual on Corporate Governance).</p>	<p>Maintenance of adequate internal controls and management systems to ensure that material factors are made available to Management and the Board for making informed judgement, effective risk management process ; and maintenance of the highest standards of corporate and social responsibility wherever the Company does business and with all its stakeholders.</p>
Deliverables	<p>See Section 3.6.2 of the Revised Manual on Corporate Governance for the duties and functions of the Board.</p>	<p>Submit to the Board as soon as possible after each quarter end and to the shareholders at year end the results of operations and financial condition of the Company;</p> <p>Report matters which would require Board attention; and</p> <p>Other responsibilities that the Board may impose.</p>

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

The Nomination Committee of the Board prepares the succession plan for the CEO and top key management positions which require appointment by the Board. The plan includes assignment of responsibilities to all parties involved in the process, identifying triggers for the succession plan to commence, development of selection criteria for internal and external candidates, assessment methods for the candidates, defining the roles, duties and responsibilities of the position under consideration, deciding how visible to make the process, and inclusion of an emergency succession plan. In developing the selection criteria, the Committee shall consider the following factors:

- (i) level of knowledge of the Company's business;
- (ii) alignment of the candidate's experience with the long-term strategic goals and the potential of it enhancing the economic value of the Company;
- (iii) potential to assume greater responsibility in the organization;
- (iv) ability, integrity and expertise; and

(v) ability to bring fresh perspective to the Company.

The Board approves the succession plans for the CEO/President and the top key management positions based on the recommendations of the Nomination Committee and other factors that the Board may deem proper and relevant.

4) Other Executive, Non-Executive and Independent Directors

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

The Company's Manual on Corporate Governance provides for qualifications of directors, which are the following:

- i. College education or equivalent academic degree;
- ii. Practical understanding of the business of the Company;
- iii. Membership in good standing in relevant industry, business or professional organizations;
- iv. Previous business experience.

The abovementioned qualifications give room for the shareholders to freely choose/nominate directors coming from diverse professional backgrounds.

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

Yes. All directors of the Company are required to have a "practical understanding of the business of the Company" as provided in the Company's Manual on Corporate Governance.

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

As provided under Section 3.6.3 of the Company's Manual on Corporate Governance, all directors shall act in the best interest of the Company characterized by transparency, accountability and fairness, and shall exercise leadership, prudence and integrity in directing the Company towards sustained progress. Directors shall observe the following norms of conduct:

- (h) Conduct fair business transactions with the corporation, and ensure that his personal interest does not conflict with the interests of the Company.
- (i) Devote the time and attention necessary to properly and effectively perform his duties and responsibilities.
- (j) Act judiciously.
- (k) Exercise independent judgement.
- (l) Have a working knowledge of the statutory and regulatory requirements that affect the company.
- (m) Observe confidentiality.

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

The Company adopts the definition of "independence" under the Securities Regulations Code.

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

None. The term of the Company's independent directors is the same as that of the other directors of the Company which is one (1) year as provided in the Company's Articles of Incorporation.

5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period:

Name	Position	Date of Cessation	Reason
Ronaldo B. Zamora	Director	30 July 2013	Election as the Representative of the City of San Juan to the Philippine Congress and designation as House Minority Floor Leader.

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

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

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors		
(ii) Non-Executive Directors	Please see explanation below	
(iii) Independent Directors		
b. Re-appointment		
(i) Executive Directors		
(ii) Non-Executive Directors	Please see explanation below	
(iii) Independent Directors		
c. Permanent Disqualification		
(i) Executive Directors		
(ii) Non-Executive Directors	Please see explanation below	
(iii) Independent Directors		
d. Temporary Disqualification		
(i) Executive Directors		
(ii) Non-Executive Directors	Please see explanation below	
(iii) Independent Directors		
e. Removal		
(i) Executive Directors		
(ii) Non-Executive Directors	Please see explanation below	
(iii) Independent Directors		
f. Re-instatement		
(i) Executive Directors		
(ii) Non-Executive Directors	Please see explanation below	
(iii) Independent Directors		
g. Suspension		
(i) Executive Directors		
(ii) Non-Executive Directors	Please see explanation below	

(iii) Independent Directors		
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The members of the Board of Directors are elected during the Annual Stockholders' Meeting based on the list of nominees prepared by the Nomination Committee and sent to the shareholders through the notice of meeting. A majority vote of the stockholders is required for the election of a director. In addition to the qualification for membership in the Board provided for in the Corporation Code, Securities Regulation Code and other relevant laws, the Board shall provide for additional qualifications that include, among others, the following:

- (1) College education or equivalent academic degree;
- (2) Practical understanding of the business of the Company;
- (3) Membership in good standing in relevant industry, business or professional organizations;
- (4) Previous business experience. (Section 3.4 of the Manual on Corporate Governance)

Any member of the Board of Directors may be removed from office on grounds of disqualification as provided in the Manual on Corporate Governance. The procedure in the Corporation Code is followed by the Company for this purpose. Directors may be removed through a regular or special meeting called for such purpose notices of which are duly given to the shareholders. The removal shall be approved by a vote of the shareholders representing 2/3 of the outstanding capital stock. The vacancy in the Board resulting to such removal may be filled in during the same meeting requiring the same amount of votes without need for further notice.

Any vacancy occurring in the Board other than by removal by the stockholders as abovementioned or by expiration of term may be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum; otherwise, the vacancy must be filled by the stockholders at a regular or at any special meeting of stockholders called for that purpose. The directors elected to fill the vacancy shall serve only the unexpired term of his predecessor.

Disqualification of Directors is provided under 3.5 of the Manual on Corporate Governance.

The following shall be permanently disqualified to be a Director of the Company:

- (i) A person convicted by final judgment or order by a competent judicial or administrative body of any crime that: (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;
- (ii) A person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or a 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 (a) and (b) above or willfully violating the laws that govern securities and banking activities.

The disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking, or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Securities and Exchange Commission (SEC) or the Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the SEC or BSP, or has otherwise been restrained to engage in any activity involving securities and banking, or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;

- (iii) A person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;

(iv) A person who has been adjudged by final judgment or order of the SEC, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced, or procured the violation of any provision of the Corporation Code, Securities Regulation Code, or any other law administered by the SEC or BSP, or any of its rules, regulations or orders;

(v) A person earlier elected as independent director who becomes an officer, employee or consultant of the Company;

(vi) A person judicially declared as insolvent;

(vii) A person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in sub-paragraphs (i) to (v) above;

(viii) A person convicted by final judgment of an offence punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.

The Board shall provide for the temporary disqualification of a director for any of the following reasons:

(i) Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists.

(ii) Absence in more than fifty percent (50%) of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election.

(iii) Dismissal or termination for cause as director of any corporation covered by the Governance Code. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination.

(iv) If the beneficial equity ownership of an Independent Director in the Company or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with.

(v) If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.

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

In the case of the independent directors, the Nomination Committee shall further review their business relationships and activities to ensure that they have all the qualifications and none of the disqualifications for independent directors as set forth in the Company's Manual of Corporate Governance, the Securities Regulation Code, and the SRC Implementing Rules and Regulations.

Voting Result of the last Annual General Meeting (based on Form 17-C dated June 6, 2014)

Name of Director	Votes Received
Manuel B. Zamora, Jr.	2,707,303,768 (83.41%)
Gerard H. Brimo	2,708,022,194 (83.43%)
Martin Antonio G. Zamora	2,682,219,721 (82.64%)
Philip T. Ang	2,708,022,194 (83.43%)
Luis L. J. Virata	2,708,022,194 (83.43%)

Takanori Fujimura	2,707,353,768 (83.41%)
Takeshi Kubota	2,707,353,768 (83.41%)
Fulgencio S. Factoran, Jr. (Independent)	2,745,525,878 (84.59%)
Frederick Y. Dy (Independent)	2,745,525,878 (84.59%)

6) Orientation and Education Program

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

Prior to assuming office, all new Directors and Officers shall undergo orientation program on the Company's business and corporate structure, its vision, mission and corporate strategy, the By-laws and Manual of Corporate Governance, and other relevant matters essential for the effective performance of their duties and responsibilities.

The Corporate Secretary briefs each new director of the By-laws and Revised Manual of Corporate Governance, the schedule of regular meetings of the Board and Board committees, their rights, including access to information and advice, and the procedure and processes for the provision of information to them.

The Chief Executive Officer and the Chief Finance Officer give each new director a briefing of existing and planned investments, current strategic directions, budgets and internal controls and processes.

Prior to assuming office, each director is required to attend a seminar on corporate governance conducted by a duly recognized private or government institution.

- (b) State any in-house training and external courses attended by Directors and Senior Management⁴ for the past three (3) years:

The Company has organized two corporate governance sessions in 2014 and has invited experts to share their insights and interact with the Company's Board and senior management.

Attendees	Program	Date	Training Provider
Board members	Corporate governance	03 September 2014	SGV, Leo Matignas
Officers, middle management	Corporate governance	23 May 2014	SGV, Leo Matignas

- (c) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Martin Antonio G. Zamora	2014-2016	Executive Master in Consulting and Coaching for Change	INSEAD
Frederick Y. Dy	April 2014	Corporate Governance	ROAM, Inc.

