

**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM – ACGR**

**Amended**

**ANNUAL CORPORATE GOVERNANCE REPORT**

1. Report is Filed for the Year **2012**
2. Exact Name of Registrant as Specified in its Charter **REPUBLIC GLASS HOLDINGS CORPORATION**
3. **6<sup>th</sup> FLOOR, REPUBLIC GLASS BUILDING, 196 SALCEDO STREET, LEGASPI VILLAGE, MAKATI CITY 1229**
4. SEC Identification Number **11603**
5. \_\_\_\_\_(SEC Use Only)  
Industry Classification Code
6. BIR Tax Identification Number **000-141-079-000**
7. Issuer's Telephone Number, including area code **(632)8175011 to 13**
8. Former name or former address, if changed from last report - **N/A**

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A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	9
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Actual numbers of Directors for the year	9
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(a) Composition of the Board

Complete the table with the 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 elected (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) <sup>1</sup>	Elected when (Annual / Special Meeting)	No. of years served as director
Corazon S. Dela Paz – Bernardo	NED /ID	Republic Glass Holdings Corporation	Ms. Nida Cruz through the Nomination committee -No relationship	October 2001	04/30/2012 1 year	ASM	7
Antonio A. Henson <sup>2</sup>	NED	-		December 2007	4/30/2012	ASM	4
Ma. Paz V. Laperal	ED	-		April 1990	4/30/2012	ASM	22
Adeline S. Lim	NED /ID	-	Ms. Nida Cruz through the Nomination committee -No relationship	December 1997	4/30/2012	ASM	14
Victor C. Macalincag	NED /ID	-	Ms. Nida Cruz through the Nomination committee -No relationship	August 2007	4/30/2012 1 year	ASM	5
Federico E. Puno	NED /ID	-	Ms. Nida Cruz through the Nomination committee -No relationship	March 1988	4/30/2012 1 year	ASM	22
Bienvenido A. Tan, Jr.	NED /ID	-	Ms. Nida Cruz through the Nomination committee -No relationship	March 1975	4/30/2012 1 year	ASM	37
Geronimo F. Velasco, Jr.	ED	-		March 1988	4/30/2012	ASM	24
Jose Miguel F. Velasco	NED	-		April 1998	4/30/2012	ASM	14
Elizabeth Anne C. Uychaco <sup>3</sup>	NED	-		October 30, 2013	10/30/2013	Reg BOD Meeting	3 months

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

The Company's corporate governance manual institutionalizes the principles of good corporate governance in the entire organization. The Board of Directors and Management, employees and shareholders, believe that corporate governance is a necessary component of what constitutes sound strategic business management.

<sup>1</sup> Reckoned from the election immediately following January 2, 2012

<sup>2</sup> Resigned & the BOD accepted with regrets his resignation effective Oct. 30, 2013

<sup>3</sup> Elected as Member of the BOD effective Oct. 30, 2013

Corporate Governance policy imparts the values, code of ethics and business principles for the Company, in guiding its directors and employees in carrying out their duties and responsibilities to the highest professional standards. Through the mechanism articulated in the Corporate Governance of the Company, the Board and its Committees undertake its fiduciary responsibilities to all its stakeholders by ensuring fairness, transparency and independence in its decision making.

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

The Board reviews and approves the vision and mission statement as needed.

