

5) Family, Commercial and Contractual Relations

- (a) Indicate, if applicable, any relation of a family¹, 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
Eusebio H. Tanco (EHT) and Prudent Resources, Inc.]	Director/President
EHT and Biolim Holdings and Management Corp. (Formerly: Rescom Developers Inc.)]	Director/Chairman
EHT and Eujo Philippines, Inc.] Business	Director/President
EHT and Eximious Holdings, Inc. (Formerly: Capital Managers and Advisors, Inc.)]	Director/Chairman
EHT and STI Education Services Group, Inc.]	Director/Ex-Com Chairman
EHT and Tantivy Holdings, Inc. (Formerly: Insurance Builders, Inc.)]	Director/Chairman

Updated based on the Public Ownership Reports as of 31 March 2016 and 31 December 2016 filed with PSE on 13 April 2016 and 13 January 2017, respectively.

- (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 of the Relationship
Eusebio H. Tanco and STI Holdings]]
Prudent Resources, Inc. and STI Holdings]]
Biolim Holdings and Management Corp. (Formerly: Rescom Developers Inc.) and STI Holdings] Business] Principal Stockholders
Eujo Philippines, Inc. and STI Holdings]]
STI Education Services Group, Inc. and STI Holdings]]
Tantivy Holdings, Inc. (Formerly: Insurance Builders, Inc.) and STI Holdings]]

Updated based on the Public Ownership Reports as of 31 March 2016 and 31 December 2016 filed with PSE on 13 April 2016 and 13 January 2017, respectively.

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

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction
Eusebio H. Tanco	A total of forty percent (40%) equity in UNLAD	<p><u>Complaint filed by the Heirs of the Family of Villa-Abrille relative to Unlad's Davao Property.</u></p> <p>On October 21, 2015, the Parent Company and AHC each received copies of the Complaint filed by the Heirs of Carlos Villa-Abrille, Heirs of Luisa Villa-Abrille, Heirs of Candelaria V.A. Tan, Heirs of Adolfo V.A. Lim, Heirs of Saya V.A. Lim Chiu, Heirs of Guinga V.A. Lim Lu, Heirs of Rosalia V.A. Lim Lua, Heirs of Lorenzo V.A. Lim, and Heirs of Fermin Abella against the Philippine Women's Educational Association ("PWEA"), Unlad, the Parent Company, and AHC for cancellation of certificate of title, reconveyance of real property, declaration of nullity of real estate mortgage, damages, and attorney's fees. The subject matter of the case is Unlad's property located in Davao City.</p> <p>The Plaintiffs claim that ownership of Unlad's property in Davao City should revert back to them because PWEA and Unlad violated the restrictions contained in the Deed of Sale covering the property. The restrictions referred to by the Plaintiffs provide that PWEA shall use the land for educational purposes only and shall not subdivide the land for purposes of resale or lease to other persons. The Plaintiffs also claim that the real estate mortgage constituted over Unlad's property in Davao City in favor of the Parent Company and AHC should be declared null and void because PWEA and Unlad have no capacity to mortgage the property based on the restrictions contained in the Deed of Sale.</p> <p>On November 20, 2015, the Parent Company and AHC filed the Motion to Dismiss ("First Motion to Dismiss"). In the First Motion to Dismiss, the Parent Company and AHC asserted that the Plaintiffs' cause of action against PWEA and Unlad has prescribed considering that the alleged violation of the restrictions in the Deed of Sale occurred in 1987 or more</p>

¹ Family relationship up to the fourth civil degree either by consanguinity or affinity.

