August 12, 2015

SECURITIES AND EXCHANGE COMMISSION (SEC)
SEC Building, EDSA, Greenhills, Mandaluyong City, Philippines

Attention : MR. VICENTE GRACIANO P. FELIZMENIO, JR.
Markets and Securities Regulation Department

PHILIPPINE STOCK EXCHANGE, INC. (PSE)

Attention : MS. JANET A. ENCARNACION
Head, Disclosure Department

Subject : Updates and Amendments to the Annual Corporate Governance Report

Gentlemen :

Please be advised of the updates and amendments to the Annual Corporate Governance Report (ACGR) of Manila Water Company, Inc. The affected portions of the ACGR are attached for your reference.

The aforesaid updates and amendments were pursuant to the following which were approved by the Board of Directors in its Special Meeting held on August 11, 2015.

1. Establishment of a Risk Committee; and
2. New Mission-Vision Statement

Very truly yours,

JHOEL P. RAQUEDAN
Chief Legal Counsel
Assistant Corporate Secretary
E. BOARD COMMITTEES

On August 11, 2015, at its special meeting, the Board approved the creation of a Risk Committee and appointed its chairman and members.

The Risk Committee

The Risk Committee shall have four (4) members, majority of whom shall be independent directors. The Chairman of the Committee shall be an independent director.

The Committee shall meet at least twice a year, or more frequently as needed. The Enterprise Risk and Insurance Management Department shall support the Committee in the performance of its functions.

The Committee will take over the risk management and oversight functions of the Audit and Governance Committee. Thus, the Committee shall:

i. Assist the Board in its oversight responsibility for the risk management process;
ii. Perform oversight functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Company, and crisis management. This function shall include receiving from senior management periodic information on risk exposures and risk management activities;
iii. Be responsible for setting up an risk management department and consider the appointment of the CRO; establish and identify the reporting line of the CRO so that the reporting levels allow the risk management activity to fulfill its responsibilities;
iv. Review risk management plans, including scope, resources and budget necessary to implement it, to ensure its conformity with the objectives of the Company;
v. Monitor and evaluate the adequacy and effectiveness of the Company’s risk management system;
vi. Ensure that the risk management system of the Company adheres to internationally accepted standards and that risk management processes, practices and methodologies are compliant with generally accepted audit standards and practices.
vii. Establish and identify the reporting line of the CRO to enable him to properly fulfill his duties and responsibilities. The CRO shall functionally report directly to the Risk Committee which committee shall ensure the CRO’s independence and freedom from interference by outside parties; and
viii. Develop and recommend to the Board risk management principles applicable to the Company.
The Committee is tasked to develop its own charter to be approved by the Board of Directors.

Below is the composition of the Risk Committee:

<table>
<thead>
<tr>
<th>Office</th>
<th>Name</th>
<th>Date of Appointment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman (ID)</td>
<td>Jaime C. Laya</td>
<td>August 11, 2015</td>
</tr>
<tr>
<td>Member (ID)</td>
<td>Oscar S. Reyes</td>
<td>August 11, 2015</td>
</tr>
<tr>
<td>Member (NED)</td>
<td>Victoria P. Gerchitorena</td>
<td>August 11, 2015</td>
</tr>
<tr>
<td>Member (ID)</td>
<td>Jose L. Cuisia Jr.</td>
<td>August 11, 2015</td>
</tr>
</tbody>
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How often does the Board review and approve the vision and mission?

To ensure good governance of the Company, the Board is mandated under the Manual to establish a vision and mission and strategic objectives and key policies and procedures for the management of the Company, as well as the mechanism for monitoring and evaluating the Management’s, especially that of the President and CEO’s performance. The Board is enjoined to periodically review the vision, mission, corporate strategic objectives and key policies of the Company in order to sustain the Company’s market competitiveness and enhance shareholder value.

Pursuant to the Rate Rebasings provision of the Concession Agreement of the Company with the Metropolitan Waterworks and Sewerage System (MWSS), and in accordance with good corporate business practice, the Company revisits its business plan every five (5) years.

In its Charter which the Board approved and adopted on April 4, 2014 (“Charter of the Board”), it is provided in Section 3.12 thereof that the Board shall regularly review, at least annually, the vision and mission of the Corporation and shall revise the same, as may be necessary, in accordance with the strategic directions of the Company.

In its special meeting held on August 11, 2015, which meeting was attended by all members of the Board, the Board has approved the new mission-vision statement and strategy of the Company, to wit:

Mission

“Our mission is to create an exceptional customer experience in the provision of sustainable solutions vital to health and life.”

Vision

“Our vision is to become a leader in the provision of water, used water and environmental services which will empower people, protect the environment, and enhance sustainable development.”