(d) Directorship in Other Companies

(i) Directorship in the Company's Group<sup>2</sup>

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 (ED,NED,ID), Indicate if Director is also the Chairman
Ma. Paz V. Laperal	Metropolitan Management Corporation; Philippine International Insurance Brokers, Inc.; Gervel Inc.; Avenger Holdings, Inc., Cabildo Holdings, Inc.; Cambridge Children's Learning & Development Holdings Inc.; RGC Marine Transport Corporation; RGC Investment Corporation	ED
Jose Miguel F. Velasco		NED
Geronimo F. Velasco, Jr.	Gervel Inc.; Cambridge Children's Learning & Development Holdings Inc.; Philippine International Insurance Brokers, Inc. RGC Investment Corporation.	ED / Chairman
	Metropolitan Management Corporation; Avenger Holdings, Inc., Cabildo Holdings, Inc.; RGC Marine Transport Corporation; Hollington Management Ltd.	ED
Federico E. Puno	Philippine International Insurance Brokers, Inc.; RGC Marine Transport Corporation; RGC Investment Corporation	NED

(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 (ED,NED,ID), Indicate if Director is also the Chairman
Victor C. Macalincag	Atok Big Wedge Co., Inc; Crown Equities, Inc.; ISM Communication Corporation, Semirara Mining Corporation	NED/ ID
Federico E. Puno	Semirara Mining Corporation, Forum Pacific, Inc.	NED/ ID
Bienvenido A. Tan, Jr.	Philippine Tobacco Flue-Curing & Redrying Corporation	NED / Chairman
Geronimo F. Velasco, Jr.	Forum Pacific, Inc.	NED / ID/ Chairman

(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 its group:

Director's Name	Corporate Name of Significant shareholder	Description of the relationship
Ma. Paz V. Laperal	Metropolitan Management Inc./ Gervel, Inc.	Shareholder/ED
	Geronimo F. Velasco, Jr./ Jose Miguel F. Velasco	Sister
Adeline S. Lim	Lupet Inc., PLINT Development, Inc. and L&A Enterprises, Inc.	Shareholder
Geronimo F. Velasco, Jr.	Metropolitan Management Inc	Shareholder/ED
	Gervel, Inc.	Shareholder/ED/Chairman
	Ma. Paz V. Laperal /Jose Miguel F. Velasco	Brother

<sup>2</sup> The Group is composed of the parent, subsidiaries, associates and joint ventures of the Company.

Jose Miguel F. Velasco	Metropolitan Management Inc./ Gervel, Inc. Ma. Paz V. Laperal / Geronimo F. Velasco, Jr.	Shareholder/ED Brother
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- (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

	Guidelines	Maximum Number of Directorship in other companies
Executive Director	Article 3 B of the Corporate Governance Manual establishes "the Board may consider the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock corporations. The optimum number should take into consideration the capacity of a director to diligently and efficiently perform his duties and responsibilities. The Chief Executive Officer ("CEO") and other executive directors may be covered by a lower indicative limit for membership in other boards. A similar limit may apply to independent or non-executive directors who, at the same time, serve as full-time executives in other corporations. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised.	0
Non-Executive Director		0
CEO		0

The Company has not set an exact limit on the number of board seats that an independent director or CEO may hold simultaneously. Table 1(d)(ii) above would show that none of the Directors (ED/NED/ID) of the Company's Board is a member of more than 5 Publicly listed Companies.

- (e) Shareholding in the company

Complete the following table on 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
Corazon S. Dela Paz – Bernardo	1	313,000	0.04%
Antonio A. Henson	10,000	-	0.00%
Ma. Paz V. Laperal	161,250	-	0.02%
Adeline S. Lim	81,250	-	0.01%
Victor C. Macalincag	20,000	-	0.00%
Federico E. Puno	7,827,561	-	1.15%
Bienvenido A. Tan, Jr.	204,570	-	0.02%
Geronimo F. Velasco, Jr.	2,844,011	-	0.43%
Jose Miguel F. Velasco	45,503	-	0.01%

## 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

Chairman of the Board	Bienvenido A. Tan, Jr.
Chief Executive Officer	Geronimo F. Velasco, Jr.

