February 26, 2016

SEcurities And Exchange Commission
sec building, edsa, greenhills, Mandaluyong City, philippines

Attention: MR. Vicente graciano p. felizmenio, jr.
Director, Markets and Securities Regulation Department

philippine stock exchange, inc.
tower one and exchange plaza, ayala triangle, ayala avenue, makati City, philippines

Attention: MS. Janet a. encarnacion
Head, Disclosure Department

Subject: Results of Regular Meeting of the Board of Directors

Gentlemen:

Please be informed that at the regular meeting of the Board of Directors of Manila Water Company, Inc. (the “Company”) held this morning, the Board approved and authorized the following:

1. Approval

1.1. 2015 Financial Statements

The Board approved the 2015 Consolidated Financial Statements of the Company, audited by its external auditor, Sycip Gorres Velayo and Company.

1.2. Re-appointment of Sycip Gorres Velayo and Company as External Auditor

The Board approved and endorsed the re-appointment of Sycip Gorres Velayo and Company at the annual stockholders’ meeting as the external auditor of the Company for the fiscal year January 1, 2016 to December 31, 2016 for an audit fee of Php2 million, exclusive of VAT and out-of-pocket expenses.

1.3. Declaration of First Semester Cash Dividends

The Board declared the following cash dividends for the first semester of 2016:

(a) Php 0.4167 per share on the outstanding Common Shares; and
(b) Php 0.04167 per share on the outstanding Participating Preferred Shares.

Payable on March 23, 2016 to stockholders of record as of March 11, 2016.
1.4. Revisions to Counterparty Limits

The Board approved the increase in counterparty limits for HSBC and PNB, as well as the inclusion of Bank of China in the list of Counterparty Limits.

1.5. Signatories and Attorneys-in-Fact for Recurring Acts and Transactions

The Board approved the designation of signatories for the following acts and transactions of the Company:

(a) Bank transactions
(b) Administrative Matters
(c) Appointment of Counsels and representatives in cases before the courts, quasi-judicial agencies and other agencies of the Government with similar functions

2. Reports of the Board Committees

2.1. The Board noted, and/or ratified the acts and resolutions of the Audit and Governance Committee in its meeting held on February 24, 2016 which include:

(a) Discussion and approval of the 2015 consolidated Financial Statements, including the Notes to the Financial Statements and the Management Representation Letter;
(b) Discussion on the disposition and resolution of the focus areas of SGV and Co., the significant accounting and auditing issues noted by SGV, the unadjusted audit differences, and the communications of SGV to the Committee;
(c) Endorsement of re-appointment of Sycip Gorres Velayo and Company at the annual stockholders’ meeting as external auditor of the Company;
(d) Approval of the increase in the counterparty limits for HSBC and PNB, as well as the inclusion of Bank of China in the list of Counterparty Limits;
(e) Discussion and approval of the minutes of its previous meeting held on November 5, 2016, Internal Audit’s Communication to the Audit and Governance Committee and Proposed Schedule and Agenda for 2016 Regular Audit and Governance Committee meetings;
(f) Discussion of the Treasury risk exposures of the Company;
(g) Discussion of the status of the risk-based Audit Plan and the fourth quarter results of audit of the Internal Audit and the Treasury risks exposures of the Company;
(h) Approval of the Revised Audit and Governance Committee Charter which revisions pertain to the transfer of the risk oversight and management functions to the recently established Risk Committee; and
(i) Approval of the 2015 Report of the Committee to the Board which includes a statement that the Committee, through the audits conducted by SGV & Company and Internal Audit, has reviewed Management’s system of internal controls and the Committee found the internal control system to be adequate and effective

2.2. The Board noted, and/or ratified the acts and resolutions of the Remuneration Committee in its meeting held on February 24, 2016 on the approval of the 2016 Merit Increases and Salary Adjustments Program as well as the 2016 Corporate Incentive Program.
2.3. The Board noted and/or ratified the acts and resolutions of the Risk Committee in its meeting held on February 11, 2016, which include:

(a) adoption of the Committee approach towards the objective of enabling the Board and the management to assess the probability of risks and magnitude of related losses, and to determine the extent of the risk to be absorbed by the Company or to decide on the mitigating activities to be undertaken;
(b) Discussion on the security risks of the Company, the water quality reports, and the insurance program of the Company and its subsidiaries;
(c) Approval of minutes of its previous meeting held on October 28, 2015; and
(d) Report of the Risk Committee to the Board of Directors which includes a statement that the Committee has reviewed the Enterprise Risk Management Process and is satisfied that sufficient risk management systems are in place in the Company.

2.4. The Board noted, and/or ratified the acts and resolution of the Nomination Committee adopted on February 24, 2016 on the endorsement by the Nomination Committee of the eleven nominees to the Board of Directors for election at the annual stockholders’ meeting on April 11, 2016.

Very truly yours,

JHOEL P. RAQUEDAN
Chief Legal Counsel
Assistant Corporate Secretary