B. CODE OF BUSINESS CONDUCT & ETHICS

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

Business Conduct &	Directors	Senior Management	Employees
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⁴ Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

Ethics	
(a) Conflict of Interest	Please see explanation below
(b) Conduct of Business and Fair Dealings	
(c) Receipt of gifts from third parties	
(d) Compliance with Laws & Regulations	
(e) Respect for Trade Secrets/Use of Non-public Information	
(f) Use of Company Funds, Assets and Information	
(g) Employment & Labor Laws & Policies	
(h) Disciplinary action	
(i) Whistle Blower	
(j) Conflict Resolution	

The Company reaffirms its commitment to good corporate governance with the adoption of its Code of Business Conduct and Ethics ("Code"). The Code guides and will continue to guide the Company in the conduct of its business and in dealing with its stakeholders. The Code is adopted for the guidance of Directors, Officers and Employees of Nickel Asia Corporation and its subsidiaries (the "NAC Group") who are all expected to maintain high ethical standards of conduct and to comply fully with applicable laws and governmental regulations. The Code is designed to ensure consistency in how Directors, Officers and Employees conduct themselves within the Company, and in their dealings outside of the Company with respect to matters dealing with the Company.

Consultants retained by the Company shall be informed of, and shall be required to commit to compliance with the Code.

The Code pertaining to Insider Trading contains provisions that apply to relatives, defined as the spouse, children, and other relatives within the second degree of consanguinity or affinity ("Relative") of a Director, Officer, Employee or Consultant. They shall ensure and be responsible for compliance by their Relatives with the provisions of this Code.

All new employees must sign an acknowledgement form confirming that they have read the Code and agree to abide by its provisions. All Officers and Employees will be required to make similar acknowledgements on a periodic basis.

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

The Company adopted the Code of Business Conduct and Ethics on May 28, 2014 upon approval of the Code by the Board of Directors, followed by the CEO message on the official roll-out of the Code to all Directors, Officers, and employees of the Company and its subsidiaries. A series of roll-out sessions were conducted by the Corporate Governance Officer and the Internal Auditor to all employees of the Company and to the managers and supervisors of the subsidiaries. The cascading of the Code to the rank and file employees of the subsidiaries was handled by the Human Resource team of the subsidiary. An electronic copy of the Code is maintained in the intranet of the Company for easy access by all employees.

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

All new employees must sign an acknowledgement form confirming that they have read the Code and agree to

abide by its provisions. All Officers and Employees are required to make similar acknowledgements on a periodic basis. The responsibility for administering the Code rests with the Corporate Governance Officer, with oversight by the Audit and Risk Committee of the Board of Directors.

4) Related Party Transactions

(a) Policies and Procedures

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

Related Party Transactions	Policies and Procedures
(1) Parent Company	Please see explanation below
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	
(7) Directors including spouse/children/siblings/parents	
(8) Interlocking director relationship of Board of Directors	

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprise and their key management personnel, directors, or its stockholders.

The Board shall adopt a process for reviewing and monitoring any related party transactions, which shall be specific as to the definition of related party transactions, the types of transactions covered, and the positions and levels involved. All sales and purchases with related parties are made at prevailing market prices.

As necessary or appropriate, the Board shall constitute a committee, the membership of which must include at least two independent directors, to review significant related party transactions to determine whether they are in the best interests of the Company and the terms and conditions are fair and reasonable.

Related party transactions shall be disclosed in the Company's financial reports and its annual report to shareholders. Immediate disclosure under the rules of the Securities and Exchange Commission and the Philippine Stock Exchange shall be subject to materiality and significance of the transaction.

(b) Conflict of Interest

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

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

Details of Conflict of Interest (Actual or Probable)

Name of Director/s	Please see explanation below
Name of Officer/s	
Name of Significant Shareholders	

Nickel Ore Sale Agreements with PAMCO

HMC, CMC and TMC supply saprolite ore to PAMCO under renewable annual agreements. PAMCO is a stockholder of the Parent Company and TMC. All sales made to PAMCO are transacted at prevailing market prices. Under the terms of the agreement, the base price of the ore products for a specific shipment shall be based on London Metal Exchange (LME). PAMCO shall pay the Group ninety percent (90%) of the provisional invoice amount upon receipt of the required documents and pay the final payment of each shipment after the final dry weight and applicable assay have been determined.

Nickel Ore Sale Agreement with PAMCO and Sojitz Corporation (Sojitz)

RTN supplies saprolite ore to PAMCO under a sale agreement, which shall continue to be valid and in effect until December 2015, wherein PAMCO appointed Sojitz as agent. PAMCO owns thirty-six percent (36%) and Sojitz owns four percent (4%) of the outstanding shares in the capital stock of RTN.

Nickel Ore Sale Agreement with SMM

On April 1, 2011, RTN, TMC, HMC, CMC and SMM entered into an agreement to supply nickel ore to the latter. The agreement shall be valid from April 2011 and shall continue to be valid and in effect until December 2015.

Nickel Ore Supply Agreement with CBNC

RTN entered into an agreement with CBNC to supply all of the limonite ore requirements for the Coral Bay Hydro Metallurgical Processing Plant (HPP) facility until the earlier of the cessation of operations at the Coral Bay HPP facility and exhaustion of the limonite ore reserves at the Rio Tuba mine. RTN has also entered into an agreement with CBNC to supply limestone and provide ancillary services to the Coral Bay High Pressure Acid Leach (HPAL) facility. CBNC is the owner of the Coral Bay HPP facility.

Nickel Ore Supply Agreement with THNC

TMC entered into an agreement with THNC, a Philippine Corporation, covering the sale of its ore products. Under the terms of the agreement, the base price of the ore products for a specific shipment shall be based on LME.

Service Agreements with CBNC

RTN entered into various service agreements with CBNC pertaining to tailings dam construction, materials handling and others.

Materials Handling Agreement with THNC

On October 7, 2013, TMC and THNC executed an agreement wherein TMC will render services related to the handling, hauling and transport of cargo for the latter. THNC shall compensate TMC based on the prices stipulated in the agreement which are determined on the basis of the weight of the cargo. Payment is collected within fifteen (15) days from receipt of TMC's billing.

Funding Commitment with SMM

RTN's long-term debt was incurred to complete infrastructure projects to support the development of the Coral Bay HPAL facility. These projects included the causeway, trestles and dolphins in the Rio Tuba foreshore and offshore areas.

Funding Commitment with THNC

TMC as owner/developer of Taganito Special Economic Zone (TSEZ) incurred a long-term debt to finance the construction of the pier facilities that will be utilized to support the operations of the Taganito HPAL facility. These projects included the jetty, dolphins, rubber fender, jettyboard and other pier facilities in the Taganito foreshore and offshore areas.

Loan Agreement with Emerging Power Inc. (EPI)

On August 22, 2014, the Company entered into a loan agreement with EPI wherein the former granted the latter a total loan facility amounting to Php551.0 million, which is payable in two tranches, at the rate of 2% per annum, to finance EPI's activities preparatory to drilling and for the drilling of the initial two wells under the Montelago Geothermal project. The loan also provides that the entire second tranche of the loan may be converted into shares of stock of EPI constituting 55% of the total issued and outstanding shares of EPI at any time before the lapse of one year after drawdown of the entire second tranche loan (based on Form 17-C filed on August 8, 2014).

(ii) Mechanism

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

Directors/Officers/Significant Shareholders	
Company	Please see explanation below
Group	

Under the Company's Code of Business Conduct and Ethics, Directors, Officers and Employees are charged with the duty of loyalty to the corporate interest. Their personal interests should never prevail against the interests of the Company. It is not only conflict of interest but also the appearance of conflict of interest that must be avoided. Any activity that may compromise or seem to compromise the integrity of the Company or of any Director, Officer or Employee must be avoided.

A. Disclosure

Conflict of interest situations and circumstances should be promptly and fully disclosed and discussed as provided in this Code. Directors and Officers are enjoined to abstain from participating in any action, transaction, discussion, evaluation, or decision involving such conflict of interest.

1. Directors

Directors shall disclose any potential conflict of interest to the Chairman who, in consultation with the CEO, the Compliance Officer (CO) and as appropriate with legal counsel, shall determine whether there is indeed conflict of interest, in which case there shall be disclosure to the Board and the approval requirements under the Code shall be complied with. In the event the Chairman after due consultation finds that there is no conflict, the matter shall nevertheless be disclosed to the Board.

Directors shall abstain from participating in the discussions of the Board regarding matters in which they are in a conflict of interest situation and shall not vote thereon, in accordance with the Policy.

2. Officers

Officers shall disclose any potential conflict of interest to the CEO who, in consultation with the Chairman, the CO and as appropriate with legal counsel shall determine whether there is indeed a conflict of interest. In the event after due consultation the CEO finds that there is indeed a conflict of interest, the Officer shall refrain from pursuing the transaction or activity; provided that if such is deemed beneficial to the interests of the Company, the transaction may be pursued subject to full disclosure to and approval by the Board of Directors. In such situation, the CEO and the CO shall ensure that the interests of the Company and its subsidiaries are duly protected.

3. Employees who are not Directors or Officers

Employees who are not Directors or Officers shall disclose any potential conflict of interest to their immediate superior, who shall have the responsibility of consulting the CO and, as appropriate, the CEO regarding the matter. If the finding is that there is conflict of interest, the Employee shall refrain from pursuing the transaction or activity.

B. Approval

1. Directors

a. Any potential conflict of interest involving a Director shall be disclosed to the Board and shall require Board approval.

b. When the matter is submitted to the Board for approval, the presence of the Director concerned must not be necessary to constitute a quorum and the Director's vote must not be necessary to obtain Board approval.

c. Where these conditions are not met, a contract or transaction where a Director has an interest may be ratified by shareholders representing at least 2/3 of the outstanding capital stock at a meeting of stockholders duly called. Full disclosure of the interest of the Director must be made to the shareholders prior to the meeting, in accordance with applicable rules of the SEC and the Exchange; provided that the contract is fair and reasonable under the circumstances.