- (b) Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	Leads the Board and maximizes the value to be had from the Board, Individual Directors and Committees.	-Leads the business/Company and manages it within the authorities delegated by the Board.
Accountabilities	Responsible for governance processes , efficient operation of the Board; Responsible also for succession plan for Directors and CEO	Accountable to the entire Board, for conducting the Company's business and for executing policy decision of the Board and Company's policies and strategies.
Deliverables	An effective and efficient Board	A profitable and growing Company

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

The Company's Corporate Governance Manual Article 3.2.A establishes Board of Directors to implement a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. Appoint competent, professional, honest and highly-motivated management officers. The Company has no formal succession plan. The Company plans to develop a framework for succession planning. This framework will provide a process with basic steps in defining roles and responsibilities, guidelines for those involved in assessing competencies. The framework will identify potential successors to directors and executive positions and to increase pool of talented and qualified individuals who could fill those roles.

- 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 Corporate Governance Manual Article 3.D establishes the qualifications for membership in the Board provided for in the Corporation Code, Securities Regulation Code and other relevant laws, the Board may provide for additional qualifications which include, among others, the following: He shall be at least a college graduate or equivalent academic degree; He shall have practical understanding of the business of the corporation and sufficient experience in managing the business to substitute for such formal education; He shall have membership in good standing in relevant industry, business or professional organizations; and He shall have proven to possess integrity, probity and he shall be assiduous. The Nomination Committee periodically review the compositions of the Board, to ensure that the Board has an appropriate number of independent directors and that the Board also maintain a diversity of experience, expertise and background of the directors in the board. The current Board comprises individuals with diverse knowledge, expertise, attributes and experiences form both the Private sector and the government.

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

Yes, as mentioned in the previous paragraph.

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

	Executive	Non-Executive	Independent Directors
Role	Oversees the business affairs of the Company, sets the Company's Strategic plans and performance objectives, compliance and corporate governance practices.		
Accountabilities and Deliverables	Accountable to the entire Board and for implementing policy decision of the Board	Include constructively challenging and helping in developing proposal on strategy, scrutinizing the	Include but not limited to taking the lead in potential conflicts of interest arise; bringing independent judgment at Board Meetings

		performance of management in meeting goals and objectives.	
Deliverables	Meet Company's objectives and target	Monitor Company's growth and progress	Safeguard and protect shareholders' interest

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

A person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director. The Board currently comprises of nine Directors out of which four (55%) are Non-Executive and Independent Directors.

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 to no term more than four additional years?

The Company follows the term limits for independent directors set by SEC Memorandum Circular No. 9-2011, which set the term to five consecutive years, after two years "cooling off" periods, can be elected and served for another five consecutive years.

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

None.

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
None	None	None	None

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

1) Selection/Appointment/Re-appointment

Nominees for directors are submitted to The Nomination Committee each year. The Nomination Committee will review the profiles of the candidates and make recommendation to the Board on the appointment, re-nomination, removal and retirement of Directors. The Directors are selected on the basis of diversity of expertise, skills and relevant core competencies in areas of business, management, accounting, and finance and industry knowledge. Vacancies that occur may be filled for the unexpired term by special election by the Board of Directors. The criteria and qualification is regulated in the following Articles:

a). Article 3.D. of the Company's Corporate Governance Manual on Qualification of Directors

- 1). He shall be at least a college graduate or equivalent academic degree;
- 2). He shall have practical understanding of the business of the corporation and sufficient experience in managing the business to substitute for such formal education;
- 3). He shall be at least twenty one (21) years old;
- 4). He shall have membership in good standing in relevant industry, business or professional organizations; and
- 5). He shall have proven to possess integrity, probity and he shall be assiduous.



- b). Article III Section 1 of the Company's By-laws on Directors.

Qualification

An independent director shall have the following qualifications:

- (i) He shall have at least one (1) share of stock of the corporation;
- (ii) He shall be at least a college graduate or he shall have been engaged or exposed to the business of the corporation for at least five (5) years;
- (iii) He shall possess integrity/probity; and
- (iv) He shall be assiduous.