		<p>than ten (10) years from the filing of the case. In addition, Plaintiffs cannot seek the cancellation of the real estate mortgage in favor of the Parent Company and AHC because (a) Plaintiffs are not privy/real parties in interest to the said mortgage, and (b) the restrictions in the title and Deed of Sale do not prohibit the mortgage of the subject property. The First Motion to Dismiss was scheduled by the Trial Court on December 4, 2015.</p> <p>On December 4, 2015, the Plaintiffs failed to attend the hearing of the Motion to Dismiss. The Trial Court instead ordered the Plaintiffs to file their comment to the Motion to Dismiss within ten (10) days from receipt of its order while the Parent Company and AHC are given the same period to file their reply thereto.</p> <p>The Trial Court also noticed that the records failed to show that PWEA and Unlad received the Summons. The Trial Court then ordered the branch sheriff to cause the service of the Summons to PWEA and Unlad. Despite the extensions given to the Plaintiffs, Plaintiffs belatedly filed its Comment/Opposition to the First Motion to Dismiss. Subsequently, the Parent Company and AHC filed an (1) Omnibus Motion, which seeks to expunge Plaintiffs' Comment/Opposition to the First Motion to Dismiss for belatedly filing the same, and (2) a Second Motion to Dismiss dated March 22, 2016 ("Second Motion to Dismiss").</p> <p>In the Second Motion to Dismiss, the Parent Company and AHC informed the Trial Court that they were able to discover that the plaintiffs filed a similar case against PWEA and Unlad with another Trial Court of Davao City, which was dismissed without qualifications for their failure to comply with the said Trial Court's order. Said dismissal was eventually affirmed with finality by the Supreme Court. Because of this information, the Parent Company and AHC moved to dismiss the case for res judicata and willful and deliberate forum shopping for filing the same case to the Trial Court.</p> <p>After receipt of all the motions filed by the Parent Company and AHC, the Trial Court ordered the parties to file their responsive pleadings to said pending motions, after which, the same shall be submitted for resolution.</p> <p>The parties filed their responsive pleading wherein the last responsive pleading was filed on May 30, 2016. With the filing of the said last responsive pleading, the Motions to Dismiss were submitted for resolution.</p> <p>On October 20, 2016, the Trial Court issued the Order, which granted the Motions to Dismiss, and dismissed the instant case on the basis of (a) prescription, and (b) res judicata. The Trial Court likewise affirmed that there were no violations of the provisions and/or restrictions in the Deed of Sale annotated on the title of the subject property because (a) the mortgage of the subject property between the Parent Company and AHC and Unlad is not a prohibited act; and (b) there is no allegation that the subject property shall not be used by the Parent Company and AHC for educational purpose.</p> <p>On November 24, 2016, the Plaintiffs filed a Notice of Appeal of the Order dated October 20, 2016, and sought the reversal of the same with the Court of Appeals-Cagayan de Oro ("Court of Appeals").</p> <p>As of the date of the report, the Parent Company and AHC have not received a confirmation of the transmittal of the records of the case to the Court of Appeals.</p> <p><u><i>PWU Rehabilitation Case</i></u> After filing of the Motion for Reconsideration and responsive pleadings thereto, on January 21, 2016, the Rehabilitation Court denied the respective Motion(s) for Reconsideration filed by HZB and PWU.</p> <p>PWU filed a Petition for Certiorari with Application for Temporary Mandatory/Restraining Order and/or Writ of Preliminary Injunction dated February 26, 2016 to the CA. Subsequently, HZB filed her Petition for Certiorari (with Urgent Application for Temporary Restraining Order And/or Writ of Preliminary Injunction) dated February 29, 2016 to the CA.</p> <p>Eventually, both PWU and HZB filed their Motion for Withdrawal of their Petition for Certiorari dated April 11, 2016 to the CA.</p> <p>On May 13, 2016, the Motion to Withdraw the Petition for Certiorari of PWU was granted by the CA.</p>