2. Officers

Approval of an act or transaction involving conflict of interest of an officer shall be in accordance with the Code. An Officer shall disclose a potential conflict of interest to the Board of Directors. Prior authority of the Board must be obtained before an Officer may enter into a contract or transaction involving conflict of interest as defined herein.

C. Recording

The CO shall be informed of all reported instances of potential conflict of interest and shall keep a record thereof, without prejudice to the keeping of records and monitoring by the appropriate or responsible Officers or departments, including but not limited to Finance and Internal Audit.

5) Family, Commercial and Contractual Relations

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

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
Manuel B. Zamora Jr.	Family	Father of director Martin Antonio G. Zamora
Martin Antonio G. Zamora	Family	Son of director Manuel B. Zamora, Jr.

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

Names of Related Significant Shareholders	Type of Relationship	Brief Description
None.		

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

⁵ Family relationship up to the fourth civil degree either by consanguinity or affinity.

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
Sumitomo Metal Mining Co. Ltd.		See description below

THNC Stockholder's Agreement

On September 15, 2010, NAC, SMM and Mitsui executed a Stockholders Agreement, pursuant to which the parties formed a joint venture company, Taganito HPAL Nickel, to build and operate a plant in Barangay Taganito, Claver, Surigao del Norte for the purpose of producing and selling nickel-cobalt mixed sulfide to be used for the production of electrolytic nickel and electrolytic cobalt.

Pursuant to the Stockholders Agreement, SMM granted THNC a non-exclusive license of technology owned by SMM to produce the products and has undertaken to provide technical assistance to THNC. The Parent Company has undertaken to cause TMC to supply THNC with nickel ore and limestone and to further cause TMC to make available to THNC the use of the land and infrastructure necessary for the production of the products while Mitsui shall assist THNC in procuring materials and equipment necessary for the mine's operations. The Stockholders Agreement shall terminate upon the dissolution of THNC.

In a separate agreement dated December 9, 2011, SMM, which also owns 62.5% of THNC, agreed to assume Parent Company's obligation to make loans to, or guarantee the repayment of, THNC's loans obligations. The Parent Company, in consideration for this agreement, pays SMM an annual guarantee fee of 1% of THNC's outstanding loan obligation.

CBNC Stockholder Agreement

On July 1, 2002, RTN, along with the other stockholders of CBNC, agreed to make loans to CBNC or guarantee the repayment of CBNC's loans obligation in accordance with the financial requirements of CBNC, in proportion to their shareholding ratio in CBNC.

In a separate agreement dated October 22, 2002, SMM, which owns 54% of CBNC, agreed to assume RTN's obligation to make loans to, or guarantee the repayment of CBNC's loans obligations. RTN, in consideration for this agreement, pays SMM an annual guarantee fee of 1% of CBNC's outstanding loan obligation.

6) Alternative Dispute Resolution

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

	Alternative Dispute Resolution System
Corporation & Stockholders	Stockholder concerns are coursed through the Investor Relations Officer who is tasked to implement investor relations programs that reach out to all stockholders.
Corporation & Third Parties	Through the Company's Purchasing group, the Community Relations Officers of each operating mine.
Corporation & Regulatory Authorities	In accordance with the resolution mechanism of the regulatory agency.

C. BOARD MEETINGS & ATTENDANCE

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

Meetings of the Board of Directors are scheduled at the beginning of the year and are also held several times throughout the year.

- 2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Manuel B. Zamora, Jr.	06 June 2014	2	2	100%
Member	Philip T. Ang	06 June 2014	2	2	100%
Member	Luis L.J. Virata	06 June 2014	2	2	100%
Member	Gerard H. Brimo	06 June 2014	2	2	100%
Member	Martin Antonio G. Zamora	06 June 2014	2	2	100%
Member	Takanori Fujimura	06 June 2014	2	2	100%
Member	Takeshji Kubota	06 June 2014	2	2	100%
Independent	Frederick Y. Dy	06 June 2014	2	2	100%
Independent	Fulgencio S. Factoran, Jr.	06 June 2014	2	2	100%

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

During the Board meetings, executive directors, particularly the CEO, was requested to step out for the non-executive directors to discuss some matters without the presence of any executive.

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

No. A majority of the Board of Directors may decide as provided in the corporation's By-laws.

- 5) Access to Information

- (a) How many days in advance are board papers⁶ for board of directors meetings provided to the board?

At least a week prior to the meeting but the directors may request for a copy anytime.

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

Yes.

- (c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc?

As provided in the Company's By-laws, the Secretary shall have the following powers and duties:

- (1) Record the minutes and transactions of all meetings of the directors and the stockholders and to maintain minute books of such meetings in the form and manner required by law;
- (2) Keep record books showing the details required by law with respect to the stock certificates of the corporation, including ledgers and transfer books showing all shares of the corporation's subscribed, issued and transferred;
- (3) Keep the corporate seal and affix it to all papers and documents requiring a sea, and to attest by his signature all corporate documents requiring the same;

⁶ Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

- (4) Attend to the giving and serving of all notices of the corporation required by law or the company's by-laws;
- (5) Certify to such corporate acts, countersign corporate documents or certificates, and make reports of statements as may be required of him by law or by government rules and regulations;
- (6) Act as the inspector at the election of directors and, as such, to determine the number of shares of stock outstanding and entitled to vote, the shares of stock represented at the meeting, the existence of a quorum, the validity and effect of proxies and to receive votes, ballots or consents, hear and determine questions in connection with the right to vote, count and tabulate all votes, determine the result, and do such acts as are proper to conduct the election or vote;
- (7) Perform such other duties as are incident to his/her office or as may be assigned to him/her by the Board of Directors or the President.

(d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.

Yes.

(e) Committee Procedures

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

Yes No

Committee	Details of the procedures
Audit and Risk	Copy of the meeting materials are provided to the committee members few days before the meeting. Directors have full access to Management and the Corporate Secretary should they require other information or request for a separate discussion prior to the committee meetings.
Nomination	Copy of the meeting materials are provided to the committee members few days before the meeting. Directors have full access to Management and the Corporate Secretary should they require other information or request for a separate discussion prior to the committee meetings.
Compensation	Copy of the meeting materials are provided to the committee members few days before the meeting. Directors have full access to Management and the Corporate Secretary should they require other information or request for a separate discussion prior to the committee meetings.

6) External Advice

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

Procedures	Details
Directors, 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 (Section 4.4 of the Manual on Corporate Governance).	

7) Change/s in existing policies

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

Existing Policies	Changes	Reason
	No changes were introduced by the Board of Directors on existing policies affecting the business of the Company.	

D. REMUNERATION MATTERS

1) Remuneration Process

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

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	The Board determines the remuneration of the CEO and of the officers of Management.	
(2) Variable remuneration		
(3) Per diem allowance		
(4) Bonus		
(5) Stock Options and other financial instruments		
(6) Others (specify)		

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

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

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	Executive Directors are given salaries by the Company as its employees while the Non-executive Directors are given per diems based on their attendance of the meetings.		
Non-Executive Directors			

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years.

No.

3) Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued during the most recent year:

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration			
(b) Variable Remuneration			

(c) Per diem Allowance	268,399	157,688	785,556
(d) Bonuses			-
(e) Stock Options and/or other financial instruments	5,839	3,250	-
(f) Others (Specify)			
Total	274,238	160,938	785,556

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances			
2) Credit granted			
3) Pension Plan/s Contributions			
(d) Pension Plans, Obligations incurred			
(e) Life Insurance Premium			
(f) Hospitalization Plan			
(g) Car Plan	1,200,000	-	-
(h) Others (Specify)			
Total	1,200,000		

4) Stock Rights, Options and Warrants

(a) Board of Directors

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

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock
Manuel B. Zamora, Jr.	Please see explanation in Item 3 above			
Philip T. Ang				
Gerard H. Brimo				
Martin Antonio G. Zamora				

(b) Amendments of Incentive Programs

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

No amendment to any incentive program was introduced. A second round of the Employee Stock Option Plan was however approved by the stockholders during the June 6, 2014 meeting.

5) Remuneration of Management

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

Name of Officer/Position	Total Remuneration
Emmanuel L. Samson/CFO/SVP for Finance	Php36,708,805.50
Jose S. Saret/COO/SVP for Operations	
Raymundo G. Ferrer/SVP for Administration and Security	
Rolando R. Cruz/Vice President for Operations	
Jose Roderick F. Fernando/Vice President for Legal and Human Resources	

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

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

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Audit and Risk	1	1	1	Please see Annex A	Please see explanation below		
Nomination	1	1	1	As provided in the CG Manual	Please see explanation below		
Compensation	2		1	As provided in the CG Manual	Please see explanation below		

As provided in the Company's Manual on Corporate Governance, the following are the duties of the Audit and Risk Committee:

- (i) Assist the Board in the performance of its oversight responsibility or the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;
- (ii) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company. This function shall include regular receipt from Management of information on risk exposures and risk management activities;
- (iii) Perform oversight functions over the Company's internal and external auditors. It shall 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;
- (iv) Review the annual internal audit plan to ensure its conformity with the objectives of the Company. The plan shall include the audit scope, resources and budget necessary to implement it;
- (v) 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;

- (vi) Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;
- (vii) Monitor and evaluate the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology security;
- (viii) Review the reports submitted by the internal and external auditors;
- (ix) Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following:
 - Any changes in accounting policies and practices
 - Major judgmental areas
 - Significant adjustments resulting from the audit
 - Going concern assumptions
 - Compliance with accounting standards
 - Compliance with tax, legal and regulatory requirements.
- (ix) Coordinate, monitor and facilitate compliance with laws, rules and regulations:
- (xi) 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 total annual income of the external auditor and to the Company's overall consultancy expenses. The Committee shall disallow any non-audit work that will conflict with the duties of the external auditor or may pose threat to independence. The non-audit work, if allowed, shall be disclosed in the Company's annual report;
- (xii) 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 and Risk Committee, which shall ensure that, in the performance of his work, the internal auditor shall be free from interference by outside parties.