2) Permanent Disqualification

Permanent disqualification of Board Members is regulated in the following Articles

- a). Article 3.E.1. of the Company's Corporate Governance Manual on Permanent Disqualification

- 1). Any 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;
- 2). Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any 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 sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.
- 3). 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 Commission or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission 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;
- 4). Any 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;
- 5). Any person who has been adjudged by final judgment or order of the Commission, 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 Commission or BSP, or any of its rule, regulation or order;

- 6). Any person earlier elected as independent director who becomes an officer, employee or consultant of the same Corporation;
  - 7). Any person judicially declared as insolvent;
  - 8). Any 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;
  - 9). Conviction by final judgment of an offense 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.
- b). Article III Section 1 of the Company's By-laws in particular for the Independent Directors.

#### Disqualifications

No person enumerated under Section II (5) of the Code of Corporate Governance shall qualify as an independent director. He shall likewise be disqualified during his tenure under the following instances or causes:

- (i) Provides. He becomes an officer or employee of the Corporation where he is such member of the board of directors/trustees, or becomes any of the persons enumerated under Section II (5) of the Code on Corporate Governance;
- (ii) His beneficial security ownership exceeds two percent (2%) of the outstanding capital stock of the Company where he is such director;
- (iii) Fails, without any justifiable cause, to attend at least 50% of the total number of board meetings during his incumbency;
- (iv) Such other disqualification which the Company's manual on corporate Governance provides.

### 3) Temporary Disqualification

Temporary disqualification of Board Members is regulated in Article 3.E.2. of the Company's Corporate Governance Manual on Temporary Disqualification:

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

- a. 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.
- b. Absence in more than fifty (50) percent 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.
- c. Dismissal or termination from directorship in another listed corporation for any cause by this Code. This disqualification shall be in effect until he cleared himself from any involvement in the cause that gave rise to his dismissal or termination.

- d. If the beneficial equity ownership of an independent director in the Corporation 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.
- e. 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.

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(iii) Executive Director	Nominated and Elected by the Stockholders in the ASM	Company's By-Laws and Corporate Governance Manual;
(iii) Non-Executive Director		
(iii) Independent Director		
b. Re-appointment		
(iii) Executive Director	Nominated and Elected by the Stockholders in the ASM	Company's By-Laws and Corporate Governance Manual and each director must own at least one (1) share of stock of the Company/Corporation
(iii) Non-Executive Director		
(iii) Independent Director		
c. Permanent Disqualification		
(iii) Executive Director	Nomination Committee will review the complaints, issues and matters and recommends to the Board .	Company's By-Laws and Corporate Governance Manual;
(iii) Non-Executive Director		
(iii) Independent Director		
d. Temporary Disqualification		
(iii) Executive Director	Nomination Committee will review the complaints, issues and matters and recommends to the Board .	Company's By-Laws and Corporate Governance Manual;
(iii) Non-Executive Director		
(iii) Independent Director		
e. Removal		
(iii) Executive Director	Nomination Committee will review the complaints, issues and matters and recommends to the Board .	Company's By-Laws and Corporate Governance Manual;
(iii) Non-Executive Director		
(iii) Independent Director		
f. Re-statement		
(iii) Executive Director	Nomination Committee will review the complaints, issues and matters and recommends to the Board .	Company's By-Laws and Corporate Governance Manual;
(iii) Non-Executive Director		
(iii) Independent Director		
g. Suspension		
(iii) Executive Director	Nomination Committee will review the complaints, issues and matters and recommends to the Board .	Company's By-Laws and Corporate Governance Manual;
(iii) Non-Executive Director		
(iii) Independent Director		

#### Voting Result of the Last Annual General Meeting

Name of Director	Votes Received
Corazon S. Dela Paz – Bernardo	94.30%
Antonio A. Henson	94.30%
Ma. Paz V. Laperal	94.30%
Adeline S. Lim	94.30%
Victor C. Macalincag	94.30%
Federico E. Puno	94.30%
Bienvenido A. Tan, Jr.	94.30%
Geronimo F. Velasco, Jr.	94.30%
Jose Miguel F. Velasco	94.30%

#### 6) Orientation and Education Program

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

The Company has no formal orientation program. New Directors are briefed on the Company's business activities, policies, strategic direction, and duties and responsibilities as Directors. They are also provided with copies of the Company's policy manual on e.g. Corporate Governance, Risk Management, Investment Anti-Money Laundry and Company's by-laws and Articles of Incorporation.

