

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 Rescom Developers, Inc.]	Director/Chairman
EHT and Eujo Philippines, Inc.] Business	Director/President
EHT and Capital Managers & Advisors, Inc.]	Director/Chairman
EHT and STI Education Services Group, Inc.]	Director/Ex-Com Chairman
EHT and Insurance Builders, Inc.]	Director/Chairman

- (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]]
Rescom Developers, Inc. and STI Holdings]]
Eujo Philippines, Inc. and STI Holdings] Business] Principal Stockholders
STI Education Services Group, Inc. and STI Holdings]]
Insurance Builders, Inc. and STI Holdings]]

- (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><i>STI Education Systems Holdings, Inc. declared as the winning bidder in an auction sale involving Extra-Judicial Foreclosure proceedings in Davao City.</i></p> <p>STI Education Systems Holdings, Inc. ("STI ESH") was declared today, 10 March 2016, as the winning bidder in an auction sale involving the following Extra-Judicial Foreclosure proceedings:</p> <p>(a) EJP-REM Case No. 15,117-15, entitled "STI ESH and Attenborough Holdings Corporation ("AHC"), Creditors/ Mortgagees vs. Unlad Resources Development Corporation ("Unlad"), Debtor/Mortgagor", where STI ESH was declared the highest bidder for a parcel of land located in Davao City covered by Transfer Certificate of Title No. 129545 with an area of 40,184 square meters and registered in the name of Unlad (the "Davao Property").</p> <p>The winning bid of STI ESH was Three Hundred Million Pesos (Php300,000,000.00).</p> <p>Unlad has one (1) year from the annotation of the Certificate of Sale to redeem the Davao Property.</p> <p>Updated based on SEC Form 17-C filed with SEC and PSE on 11 March 2016</p>