The duties of the Nomination Committee, on the other hand, are the following:

- (a) Review and evaluate the qualifications of all persons nominated to be a director of the Company and of all nominees to other positions in the Company requirement appointment by the Board.
- (b) Assess the effectiveness of the Board's process and procedures in the election or replacement of directors.

The duty of the Compensation Committee is to establish a formal and transparent procedure for developing policy on remuneration of Directors and Officers to ensure that their compensation is consistent with the Company's culture, strategy and the business environment in which it operates.

2) Committee Members

(a) Audit and Risk Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Frederick Dy	06 June 2014	2	2	100%	4
Member (ED)	Gerard H. Brimo	06 June 2014	2	2	100%	4
Member (NED)	Takanori Fujimura	06 June 2014	2	2	100%	4

Disclose the profile or qualifications of the Audit Committee members.

The following are the members of the Audit and Risk Committee:

Frederick Y. Dy (59 years old, Filipino) is an independent director of the Company since September 24, 2010. Mr. Dy is also the Chairman and a director of Security Bank Corporation, Chairman of City Industrial Corporation, Chairman of St. Luke's Medical Center and a director of Ponderosa Leather Goods Company, Inc.

Gerard H. Brimo (63 years old, Filipino) is a director and the President and Chief Executive Officer of the Company since August 2009 and the President of RTN, TMC, Cagdianao Mining Corp. (CMC) and Hinatuan Mining Corp. (HMC). Mr. Brimo joined the Company in 2008 and is also the President of two privately owned exploration companies, Newminco Nickel Mining Corp. and Newminco Pacific Mining Corp. Mr. Brimo began his mining career with Philex Mining Corp. as a Vice President in 1985 and served as Chairman and Chief Executive Officer of Philex Mining from 1994 until his retirement from said company in December 2003. He was President of the Chamber of Mines of the Philippines from 1993 to 1995 and Chairman from 1995 to 2003.

Takanori Fujimura (70 years old, Japanese) is a director of the Company since 2009. Mr. Fujimura is also the President of Coral Bay Nickel Corporation.

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

The Audit and Risk Committee performs oversight functions over the Company's external auditors. It shall ensure that the internal and external auditors act independently from each other, and that the external auditors are given unrestricted access to all records, properties and personnel to enable them to perform their audit functions. Prior to the commencement of audit work, the Committee discusses 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. The Committee reviews the reports submitted by the external auditors and evaluates and determines the non-audit work, if any, and reviews periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Company's overall consultancy expenses. The Committee shall disallow any non-audit work that will conflict with the duties of the external auditor or may pose threat to independence. The non-audit work, if allowed, shall be disclosed in the Company's annual report.

(b) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Manuel B. Zamora, Jr.	06 June 2014	1	1	100%	4
Member (NED)	Takeshi Kubota	06 June 2014	1	1	100%	4
Member (ID)	Fulgencio S. Factoran, Jr.	06 June 2014	1	1	100%	4

(c) Compensation Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Manuel B. Zamora, Jr.	06 June 2014	1	1	100%	4
Member (ED)	Gerard H. Brimo	06 June 2014	1	1	100%	4
Member (ID)	Frederick Dy	06 June 2014	1	1	100%	4

3) Changes in Committee Members

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

Name of Committee	Name	Reason
Audit and Risk	No changes in the membership of the Committees during the year.	
Nomination	No changes in the membership of the Committees during the year.	
Compensation	No changes in the membership of	

	the Committees during the year.	
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4) Work Done and Issues Addressed

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

Name of Committee	Work Done	Issues Addressed
Audit and Risk	Recommendation for Board approval of the Quarterly and Annual financial statements.	No significant issues.
Nomination	Screening of nominees for directorship	No significant issues.
Compensation	Approval of the compensation packages of Directors and Officers.	No significant issues.

5) Committee Program

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

Name of Committee	Planned Programs	Issues to be Addressed
Audit and Risk	Oversight review of financial reporting process, risk management, compliance, internal control system, internal and external auditors	None
Nomination	Review and evaluate the qualifications of all persons nominated to be a director of the Company and of all nominations to positions in the Company requiring appointment by the Board	None
Compensation	Review the compensation program for the directors and officers to ensure their alignment with the Company's strategy, culture and with the business environment	None

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

- (a) Overall risk management philosophy of the company;
- (b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof;
- (c) Period covered by the review;
- (d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness; and
- (e) Where no review was conducted during the year, an explanation why not.

The Group adopts a risk philosophy aimed at enhancing shareholder value by sustaining competitive advantage, optimizing risk management cost, and enabling the Group to pursue strategic growth opportunities with greater speed, skills and confidence than its competitors. To put the philosophy into action, the Group implemented an Enterprise Risk Management (ERM) that shall ensure that all business risks are identified, measured and managed effectively and continuously within a structured and proactive framework. Furthermore, the risk management processes facilitate alignment of the Group's strategy and annual operating plan with the management of key risks. Risk assessment and mitigation strategy is an integral part of the Group's annual business planning and budgeting process. The key risk management activities include

scenario planning, business continuity/disaster recovery management and crisis planning and management. Close monitoring and control processes, including the establishment of appropriate key risk indicators and key performance indicators, are put in place to ensure that risk profiles are managed within policy limits. The Group has in place a formal program of risk and control self-assessment whereby line personnel are involved in the ongoing assessment and improvement of risk management and controls. Independent specialist consultants will, if needed, be engaged from time to time to review the Group's risk management framework and processes.

The Board has responsibility for overseeing risk management within the Group. Assisting the Board is the CRO of NAC who in turn is supported by VP-Finance of each operating company who acts as CRO for the operating company. The CRO reports to the Audit and Risk Committee the significant risks and related risk strategies, and the status of the risk management initiatives on a regular basis. The Internal Audit reports to the Audit and Risk Committee the results of the review of the effectiveness of the risk management initiatives adopted by management. Reporting by the opco and the company CRO is normally performed during the budget review and review of the annual results of operations. Internal Audit review of risk management system is done annually.

In 2012, the Group rolled out the ERM on a pilot basis to one of our subsidiaries. The Group undertakes a continuous process of risk identification and prioritization, monitoring, management and reporting of risks throughout the organization, to provide assurance to the Board that all significant risks are managed effectively. The effectiveness of risk management policy and processes is reviewed on a regular basis and, where necessary, improved. The Internal Audit and the Audit and Risk Committee have reviewed the effectiveness of our risk management system and found the system and the risk mitigation strategies adequate to manage all significant business risks.

Following the successful implementation of ERM in our pilot subsidiary, the other operating subsidiaries have followed and implemented ERM to their respective organizations.

2) Risk Policy

(a) Company

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

The Company and Group Enterprise Risk Management:



In line with the overall Enterprise Risk Management policy of the Group, the Company is committed to manage its risks by adopting an approach where risk identification, assessment, control and monitoring are integrated in the annual plans and budgeting process. All department and section heads of the company are actively involved in the setting of objectives and the identification of related risks that could prevent the Company from achieving its objectives. Employees are informed of the identified risks and are enjoined to make it their business to actively participate in implementing measures that will mitigate the risks.

The table below shows the focus of the Company's Risk Management Policy. The different risk exposures may overlap depending on the risk that is identified and assessed.

Risk Exposure	Risk Management Policy	Objective
Strategic Risk	Set by top management and is focused on the overall direction in areas of revenue, cost and expansion (contraction) programs for both the long-term and annual plans.	It is the objective of the policy to provide the Company management team with a framework that will guide them in dealing with the internal and external risks of the business that have direct impact on the revenue and costs and financial growth while balancing the interests of all stakeholders.
Operational Risk	Set by line managers and focuses on the utilization of available (and limited) resources and on how to manage and prioritize such resources when risks occur.	It is the objective of the policy to ensure that employees are properly guided in dealing with risks that could happen during the day to day operations.
Financial Risk	Focuses on the financial and reporting impact resulting from risks.	It is the objective of the policy to guide employees in ensuring that risks with financial impact have to be properly managed and that losses are contained if not eliminated.
Compliance Risk	Operating in a highly regulated industry, compliance to various laws, rules and regulations is to be fully enforced.	It is the objective of the policy that ensures that the Company is fully compliant with applicable laws, rules and regulations given the sensitivity of the regulatory environment where the Company operates.

(b) Group

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

The overall Enterprise Risk Management policy applies not to the Company, but to all the other subsidiaries of the Group. For monitoring purposes, each subsidiary CRO submits semi-annual reports to the CRO.

(c) Minority Shareholders

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

Risk to Minority Shareholders
The minority holders only have common risks of being in the minority. There are no extraordinary risks for them as such.