- (b) State any in-house training and external courses attended by Directors and Senior Management<sup>3</sup> for the past three (3) years:

Name	External Courses
Florence Wong – Vice President	PSE-Annual Listing & Disclosure Rules Seminar-December 12, 2011;SGV&CO- Mechanics of Derivatives: Valuation, Accounting and Risk Management-May 30,2011/ SGV&CO-Comprehensive Seminar on FWT and EWT-February 22, 2011/ PSE-Annual Listing & Disclosure Rules Seminar-December 3, 2010;PICPA-PFRS Trends and Updates-July 19, 2010.

- (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 Institute
Florence Wong – Vice President	June 26, 2012	Workshop on Value-Added Tax	SGV&Co
Florence Wong – Vice President	June 19, 2012	Workshop on preparation of Corporate Income Tax Returns	SGV&Co

## 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 & Ethics	Directors	Senior Management	Employees
a). Conflict of interest	Directors are obligated to exercise due diligence and avoid conflict of interest and potential conflict of interest situation	All officers and employees are obligated to exercise due diligence and avoid conflict of interest and potential conflict of interest situation	
b). Conduct of Business and Fair Dealings	<p>Article 3.G of the Company's Revised Manual of Corporate Governance establishes that "A director's office is one of trust and confidence. A director should act in the best interest of the Corporation in a manner characterized by transparency, accountability and fairness. He should also exercise leadership, prudence and integrity in directing the Corporation towards sustained progress.</p> <p>A director should observe the following norms of conduct:</p> <p>i) Conduct fair business transactions with the Corporation, and ensure that his personal interest does not conflict with the interests of the corporation. A director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process. A director who has a continuing material conflict of interest should seriously consider resigning from his position.</p> <p>A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the Corporation, or stands to acquire or gain financial advantage at the expense of the Corporation.</p>	All officers and employees are expected to act in the best interest of the Company, free from a conflict of interest. Business decision should be based on impartial and sound business reasoning.	
c). Receipt of gifts from third parties	It is also a conflict of interest for a director, officers or employee of the Company to accept gratuities, gifts		