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

		<p><i>Updates on the Foreclosure of PWU Indiana Property and Taft Property:</i></p> <p>The Certificates of Sale for these properties were annotated on the corresponding certificates of land titles on March 24, 2015.</p> <p>Updated based on SEC Form 17-A filed with the SEC and PSE on 14 July 2015.</p> <hr/> <p><i>Updates on the Foreclosure of Unlad Quezon City Properties:</i></p> <p>1. On March 24, 2015, the Executive Judge of RTC Quezon City temporarily suspended the extra-judicial foreclosure sales of the Unlad properties on the basis of the Commencement Order in the PWU Rehabilitation Case, as discussed under "PWU Rehabilitation Case" in this note. The Executive Judge of RTC Quezon City denied the Parent Company's Motion for Reconsideration on April 6, 2015.</p> <p>Updated based on SEC Form 17-A filed with the SEC and PSE on 14 July 2015.</p> <hr/> <p>2. On August 24, 2015, the Parent Company wrote a letter to the Office of the Clerk of Court and Ex-Officio Sheriff of the RTC of Quezon City asking for the resumption of the extra-judicial foreclosure sales of the Unlad properties in Quezon City due to the dismissal of the PWU Rehabilitation Case. The Parent Company's letter was referred to the Executive Judge of RTC Quezon City.</p> <p>On October 30, 2015, the extra-judicial foreclosure sales of the Unlad properties in Quezon City was resumed pursuant to a Disposition of the Executive Judge of RTC Quezon City. The Parent Company was declared the winning bidder for both, with an aggregate bid of ₱407.8 million for Unlad's real estate properties securing the Acquired Loan, Loan to Unlad, and AHC Loan to Unlad.</p> <p>Updated based on SEC Form 17-Q filed with the SEC and PSE on 13 November 2015.</p> <hr/> <p>3. The Certificate of Sale issued in the sale conducted to satisfy the Loan to Unlad and AHC Loan to Unlad was annotated on Transfer Certificate of Title No. RT-79300(202647)PR-29042 on November 13, 2015. On the other hand, the Certificate of Sale issued in the sale conducted to satisfy the Acquired Loan was annotated on Transfer Certificate of Title No. RT-71871(271024)PR-29615 on December 1, 2015. The Parent Company is in the process of having this Certificate of Sale annotated in Transfer Certificate of Title No. RT-71872(271025)PR-29616,</p>
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		<p>the certificate of title of the other property bought by the Parent company in the extra-judicial foreclosure sale conducted to satisfy the Acquired Loan</p> <p>Updated based on SEC Form 17-Q as of 31 December 2015 filed with the SEC and PSE on 12 February 2016.</p> <hr/> <p>On 9 December 2014, STI Education Systems Holdings, Inc. served notices of default to the following:</p> <ol style="list-style-type: none"> 1. Philippine Women’s University (“PWU”) under the (a) Omnibus Agreement dated 8 June 2012 executed by and between STI Holdings and PWU; and (b) Facility Agreement executed between PWU and Banco De Oro Unibank, Inc. (“BDO”) (now, STI Holdings as assignee and successor-in-interest of BDO); and 2. Unlad Resources Development Corporation (“Unlad”) under the Omnibus Agreement dated 8 June 2012 executed by and among STI Holdings, Attenborough Holdings Corporation (“AHC”) and Unlad. <p>Updated based on SEC Form 17-C filed with the SEC on 10 Dec 2014 and PSE on 9 Dec 2014</p> <hr/> <p>On 22 December 2014, STI Holdings Enforces Its Creditor Rights in PWU - In the exercise of its rights as creditor and subrogee of Banco De Oro to the P223 million debt (the “BDO Loan Facility”) of PWU, and as a consequence of the default of PWU and Unlad in the payment of their obligations to STI Holdings in the aggregate amount of P926 million [as of 7 December 2014], STI Holdings enforced the security arrangements under the BDO Loan Facility and acquired: (a) ¼ Membership in PWU, or 11 out of the 14 Members in PWU; and (b) ¾ of the seats in the Board of Trustees of PWU or 8 out of the 10 Trustees.</p> <p>Updated based on SEC Form 17-C filed with SEC on 23 December 2014 and PSE on 22 December 2014.</p> <hr/> <p>On 10 February 2015, STI Holdings filed with the Office of the Clerk of Court and Ex-Officio Sheriff of the Regional Trial Court of Manila, the following:</p> <ol style="list-style-type: none"> a) Petition for the extra-judicial foreclosure of real estate mortgage under Act 3135, as amended, entitled “STI Education Systems Holdings, Inc. vs. Philippine Women’s University”, over parcels of land covered by Transfer Certificate of Title Nos. 227390, 227391, 227392, 227393 and 227394 registered under the name of PWU where the school of PWU is located at Taft Avenue, Manila, and all improvements located thereon, which properties were mortgaged in favor of STI Holdings as security under the Facility Agreement executed between PWU and STI Holdings (as assignee of Banco de Oro Unibank, Inc.); and
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(b) Petition for the extra-judicial foreclosure of real estate mortgage under Act 3135, as amended, entitled "STI Education Systems Holdings, Inc. vs. Philippine Women's University" over parcels of land covered by: (i) Transfer Certificate of Title Nos. 227390, 227391, 227392, 227393 and 227394 registered under the name of PWU where the school of PWU is located at Taft Avenue, Manila, and (ii) Transfer Certificate of Title No. 112932 registered under the name of PWU located at P. Hidalgo Lim Street (formerly Indiana), Manila, and all improvements located thereon, which properties were mortgaged in favor of STI Holdings as security under the Omnibus Agreement dated 8 June 2012 executed between PWU and STI Holdings.

Updated based on SEC Form 17-C filed with the SEC on 11 Feb 2015 and PSE on 10 Feb 2015

On 12 February 2015, STI Holdings filed with the Office of the Clerk of Court and Ex-Officio Sheriff of the Regional Trial Court of Quezon City, the following:

(a) Petition for the extra-judicial foreclosure of real estate mortgage under Act 3135, as amended, entitled "STI Education Systems Holdings, Inc. vs. Philippine Women's University", over 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 Resources Development Corporation ("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 PWU, as debtor and STI Holdings (as assignee of Banco de Oro Unibank, Inc.), as creditor; and

(b) Petition for the extra-judicial foreclosure of real estate mortgage under Act 3135, as amended, entitled "STI Education Systems Holdings, Inc. and Attenborough Holdings Corporation vs. Unlad Resources Development Corporation", over parcels of land covered by Transfer Certificate of Title Nos. RT-79300(202647)PR-29042, 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 Attenborough Holdings Corporation ("AHC") as security under the Omnibus Agreement dated 1 June 2012 executed among UNLAD, as debtor and STI Holdings and AHC, as creditors.