3) Control System Set Up

(a) Company

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

The systems that are in place are intended to provide reasonable but not absolute assurance against material misstatements or loss, as well as to ensure the safeguarding of assets, the maintenance of proper

accounting records, the reliability of financial information, compliance with applicable legislation, regulations and best practices, and the identification and management of business risk.

In the course of their statutory audit, the Group's external auditors carry out a review of the Group's material internal controls to the extent of the scope as laid out in their audit plans. Any material non-compliance and internal control weaknesses, together with the external auditors' recommendations to address them, are reported to the Audit Committee. NAC's Management, with the assistance of Internal Audit, follows up on the external auditors' recommendations as part of their role in reviewing the Group's system of internal controls.

Below are examples of the Company's Risk Assessment, Management Control:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Strategic: Market condition, forex and LME prices	Regular updates of market data especially on buyer's requirement; obtain forecasts of forex and LME prices.	<ul style="list-style-type: none"> • Preparing alternative mining plans • Revising budgets (forecasts) • Managing foreign exchange position • Implementing sensitivity analysis
Operational: Lack of available manpower specifically skilled drivers and operators that could result in not meeting production targets	<p>Close coordination between Mines Group and HR with regards to manpower hiring requirements.</p> <p>Monitoring of production accomplishment by comparing actual against budget as well tons per manshift; the resulting data helps determine the adequacy/inadequacy of available manpower</p>	<ul style="list-style-type: none"> • Collaboration with TESDA in training people from surrounding communities • Harness untapped potential of women operators • Aim for commonality of equipment being operated and maintained • Offering competitive compensation
Operational: Unavailable mining equipment resulting to decreased production	<p>Daily Monitoring of equipment breakdowns, job orders, and completed repairs.</p> <p>A minimum of 80% physical availability for all production equipment must be maintained.</p>	<ul style="list-style-type: none"> • Continuous training and re-training of drivers and operators on proper use and handling of equipment to reduce equipment breakdown • Implementing Work order for mechanical and strict monitoring of night shift productivity • Conducting regular PMS • Tapping the expertise of the supplier on proper maintenance and servicing of equipment • Construction of an improved mechanical shop • Monitoring consumption and stocking level of repair parts for both warehouse and consignment to ensure repair parts availability • Reducing delivery lead time for non-consigned repair parts by using emergency purchase and close coordination with Surigao purchasing for local purchases
Operational: Accidents resulting to injury or death, equipment damage,	Safety section monitors and records all accidents / incidents and evaluates severity and frequency rate based on total	<ul style="list-style-type: none"> • Assigning responsibility and accountability to contractors for accident prevention • Construction of engineering

and production loss	manhours worked.	measures such as higher safety berms, and escape ramps at carefully identified locations <ul style="list-style-type: none"> • Traffic monitoring at the minesite area, installation of checkpoint barriers at each ridge • Commitment to a stronger implementation of work safety standards and procedures.
Financial: Losses from non-marketability of ores at certain grades	Closely monitoring prices and inventory levels.	<ul style="list-style-type: none"> • Blending of ores • Looking out for market opportunities
Compliance: Suspension of operation due to non-compliance to DENR guidelines and standards pertaining to water quality	Daily monitoring of water and air quality to ensure compliance. Water pH and TSS (Total suspended solids) are monitored daily at established stations	<ul style="list-style-type: none"> • Compacting and covering of stockpiles • Construction of catch drainage • Planned maintenance of catch drainages and settling ponds by desilting

(b) Group

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

The Group (Company and all its subsidiaries) adopt the same Risk Management policy and framework.

(c) Committee

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

Committee/Unit	Control Mechanism	Details of its Functions
Audit and Risk Committee	Oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company.	Review of information provided by Management on risk exposures and risk management activities.

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

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

- Explain how the internal control system is defined for the company;
- A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;
- Period covered by the review;
- How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and
- Where no review was conducted during the year, an explanation why not.

The Group defines internal control system as a process, effected by its BOD, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations.

2. Reliability of financial reporting.
3. Compliance with applicable laws and regulations.

In ensuring effectiveness and efficiency of operations, the Group focuses on the basic business objectives, performance and profitability goals and safeguarding of resources. Reliability of financial reporting ensures that there are adequate controls in the preparation of published financial statements, including the quarterly financial statements and selected financial data derived from such statements, e.g. earnings releases. Compliance controls ensures that the Group comply with those laws and regulation to which it is subject. In designing the internal control system, the Group recognizes that these three distinct but overlapping categories address different needs and allow a directed focus to meet the different needs.

The internal control system has components that are integrated, have synergy and linkage among these components, forming an integrated system that reacts dynamically to changing conditions. The internal control system is intertwined with the entity's operating activities and exists for fundamental business reasons. to ensure an effective and efficient internal control system.

- a) Control environment which sets the tone of the Group and is the foundation for all other components of internal control, providing discipline and structure.
- b) Risk assessment which is integrated and exists at all levels in the organization.
- c) Control activities consisting of policies and procedures that help ensure management directives are carried out and that necessary actions are taken to address risks to achievement of the Group's objectives. Similar to risk assessment, control activities occur throughout the Group, at all levels and in all functions.
- d) Information and communication to ensure that pertinent information are identified, captured and communicated that enables people to carry out their responsibilities and to run and control the business. Information includes external events, activities and conditions necessary to informed business decision making and external reporting, Communication includes external activities e.g. investors, public and regulators.
- e) Monitoring the process to assess the quality of the internal control system over time. This is accomplished through ongoing monitoring activities and separate evaluations or a combination of both. Internal control deficiencies are reported upstream, with serious matters reported to top management and the board.

2) Internal Audit

(a) Role, Scope and Internal Audit Function

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

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
Please see explanation below	Please see explanation below	In-house	Ma. Angela Villamor	Please see explanation below

Internal Audit carries out reviews and internal control advisory activities aligned to the key risks in the Group's business. This provides independent assurance to the Audit and Risk Committee on the adequacy and effectiveness of the risk management, financial reporting processes, and internal control and compliance systems. In order to provide assurance to the Board, each management member provides a written certification to the CEO confirming the integrity of financial reporting, and the efficiency and effectiveness of the risk management, internal control and compliance systems.

The Internal Auditor reports administratively to the CEO and functionally to the Audit Committee of the BOD. The Internal Auditor is granted full, free and unrestricted access to any and all of the Group's records, physical properties, and personnel relevant to any function under review. All employees are requested to assist Internal Auditor in fulfilling his staff function. Internal Auditor has free and unrestricted access to the Chairman of the BOD, and the Audit Committee.

During 2014, the scope of Internal Audit encompasses the examination and evaluation of the adequacy and

effectiveness of the organization's governance, risk management process, system of internal control structure, and the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives. It includes:

- Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information;
- Reviewing the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on operations and reports and whether the organization is in compliance;
- Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets;
- Reviewing and appraising the economy and efficiency with which resources are employed;
- Reviewing operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned;
- Reviewing specific operations at the request of the Audit Committee or management, as appropriate; and
- Monitoring and evaluating the effectiveness of the organization's risk management system.

Written reports were prepared and issued by the Internal Auditor following the conclusion of each audit and distributed as appropriate. A copy of each audit report and a summarization is forwarded to the CEO and the Chairman of the Audit Committee.

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

Yes. As provided in Section 3.10 of the Manual on Corporate Governance, the Audit and Risk Committee approves the appointment of an independent internal auditor and the terms and conditions of its engagement and removal.

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

The Internal Auditor reports administratively to the Chief Executive Officer and functionally to the Audit Committee of the Board of Directors. The Internal Auditor is granted full, free and unrestricted access to any and all of the Group's records, physical properties, and personnel relevant to any function under review. All employees are requested to assist the Internal Auditor in fulfilling his staff function. Internal Auditor has free and unrestricted access to the Chairman of the Board of Directors, and the Audit and Risk Committee.

- (d) Resignation, Re-assignment and Reasons

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

Name of Audit Staff	Reason
None.	N/A

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

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

Progress Against Plans	Internal audit work is on schedule and aligned to plan approved by the Audit and Risk Committee
Issues⁷	None
Findings⁸	No significant findings noted

⁷ "Issues" are compliance matters that arise from adopting different interpretations.

⁸ "Findings" are those with concrete basis under the company's policies and rules.

Examination Trends	Audit is risk-based. Risks are prioritized in terms of significance and likelihood. Risk assessment is an ongoing activity.
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[The relationship among progress, plans, issues and findings should be viewed as an internal control review cycle which involves the following step-by-step activities:

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

(f) Audit Control Policies and Procedures

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

Policies & Procedures	Implementation
Internal audit charter	Approved by the Audit and Risk Committee in 2011
Professional development	Continuing attendance in seminars and training programs
Office security	Implemented
Risk assessment	Implemented
Annual work plan	Implemented
Audit documentation, reporting and communication	Implemented
Quality assurance and improvement	None as internal audit was established only in 2011

(g) Mechanisms and Safeguards

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

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
Please see explanation below	Equitable access to information through Company representatives, regardless of prior research, opinions, conclusions and recommendations about the Company.	Any engagements with Investment Banks are approved by the Board of Directors.	N/A
	Equitable access to information, press releases, and disclosures in terms of timing and content.	Directors and officers are required by the Policy on Conflict of Interest to disclose any potential conflict of	

		interest they may have with any transaction, including the hiring of Investment Banks, the Company has entered or about to enter into. Such transaction is subject to Board of Directors' approval.	
--	--	---	--

Internal auditor reports functionally to the Audit and Risk Committee and administratively to the Chief Executive Officer. All internal audit activities shall remain free of influence by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of an independent and objective mental attitude necessary in rendering reports.