	, entertainment or favors of more than nominal value from people or companies doing business with the company.	
d). Compliance with Laws & Regulations	<p>Article 3.F.2 of the Company's Revised Manual of Corporate Governance establishes that the Board should conduct itself with honesty and integrity in the performance of, among others, the following duties and functions -</p> <p>a) Ensure the Corporation's faithful compliance with all relevant laws, regulations and codes of best business practices.</p> <p>b) Keep the activities and decisions of the Board within its authority under the articles of incorporation and by-laws, and in accordance with existing laws rules and regulations.</p>	All officers and employees must comply with the laws and regulation and with all company policies. Failure to do so, may result to disciplinary action, possibly termination.
e). Respect for Trade Secrets/Use of Non-public Information	<p>Ensure that all information which is considered confidential or privileged is not disclosed inappropriately and use for personal gain.</p> <p>Article 3.G.vi of the Company's Revised Manual of Corporate Governance states -</p> <p>"Observe confidentiality. A director should keep secure and confidential all non-public information he may acquire or learn by reason of his position as director. He should not reveal confidential information to unauthorized persons without the authority of the Board."</p>	Ensure that all information which is considered confidential or privileged is not disclosed inappropriately and use for personal gain.
f). Use of Company Funds, Assets and Information	<p>Article 3.G.vi of the Company's Revised Manual of Corporate Governance states -</p> <p>"Observe confidentiality. A director should keep secure and confidential all non-public information he may acquire or learn by reason of his position as director. He should not reveal confidential information to unauthorized persons without the authority of the Board</p>	<p>Ensure that all information which is considered confidential or privileged is not disclosed inappropriately and use for personal gain.</p> <p>Ensure that company funds and assets should be protected and not use for personal gain.</p>
g). Employment & Labor Laws & Policies	Article 3.F.2.L of the Company's Revised Manual of Corporate Governance establishes that the Board should conduct itself with honesty and integrity by keeping the activities and decisions of the Board within its authority under the articles of incorporation and by-laws, and in accordance with existing laws rules and regulations.	The company policy is to maintain the safety and health of its employees. All officers and employees are responsible for complying with applicable Company policing and Government laws and regulations on employments
h). Disciplinary action	Article 3.E.1 and 2 of the Company's Revised Manual of Corporate Governance establishes the grounds for temporary and permanent disqualification of Board Members.	All officers and employees must comply with the laws and regulation and will all company policies. Failure to do so, may result to disciplinary action, possibly termination.
i). Whistle Blower	The Audit Committee implement and monitor compliance with the Code by encouraging all Directors, officers and employees to report a violation or suspected violation, corruption and dishonest practices to the Audit Committee or Office of Chief Executive in good faith. Investigation will be discreetly conducted without regard to the violator's position or relationship to the Company or length of service. Reasonable effort will be exerted to maintain the confidentiality of the informant and information received. The Company does not tolerate any form of reprisals for reports made in good faith.	
j). Conflict Resolution	There is no formal policy on conflict resolution yet. An independent body may be convened to serve as arbitrator/negotiator.	

- 2) Has the code of ethics or conduct been disseminated to all directors, senior management<sup>3</sup> and employees?

Yes.

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

All officers and employees must comply with all Company policies, failure to do so would result to disciplinary action. Officers are responsible in ensuring that his /her subordinate complies with the Company policies. Audit Committee implement and monitor compliance with the Code by encouraging all Directors, officers and employees to report a violation or suspected violation, corruption and dishonest practices to the Audit Committee or Office of Chief Executive in good faith. Investigation will be discreetly conducted without regard to the violator's position or relationship to the Company or length of service. Reasonable effort will be exerted to maintain the confidentiality of the informant and information received. The Company does not tolerate any form of reprisals for reports made in good faith.

- 4) Related Party Transactions

- a. Policies and Procedures

Described 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 member of the Board.

Related Party Transactions	Policies and Procedures
1) Parent Company	Transaction should be conducted on an arm-length basis and the transaction must be approved by the Board. Director who has interest in the matter is excluded in the review and deliberation of the decision
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	

- 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	None
Name of Officer/s	None
Name of Significant Shareholders	None

- ii). Mechanism

<sup>3</sup> Senior management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

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.

All Directors, officers and employees are obligated to exercise due diligence and avoid conflict of interest and potential conflict of interest situation. All directors, Officers and employees have a duty to make full disclosure of their interests to the Board and Committees as appropriate. Once notified, Nominations Committee shall consider all matters and make an appropriate recommendation to the Board. Director who has interest in the matter is excluded in the review and deliberation of the decision. Audits performed by internal and external auditor help ensure compliance with the company policies, procedures and controls.

5) Family, Commercial and Contractual Relations

- a). Indicate, if applicable, any relation of a family<sup>4</sup>, 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:

Name of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
None	None	None

- 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:

Name of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
Metropolitan Management, Inc.	Business	Lease Agreement in the amount of P933K for the year 2012.

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

Name of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
None	None	None

6) Alternative Dispute Resolution

Describe the alternative dispute resolutions 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.

No conflicts or differences between the corporation and its stockholders/third parties in the last three (3) years.