		<p>Updated based on SEC Form 17-C filed with SEC on 16 February 2015 and PSE on 12 Feb 2015</p> <hr/> <p>On 18 February 2015, STI Educations Systems Holdings, Inc. filed the following:</p> <p>(1) 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 Davao City, entitled STI Education Systems Holdings, Inc. and Attenborough Holdings Corporation vs. Unlad Resources Development Corporation (the "Davao Petition").</p> <p>The Davao Petition prays for the extra-judicial foreclosure of a parcel of land covered by Transfer Certificate of Title No. T-129545 registered under the name of Unlad Resources Development Corporation ("UNLAD") located at Davao City, and all improvements located thereon, which properties were 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</p>
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	<p>(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, 227391, 227392, 227393 and 227394 and registered under the name of PWU; and</p> <p>(2) Foreclosure No. 15-3284, entitled STI Holdings, Creditor/Mortgagee vs. PWU, Debtor/Mortgagor, where STI Holdings was the winning bidder for a property located at Pilar Hidalgo Lim Street, Malate,</p>
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		<p>Manila covered by TCT No. 112932 registered in the name of PWU.</p> <p>Updated based on SEC Form 17-C filed with SEC on 20 Mar 2015 and PSE on 18 Mar 2015.</p> <hr/> <p>On 24 August 2015, STI Education Systems Holdings, Inc. (the Company") received an Order dated 20 August 2015 ("Order of Dismissal") issued by Branch 46 of the Regional Trial Court of Manila ("Rehabilitation Court"), which dismissed the Petition for Involuntary Rehabilitation ("Petition") of Philippine Women's University ("PWU"). In addition, an Order dated 19 August 2015 was also issued by the Rehabilitation Court, which denied the Motion to Join Unlad Resources Development Corp. ("UNLAD") as a party to the Petition.</p> <p>The Petition was filed by Dr. Helena Z. Benitez ("Dr. Benitez"), as an alleged creditor of PWU, to seek the suspension of all actions for the enforcement of claims against PWU, and rehabilitation of PWU. The Commencement/Stay Order was used to suspend the extra-judicial foreclosure proceedings initiated by the Company against PWU and UNLAD to satisfy their outstanding obligations in the amount of P926,146,885.86 as of 7 December 2014. The Rehabilitation Court dismissed the Petition on the following grounds:</p> <ol style="list-style-type: none"> 1. The Petition, the Rehabilitation Plan and the attachments thereto contain materially false and misleading statements. The Rehabilitation Court materially considered the Rehabilitation Receiver's Report ("Report"), which provided, among others, that PWU's insolvency is due to debts not incurred in the ordinary course of business. The Report further stated that PWU entered into transactions outside the nature of PWU, as an educational institution. Moreover, acquisition of properties and agreements that appear for the school did not materialize and yet money was already spent causing PWU to be in debt. Lastly, unauthorized advances by its then President and unaccounted money for the school formed part of liabilities NOT in the ordinary course of business; and 2. The Petition is a sham filing intended to delay the enforcement of the rights of creditors. The Rehabilitation Court questioned the right of Dr. Benitez as an alleged creditor to file the Petition considering that she (a) is the "brand name, epitome and embodiment" of PWU, (b) has unsubstantiated claims and (c) claims against PWU are for personal expenses. The Rehabilitation Court was convinced that the Petition was executed for the primary purpose of delaying the enforcement of the rights of the Company as creditor. <p>Under Section 4, Rule 1 of the Financial Rehabilitation Rules of Procedure, the</p>
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		<p>Order of Dismissal is immediately executory.</p> <p>With the outright dismissal of the Rehabilitation case, the Petition(s) dated 18 February 2015 initiated by the Company against PWU and UNLAD for the extra judicial foreclosure of the real estate mortgages over their Quezon City and Davao properties can proceed in order to satisfy PWU and UNLAD's unpaid loan obligations to the Company in the amount of P926,146,885.86 as of 7 December 2014.</p> <p>Updated based on SEC Form 17-C filed with SEC on 25 Aug 2015 and PSE on 24 Aug 2015.</p> <hr/> <p>Pursuant to the Agreement, in Nov 2011, the Company acquired PWU's debt from PWU's creditor bank, together with all of the bank's rights to the underlying collateral and security, for the amount of P223.5 million, on a without recourse basis. Likewise in accordance with the Agreement, the Company is obliged to extend: (1) a direct loan to PWU in the amount of PP26.5 million and (2) a loan to UNLAD in the amount of P198.0 million. The receivable from PWU and UNLAD aggregating to P250.0 million shall be secured by the PWU Indiana Property and PWU Taft Property while the loan 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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