The five (5) rotation of partner-in-charge of the external audit is observed.

Audit and Risk Committee approval of non-audit services by the external auditor.

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

Chairman of the Board – Manuel B. Zamora, Jr.

CEO – Gerard H. Brimo

Independent Directors – Frederick Y. Dy and Fulgencio S. Factoran, Jr.

All management members will submit to the CEO their certificate of compliance at year end.

H. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' welfare	Please see explanation below	
Supplier/contractor selection practice	Please see explanation below	
Environmentally friendly value-chain	Please see explanation below	
Community interaction	Please see explanation below	
Anti-corruption programmes and procedures?	Please see explanation below	
Safeguarding creditors' rights	Please see explanation below	

Customer Safety and Welfare

Our Group continually strives to satisfy our customers' expectations and concerns by giving utmost attention to their safety and welfare which we address as follow:

- Ores are loaded onto the customers' vessels when weather and sea conditions are favorable and with close coordination with the vessel captain.
- Ore size and specifications are strictly complied which are necessary for the safe and efficient operation of the customer processing facilities.
- Ore moisture is strictly monitored to comply with the customer and international maritime standards of up to 35% moisture content.

the shareholders of the abovementioned corporate acts.

3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up?

Yes.

- a. Date of sending out notices: 09 May 2014
- b. Date of the Annual Special Stockholders' Meeting: 06 June 2014
18 December 2014

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

No significant questions were asked by the shareholders during the meeting.

5. Result of Annual Stockholders' Meeting's Resolutions

Resolution	Approving	Dissenting	Abstaining
Approval of Minutes of 3 June 2013 Annual Stockholders' Meeting	2,745,532,878	0	0
Approval of Annual Report and Audited Financial Statements for the Year Ended 31 December 2013	2,745,532,878	0	0
Approval of Stock Option Plan	2,676,128,358	69,395,520	0
Amendment of Articles of Incorporation to change principal place of business (compliance with SEC Memo Circular No. 3, series of 2008)	2,745,523,878	0	0
Ratification of acts of the Board of Directors and Executive Officers	2,745,523,878	0	0
Appointment of External Auditor (Sycip Gorres Velayo & Co.)	2,745,523,878	0	0

Results of Special Stockholder's Meeting

Resolution	Approving	Dissenting	Abstaining
Approval of Minutes of Declaration of 50% Stockholders	80.64%	0.00%	0.61%

6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:
06 June 2014

(e) Modifications

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

Modifications	Reason for Modification
None.	

(f) Stockholders' Attendance

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

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	All members of the board and officers were present	06 June 2014	By poll	10.20%	74.39%	84.59%
Special	All members of the board and officers were present	18 December 2014	By poll	10.16%	71.03%	81.19%

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

Yes. The Company retains the services of Stock Transfer Service, Inc. for this purpose.

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

Yes, the Company's common shares carry one vote per share. The Company's preferred shares have the same voting rights as those of the common shares.

(g) Proxy Voting Policies

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

	Company's Policies
Execution and acceptance of proxies	Please see explanation below
Notary	
Submission of Proxy	
Several Proxies	
Validity of Proxy	
Proxies executed abroad	
Invalidated Proxy	
Validation of Proxy	
Violation of Proxy	

As provided under the Company's by-laws, a shareholder may vote by proxy which shall be valid only for the meeting at which it has been presented to the Secretary. All proxies must be in the hands of the Secretary before the time set for the meeting. Proxies filed with the Secretary may be revoked by the shareholders either in an instrument in writing duly presented and recorded with the Secretary, prior to a scheduled meeting or by their personal presence at the meeting.

(h) Sending of Notices

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

Policies	Procedure
Please see explanation below	

Notices for regular or special meetings of shareholders may be sent by the Secretary by personal delivery or mail at least 2 weeks prior to the date of the meeting to each shareholder of record at his last known address. The notice shall state the place, date, and hour of the meeting, and the purpose or purposes for which the meeting is called.

When the meeting or shareholders is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting.

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	50
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	16 May 2014
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	16 May 2014
State whether CD format or hard copies were distributed	Hard copies of the notices were distributed with the Definitive Information Statements and the Audited Consolidated Financial Statements in CD Format.
If yes, indicate whether requesting stockholders were provided hardcopies	There were no requests for hardcopies.

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

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

Documents required for proxy vote.	Yes
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Should any of the foregoing information be not disclosed, please indicate the reason thereto.

2) Treatment of Minority Stockholders

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

Minority stockholders receive the same treatment as the majority stockholders and as provided under the law.

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

Yes. Under the Company's by-laws all shareholders, regardless of the number of shareholdings, have the right to nominate candidates for the Board.

K. INVESTORS RELATIONS PROGRAM

1) Discuss the company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.

The Company is committed to making timely, full and accurate disclosures and distributing other corporate communication materials in accordance with the disclosure rules of the Philippine Stock Exchange.

External and internal communications are handled by the Corporate Communications, Legal, and Investor Relations units. Major company announcements are reviewed and approved by the VP-Corporate Communications, VP-Legal, SVP-Strategic Planning, the Chief Financial Officer, and the President and Chief Executive Officer.

The policy is subject to regular review by senior management and the Board of Directors to ensure its effectiveness. Updates and amendments (as appropriate) will be made to reflect current best practices in our communication with the investment community.

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

	Details
(1) Objectives	To make timely, full and accurate disclosures and distributing other corporate communication materials in accordance with the disclosure rules of the Philippine Stock Exchange.
(2) Principles	The Company is committed to upholding the integrity of the capital markets by making timely, full and accurate disclosures, and allowing equitable access to information in terms of timing and content among market participants through the various modes of communications.
(3) Modes of Communications	The Company actively engages the investment community via: <ol style="list-style-type: none"> 1. Annual General Meeting and Special Shareholders Meeting if necessary; 2. Quarterly results are posted on the Company's corporate website; 3. One-on-one/group meetings or conference calls, investor luncheons, local/overseas roadshows and conferences; 4. Mine site and plant visits; 5. Annual reports;

	6. News releases and statements.
(4) Investors Relations Officer	Mr. Emmanuel L. Samson Tel. +632 7987622 Fax +632 892 5344 Email manny.samson@nickelasia.com

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

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

Company's Rules and Procedures for Mergers and Acquisitions:

1. Senior Management assesses a potential transaction in the context of strategic goals of the Company and the group;
2. After pre-clearing the potential transaction with the Chairman, a more detailed due diligence procedure is conducted. A project team composed of members from operations, technical, financial, legal, internal audit, etc.) is formed, and external advisors (legal, accredited appraiser/valuator, tax lawyer, etc.) are engaged;
3. The project team reports the key transaction risks and proposed mitigation strategies, as well as the terms of the proposed offer, structure and other arrangements to the CEO;
4. The CEO reviews the project team's report and obtains the approval of the Board of Directors;
5. After the Board approval, the final bid or offer is prepared and the binding terms of the definitive agreements are negotiated and discussed;
6. Once an agreement is reached and the acquisition documents are signed, the transaction is disclosed to the public following the SRC and PSE rules on disclosures.

Company's Rules and Procedures for Divestments:

1. Senior Management assesses the portfolio or assets, investments or business unit in the context of strategic goals of the Company and the group;
2. A project group composed of members from legal, finance, technical, etc. prepares the proposed divestment plan. Consultants (tax lawyer, legal, internal audit, etc.) are engaged;
3. The CEO reviews the divestment plan and obtains the approval of the Board of Directors;
4. After the Board approval, the final divestment plan with potential buyers and target selling price is prepared;
5. A Non-Disclosure Agreement (NDA) is signed with the potential buyers;
6. After signing the NDA/exclusivity agreement, due diligence by potential buyers commences;
7. Offers are evaluated by a committee that will be formed by Management, who recommends the best offer to the Board of Directors and Stockholders, if necessary, for approval;
8. Once approved, the final bid or offer is prepared and the binding terms of the definitive agreements are negotiated and discussed;
9. After signing, the transaction is then disclosed to the public following the SRC and PSE rules on disclosures.

In 2014, the firm of Maceda Valencia & Co was engaged to issue a valuation opinion report on the Coral Bay Nickel Corporation shares received as property dividends from RTN.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

On top of the Company's Social Development and Management Program wherein the operating mines are mandated to provide social, livelihood, and economic assistance to the host and neighboring communities, the Company has the following CSR initiatives:

Initiative	Beneficiary
Punta Naga Ram pump water system tank enhancements	Ampantrimtu communities

Joint TMC-THPAL-Claver LGU Sabang seawall bouldering project	Claver municipality
Educational assistance	Punta Naga Indigenous Peoples scholars
Filariasis and dengue examination	Punta Naga community
Post-Yolanda response (disaster preparation, relief goods, debris clearing in Manicani and Guiuan town, Medical mission, pumpboats, housing rehabilitation)	Manicani and Guiuan town
Scholarship grant	3 scholars from Manicani/Guiuan
Stress debriefing activities and training of local trainers	360 school children in 4 elementary schools in Manicani
Educational assistance (school uniforms)	360 pupils and high school students of Manicani
Water deliveries, water system maintenance	Rio Tuba and Taratak communities
Initiative	Beneficiary
Medical assistance to Indigenous Peoples	Indigenous Peoples in Sarong
Bridge repair	Barangay Tagolango

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

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

	Process	Criteria
Board of Directors	Please see explanation below	
Board Committees		
Individual Directors		
CEO/President		

Annually, the board performs a self-assessment of its performance, as a body, per individual director and for each board committee. The assessment is based on the criteria agreed by the board and additionally, in the case of the audit committee the SEC Memorandum Circular No. 4, series of 2012. The self-rating results are summarized by the Corporate Secretary and presented to the Board. Performance appraisal of the CEO is conducted by the Board based on these dimensions: strategy and vision, leadership, innovation, operating metrics, risk management, people management, and external relationships.