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		<p>mortgaged in favor of STI Holdings and Attenborough Holdings Corporation ("AHC") as security under the Omnibus Agreement dated 8 June 2012 executed among UNLAD, as debtor, and STI Holdings and AHC, as creditors.</p> <p>(2) Amended Petition for the extra-judicial foreclosure of real estate mortgage under Act 3135, as amended, with the Office of the Clerk of Court and Ex-Officio Sheriff of the Regional Trial Court of Quezon City, entitled STI Education Systems Holdings, Inc. vs. Philippine Women's University, Inc. and Unlad Resources Development Corporation (the "Quezon City Petition").</p> <p>The Quezon City Petition prays for the extra-judicial foreclosure of parcels of land covered by Transfer Certificate of Title Nos. RT-71871(271024)PR-29615 and RT-71872(271025)PR-29616 registered under the name of UNLAD located at Quezon City, and all improvements located thereon, which properties were mortgaged in favor of STI Holdings as security under the Facility Agreement executed between Philippine Women's University ("PWU"), as debtor and STI Holdings (as assignee of Banco de Oro Unibank, Inc.), as creditor;</p> <p>The Davao Petition is the last petition initiated by STI Holdings, on its own or together with AHC, for the satisfaction of UNLAD's obligations to STI Holdings and AHC in the aggregate amount of P294,073,466.68, and PWU's obligations to STI Holdings in the aggregate amount of P702,446,308.08.</p> <p>Updated based on SEC Form 17-C filed with SEC on 23 February 2015 and PSE on 18 Feb 2015.</p> <hr/> <p>On 13 March 2015, STI Education Systems Holdings, Inc. ("STI Holdings") received a copy of the Decision dated 4 March 2015 (the "Decision") of Branch 47 of the Regional Trial Court of Manila (the "RTC") dismissing the election contest filed by Philippine Women's University ("PWU"), Dr. Helena Z. Benitez, and Dr. Jose Francisco B. Benitez docketed as Civil Case No. 15132872.</p> <p>The Election Contest was filed by PWU, Dr. Helena Z. Benitez, and Dr. Jose Francisco B. Benitez (the "Benitez Group") against Mr. Eusebio H. Tanco, Mr. Monico V. Jacob, Ms. Maria Vanessa Rose L. Tanco, Mr. Joseph Augustin L. Tanco, Mr. Martin K. Tanco, Ms. Yolanda M. Bautista, Mr. Jesli A. Lapus, Mr. Teodoro L. Locsin, Jr., Mr. Paolo Martin O. Bautista, Mr. Wilfred S. Racadio, and Mr. Arsenio C. Cabrera (the "Defendants") to annul the election of PWU Members and Trustees held on 22 December 2014 by virtue of the step-in rights of STI Holdings as assignee of BDO Unibank, Inc.</p> <p>In the Decision, the RTC dismissed the election contest filed by PWU and affirmed the position of STI Holdings that the composition of the PWU Members and Trustees have not been changed and the results of the supposed election held on 22 December 2014 were withdrawn. The RTC also noted that the Benitez Group never controverted the aforesaid allegations of STI Holdings when the opportunity was presented by the court in a clarificatory hearing due to the absence of Dr. Jose Francisco B. Benitez.</p> <p>As previously disclosed by STI Holdings on 5 January 2015, the withdrawal of the step-in rights in PWU was to protect the welfare of the PWU students and faculty considering that in the morning of said date (5 January 2015), the PWU community was confronted with a university that was locked down by the Benitez family.</p> <p>Updated based on SEC Form 17-C filed with SEC on 13 Mar 2015 and PSE on 12 Mar 2015.</p> <hr/> <p>On 18 March 2015, STI Education Systems Holdings, Inc. ("STI Holdings") was declared as the winning bidder in the auction sales involving the following Extra-Judicial Foreclosures:</p> <p>(1) Foreclosure No. 15-3285, entitled STI Holdings, Creditor/Mortgagee vs. Philippine Women's University (PWU), Debtor/Mortgagor, where STI Holdings was the winning bidder for properties along Taft Avenue, Malate, Manila where the PWU school is located covered by TCT Nos. 227390,</p>
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		<p>to UNLAD shall be secured by the PWU Quezon City, UNLAD Davao Property and UNLAD Quezon City Property. The receivable from PWU and UNLAD shall be accrued and paid by way of the assignment by PWU of its shares in UNLAD (which PWU will acquire through a Property-for-Share-Swap Transaction). Likewise, the Loan to UNLAD shall be paid by way of conversion of said loan into equity in UNLAD to enable the Company to acquire, together with the shares assigned by PWU to the Company as payment for the Receivable from PWU and Loan to PWU.</p>
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