N. INTERNAL BREACHES AND SANCTIONS

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

Violations	Sanctions
Please see explanation below	

Under the Company’s Code of Business Conduct and Ethics, all complaints and/or disclosures about violations of the Manual, the Code of Business Conduct and Ethics, other corporate governance rules, the Code of Discipline, and related or equivalent policies are handled by the Investigating Unit or the ad hoc committee

which may adopt procedures in implementing disciplinary action in the Code of Discipline or equivalent policy of the Company. Otherwise, it shall adopt comprehensive policies and procedures for the proper handling, investigation, resolution and reporting of all whistleblower complaints referred to it. The Investigating Unit shall ensure that the investigation is conducted in accordance with existing laws, regulations, applicable Company policies and procedures, and due process.

If the complaint is determined to have been substantiated, the Corporate Governance Officer shall issue a report for appropriate action under the Code of Discipline or equivalent Company rules. The respondent shall be informed in writing of the particular act constituting the offense or infraction imputed to him, shall be required to answer the charges against him and shall be afforded the opportunity to be heard and to defend himself. Investigation and determination of the appropriate disciplinary action shall be in accordance with the Company's Code of Discipline or equivalent policy of the Company.

05 October 2012

THE PHILIPPINE STOCK EXCHANGE
Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attn: JANET A. ENCARNACION
Head-Disclosure Department

Re: SEC Form 17-C

X=====x

Dear Madam,

Attached is the SEC Form 17-C of our company, **NICKEL ASIA CORPORATION (NIKL)**, which we filed with the **SECURITIES AND EXCHANGE COMMISSION (SEC)**, reporting therein the adoption by **NIKL** of its Audit Committee Manual.

We trust everything is in order.

Sincerely yours,

NICKEL ASIA CORPORATION

By:



JOSE RODERICK F. FERNANDO
Corporate Information Officer
VP-Legal/HR



110052012000502

**SECURITIES AND EXCHANGE COMMISSION**SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph**Barcode Page**

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Company Information

SEC Registration No. CS200811530
Company Name NICKEL ASIA CORPORATION
Industry Classification Nickel Ore Mining
Company Type Stock Corporation

Document Information

Document ID 110052012000502
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Department CFD
Remarks

C S 2 0 0 8 1 1 5 3 0

SEC Registration Number

N I C K E L A S I A C O R P O R A T I O N

(Company's Full Name)

6 t h F l o o r , N A C C e n t r e , 1 4 3 D e l i a
R o s a S t r e e t , L e g a s p i V i l l a g e ,
M a k a t i C i t y

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

Jose Roderick F. Fernando

(Contact Person)

(632) 892-6669

(Company Telephone Number)

1 2 3 1
Month Day
(Fiscal Year)

1 7 - C
(Form Type)

0 6 0 8
Month Day
(Annual Meeting)

Not Applicable

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SEC FORM 17-C

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER**

1. Date of Report (Date of earliest event reported) October 5, 2012
2. SEC Identification Number: CS200811530
3. BIR Tax Identification No.: 007-085-191-000
4. Exact name of issuer as specified in its charter NICKEL ASIA CORPORATION
5. Province, Country or other jurisdiction of incorporation or organization: PHILIPPINES
6. Industry Classification Code: (SEC Use Only)

7. Address of principal office Postal Code
6th Floor, NAC Centre, 143 Dela Rosa Street, 1229
Legaspi Village, Makati City
8. Issuer's telephone number, including area code: +63 2 892 6669 / +63 2 892 4177
9. Former name, former address, and former fiscal year, if changed since last report.
Not Applicable

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	2,013,476,263 Shares
Preferred Shares	720,000,000 Shares
Amount of Debt Outstanding	[*]

11. Indicate the item numbers reported herein: Adoption of Audit Committee Manual


Item 9. Other Events

The undersigned Chairman of the Audit and Risk Committee and the Compliance Officer of Nickel Asia Corporation hereby report to the Honorable Commission that pursuant to SEC Memorandum Circular No. 4, Series of 2012, the Guidelines for the Assessment of Performance of Audit Committees of Companies Listed on the Exchange (the "Guidelines"), the Audit Committee adopted an **Audit Committee Charter**, a copy of which is attached to this report. The Charter was adopted by unanimous vote of the Committee on 3 August 2012

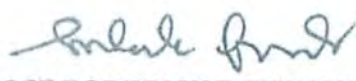
The Audit and Risk Committee has adopted a plan for compliance with the Charter and the Guidelines. It approved, on 3 August 2012, the Company's Enterprise Risk Management (ERM) Policy, which was escalated to the Board on 6 August 2012 and has been rolled out to all concerned. The Committee shall be proactive in ensuring compliance with its oversight functions, shall meet at

least once every quarter and more frequently if deemed necessary, and shall conduct an annual review. It shall ensure the availability of adequate resources towards the effectiveness of the Company's internal audit system. The Committee shall assess its performance through a self-assessment worksheet consistent with the Guidelines by the end of October 2012.

Signed:



FREDERICK V. DY
Chairman, Audit Committee
Independent Director



JOSE RODERICK F. FERNANDO
Vice President
Compliance Officer

NICKEL ASIA CORPORATION

CHARTER AUDIT AND RISK COMMITTEE

I. Introduction

This Charter of the **Audit and Risk Committee** (the "Committee") of **NICKEL ASIA CORPORATION** (the "Company") sets forth among others the purpose, membership, structure, operations, reporting process, resources and other relevant information for the performance by the Committee of its oversight responsibility and functions as prescribed by the *Revised Code of Corporate Governance* (the "CG Code"), the Company's *Manual on Corporate Governance* (the "CG Manual"), and the *Guidelines for the Assessment of Performance of Audit Committees of Companies Listed on the Exchange* (the "Guidelines") promulgated by the Securities and Exchange Commission (the "Commission"). The Committee shall conduct an annual review and assessment of this Charter, and adopt revisions if deemed necessary or beneficial.

II. Organization

a) **Membership and Qualifications**

The Committee shall consist of at least three (3) Members, including a Chairman, who shall be selected by the Board from among the members of the Company's Board of Directors.

The Members of the Audit Committee must be independent in character and judgment, and shall preferably have accounting or finance background, as such criteria are interpreted by the Board. The Chairman of the Committee shall be an Independent Director and one member should have audit experience as far as practicable.

The Chairman and members of the Committee shall be appointed annually and shall hold office for one (1) year and until their successors are appointed and qualified. A member of the Committee may be disqualified from continuing to be such during the remainder of his term if he ceases to meet any of the qualifications of a Director or if he becomes disqualified from being a Director based on any of the grounds set forth in the Corporation Code, the Securities Regulation Code and other relevant laws, the CG Code, the Company's By-Laws and its CG Manual, as determined by the Board or its Nominations Committee. In addition, the Chairman may be disqualified from chairmanship of the Committee if he ceases to be an Independent Director as defined in the CG Code, the Company's CG Manual and relevant regulations.

NA

b) Meetings, Escalation, Minutes and Notices

The Committee shall meet at least once every calendar quarter, preferably prior to regular meetings of the Board. The Chairman may convene special meetings as circumstances require such as when there is a need to take up critical items requiring attention from or the approval of the Committee in between quarterly meetings. Special meetings may also be convened upon the request of a majority of the Members of the Committee.

The presence of a majority of the Members of the Committee, whether in person or via teleconference or videoconference, shall constitute a quorum. Resolutions by the Committee shall be passed by a simple majority of votes of the Members present at such meeting, provided that a quorum is present at the time the vote was taken.


The relevant members of Management and the Company's Internal and External Auditors shall be invited to attend the meetings to provide the necessary information for the Committee to perform its functions. The Committee shall also meet separately with the External Auditors, the Internal Audit Head, and members of Management, at least once a year.

The Committee shall timely refer to the Board any matter that in the opinion of the Committee should be brought to the attention of the Board, including but not limited to recommendations requiring Board approval and concerns or issues requiring Board action. In this regard, the Board may require the Committee to prepare such reports or issue such certifications that the Board may deem necessary to address recommendations or concerns regarding critical compliance issues.

The Committee shall appoint a Secretary who shall prepare minutes of meetings and keep records of the Committee. A written notice of each meeting of the Committee, confirming the venue, time and date, shall be prepared and sent to all Members within a reasonable time prior to the meeting, but in no case less than 24 hours prior to the meeting except when the circumstances warrant a shorter period, as determined by the Chairman. Members of Management, auditors, or others invited by the Committee shall likewise be given reasonable notice of the meeting. An agenda for each meeting will be prepared and sent to the Members of the Committee in advance of the meeting, together with minutes of the previous meeting and other appropriate briefing materials.

c) Compensation

The Chairman and Members of the Committee shall receive no fees or remuneration in respect of their services in connection with the Committee or in respect of their attendance at meetings of the Committee except for fees and remuneration authorized and approved by the Board for such purposes, the amount of which shall not be such as may jeopardize the independence of Members of the Committee or may reasonably be perceived to interfere with such independence.



d) Authority

The Committee shall have the authority appropriate to discharge its functions and responsibilities, including the authority to engage external auditors for special audits, reviews and other procedures and to retain and obtain advice from external counsel and other experts or consultants.

e) Continuing Education and Training

Members of the Committee shall keep abreast of developments in financial reporting, accounting, corporate governance, legal and regulatory compliance, technology, business risks and other relevant areas by seeking continuing professional education and training. The education and training may be provided to the Committee by members of Management, the External Auditors, or by third parties recommended by the Chairman, who shall monitor the needs and opportunities for such continuing education.

III. Purpose and functions of the Committee

Consistent with the CG Code, the Guidelines and the Company's CG Manual, the purpose and functions of the Committee are to:

a) 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;

b) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the corporation. This function shall include regular receipt from Management of information on risk exposures and risk management activities;

c) Perform oversight functions over the corporation's 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;

d) 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;

e) 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;

f) Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;

g) Monitor and evaluate the adequacy and effectiveness of the corporation's internal control system, including financial reporting control and information technology security;

h) Review the reports submitted by the internal and external auditors;

i) Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:

- Any change/s in accounting policies and practices
- Major judgmental areas
- Significant adjustments resulting from the audit
- Going concern assumptions
- Compliance with accounting standards
- Compliance with tax, legal and regulatory requirements.

j) Coordinate, monitor and facilitate compliance with laws, rules and regulations;

k) 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 total 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, should be disclosed in the corporation's annual report;

l) 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 Committee. The Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties.

IV. Duties and Responsibilities

To carry out its functions, the Committee shall have the duties and responsibilities set forth below.

a) With respect to Financial Reporting and Disclosures

The Committee shall:



1. Develop an understanding of the Company's business and the mining industry, as well as the current and emerging issues affecting the same, sufficient to perform its fiduciary duty of monitoring the quality and integrity of the Company's financial statements and disclosures.

2. Ensure that Management is well aware of its responsibility over and accountability for the financial statements and disclosures of the Company.

3. Conduct a fair and balanced review of the financial statements and all related disclosures and reports certified by the Chief Financial Officer and released to the public and/or submitted to the Commission and/or the Philippine Stock Exchange, including correspondence between the Company and regulators regarding financial statements and disclosures, for compliance with legal and regulatory requirements, and for completeness, clarity, consistency and accuracy of the material information disclosed, including subsequent events and related party transactions.

4. Conduct a fair and balanced review of the quarterly, half-year and annual financial statements before submission to the Board, focusing on (a) appropriateness of accounting policies and practices adopted by Management, and any significant changes thereto; (b) alternative accounting treatments used; (c) reasonableness of major estimates, assumptions, and judgments used in the preparation of the financial statements; (d) compliance with applicable accounting standards, and impact of new accounting standards and interpretations, if any; (e) significant adjustments resulting from the audit; (f) material errors and fraud, if any; and (g) compliance with tax, legal, stock exchange and other regulatory requirements.

5. Discuss with and seek legal advice of legal counsel regarding litigation, claims, contingencies or other significant legal issues that impact the financial statements.

6. Conduct a fair and balanced review of unusual or complex transactions including all related party transactions.

7. Report any finding of substantial error or fraud in financial reporting to the Board, and recommend the appropriate action therefor.

8. Review and approval of Management representation letter before submission to the External Auditors.

b) With respect to Enterprise Risks and Internal Controls:

The Committee shall:



1. Review and discuss with Management and the Internal Audit Head and/or the External Auditors the Company's major financial and other risk exposures, the policies and processes with respect to risk identification, assessment and management, and issues related thereto, and the steps taken by Management to monitor and control risk exposures. The Committee shall consider among others: (a) sufficiency and adequacy of risk management and internal control processes and policies, in general; (b) Management's take and assurances on the state of internal controls; (c) internal auditor's evaluation of internal controls; (d) internal control issues raised by the External Auditor, including weaknesses in controls and reporting processes; (e) control environment including IT systems and functions; (f) the setting up of a framework for fraud prevention and detection, including a whistle-blowing program, or the adequacy and effectiveness of an existing framework or program; (g) preparation and implementation of a Business Continuity Plan, or the adequacy of an existing Plan and efficiency and effectiveness of its implementation; and (h) the promotion of risk awareness in the organization.

2. Require Management to provide reports about the Company's significant or major risk exposures, if any, and the steps taken by Management to monitor or manage such risks.

c) With respect to Management and Internal Audit

The Committee shall:

1. Review and monitor compliance with the Code of Conduct for Management.

2. Conduct an annual review of the Internal Audit Charter and approval of subsequent revisions thereto.

3. Review sufficiency of and/or recommend and approve changes to the Company's internal audit structure to ensure that the Internal Auditor reports directly to the Committee, and is independent of Management and the External Auditors in the performance of its work, with particular focus on: (a) the authority and reporting line of the internal auditor; (b) the resources, including funding and access to the Company's records, properties and personnel, available to the internal auditor relative to its functions; (c) the extent and scope of internal audit work; (d) internal audit reporting processes; and (e) compliance with International Standards on the Professional Practice of Internal Auditing.

4. Review and evaluate the qualifications, performance and independence of the internal auditor, and recommend the appointment, removal

or replacement of the internal auditor, and whether the internal audit function should be outsourced or remain in-house.

5. Review and approve the internal audit annual plan, and all deviations therefrom, ensuring that the audit resources are reasonably allocated to the areas of highest risk.

6. Review and approve the internal auditor's periodic and annual reports, ensuring that management is taking appropriate corrective actions in a timely manner, including addressing internal control and compliance issues.

7. Conduct a separate meeting in executive session, with the internal auditor and/or Management to discuss any sensitive matter that requires private discussion, including but not limited to the results of the audit, the quality of management, and financial and accounting controls.

d) With respect to External Audit:

The Committee shall:

1. Review and evaluate the performance, independence, professional qualifications and competence of the External Auditors, and recommend to the Board the appointment of the External Auditors for confirmation by the shareholders as may be necessary or appropriate, or their removal or replacement. The evaluation of the performance of the External Auditor shall include a review of its compliance with accounting standards and other legal and regulatory requirements. The assessment on the independence of the External Auditor shall include a review of its access to all records, properties and personnel of the Company, to ensure that the External Auditors are free from undue interference in the performance of its audit.

2. Ensure the rotation of the lead audit partner every five (5) years, or earlier as may be determined by the Board or prescribed by law, and consider whether there should be regular rotation of the audit firm itself.

3. Review and approve the scope of work and fees of the External Auditors, including the proportion of audit versus non-audit work both in relation to their significance to the auditor and in relation to the Company's year-end financial statements, and the total expenditure on consultancy, to ensure that non-audit work will not be in conflict with the audit functions of the External Auditor.

4. Review and approve the reports and findings of the External Auditor, ensuring that Management is taking appropriate corrective actions in a timely manner, including addressing internal control and compliance issues.

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5. Evaluate and resolve disagreements between the External Auditors and Management and/or the Internal Auditor, regarding financial reporting and audit results.

6. Conduct a separate meeting in executive session with the External Auditors to discuss any sensitive matter that requires a private discussion, including but not limited to (a) the results of the audit, (b) year-end financial statements; (c) the quality of management, financial and accounting controls; (d) management's competence regarding financial reporting responsibilities including aggressiveness and reasonableness of decisions; (e) the completeness and timeliness of communication by Management to the External Auditors as to i. critical policies; ii. alternative treatments; iii. observations on internal controls; iv. audit adjustments; v. independence; vi. limitations on the audit work set by the management; vii. and other material issues that affect the audit and financial reporting.

e) With respect to Legal and Regulatory compliance:

The Committee shall:

1. Monitor compliance and adherence by the Company with all applicable laws and regulations pursuant to which the Company conducts its operations and business activities;

2. In case of failure by the management to adopt, as necessary, appropriate remedial measures or sanctions with respect to any reported material violation of securities law or breach of fiduciary duty or similar violations by the Company, consider such reported violation and recommend the appropriate sanction therefor; and

3. Discuss with the Company's Chief Finance Officer and/or Compliance Officer any significant legal matters that may have a material effect on the financial statements, the Company's compliance policies, including material notices to or inquiries from governmental agencies.

V. Performance Evaluation and Assessment

To ensure that the Committee continues to fulfill its responsibilities in accordance with global best practices and in compliance with the CG Code, the CG Manual and other relevant regulatory requirements, the Committee shall conduct an assessment of its performance through the self-assessment worksheet provided in the Guidelines, and under the mechanics provided therein.

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The self-assessment should be conducted by the Committee at least annually or in such shorter intervals as may be fixed by the Board. The results of the assessment shall be validated by the Company's Compliance Officer. The entire assessment process should be documented and should form part of the records of the Company that may be examined by the Commission from time to time.

VI. Amendment

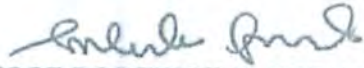
This Charter may be amended or repealed, or a new Charter be adopted, by resolution of the Committee duly adopted.

Adopted by the Audit and Risk Management Committee of Nickel Asia Corporation this 3rd day of August 2012.

Attest:



FREDERICK Y. DY
Independent Director
Chairman, Audit Committee



JOSE RODERICK F. FERNANDO
Vice President and Asst. Corporate Secretary
Compliance Officer.