	Directors/Officers/Significant Shareholders
Corporation & Stockholders	None
Corporation & Third Parties	None
Corporation & Regulatory Authorities	None

c. BOARD MEETINGS & ATTENDANCE

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

<sup>4</sup> Family relationship up to the fourth civil degree either by consanguinity or affinity.

Board of Directors' meetings is not pre-scheduled before or at the beginning of the year. The Board meets approximately six meetings each year and when warranted, additional meetings will be arranged. Board of Directors' meeting is set at least one month before the planned meeting.

2). Attendance of Directors

Board	Name of Director	Date of Election	No. Of Meetings Held during the year	No. of Meetings Attended	%
Chairman-Independent	Bienvenido A. Tan, Jr.	April 30, 2013	8	8	100.0%
Member-Independent	Corazon S. Dela Paz – Bernardo	April 30, 2013	8	6	75%
Member	Antonio A. Henson <sup>a</sup>	April 30, 2013	6	4	67%
Member	Ma. Paz V. Laperal	April 30, 2013	8	6	75%
Member-Independent	Adeline S. Lim	April 30, 2013	8	8	100.0%
Member-Independent	Victor C. Macalincag	April 30, 2013	8	8	100.0%
Member-Independent	Federico E. Puno	April 30, 2013	8	8	100.0%
Member	Geronimo F. Velasco, Jr.	April 30, 2013	8	8	100.0%
Member	Jose Miguel F. Velasco	April 30, 2013	8	6	75%
Member	Elizabeth Anne C. Uychaco <sup>b</sup>	October 30, 2013	2	2	100.0%

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

No.

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

Section 5 of the Company's By-laws are worded as follows: A quorum at any meeting of the Board of Directors shall consist of a majority of the entire membership of the Board and a majority of those present shall be necessary to decide any matter that may come before a meeting, except for the election of the officers which shall require the vote of a majority of all members of the Board.

5). Access to information

a). How many days in advance are board papers for the board of directors meetings provided to the board?

Section 4 of the Company's By-laws is worded as follows: Notices of regular and special meetings of the Board of Directors shall be given to each Director not less than five days before any such meeting.

b). Do board members have independent access to management and the Corporate Secretary?

Yes. The Board has, at all times, independent and separate access to the management and the Corporate Secretary.

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?

The Corporate secretary attends all Board meetings and is responsible for the safekeeping and preservation of the integrity of the minutes of the meetings and its committees, as well as the official records of the Corporation. He is responsible for ensuring that the Board procedures

<sup>a</sup> Resigned & the BOD accepted with regrets his resignation effective Oct. 30, 2013

<sup>b</sup> Elected as Member of the BOD effective Oct. 30, 2013



are observed and applicable laws, rules and regulations are strictly followed and complied with.

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

The Company Corporate secretary obtained his Bachelor of Laws Degree from the University of the Philippines and is the Managing Partner in the Law firm Meneses Marquez Meneses Law Offices.

- 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

No formal procedure in place, as the Director has, at all times, independent and separate access to the management and the Corporate Secretary.

Committee	Details of the procedures
Executive	Information may be requested directly from Corporate secretary and management through memo, e-mail and phone.
Audit	
Nomination	
Compensation	

- 6). External Advice

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

The Director can make the request for external or independent professional advice, at the Company's expenses, during the board meeting and before deciding/voting on the project/ expenditure/investment.

Committee	Details of the procedures
None	None

- 7). Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent terms) 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
None	None	

#### 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	Through Compensation Committee and the Board	CEO approval within the approved guidelines of the Compensation Committee and Board
2). Variable remuneration	None	None
3). Per diem allowance	None	None
4). Bonus	Based on Company's By-Laws	CEO approval within the approved guidelines of the Compensation Committee and the Board
5). Stock Option and other financial instruments	None	None
6). Others (specify)	None	None

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	Based on Company's By-Laws		
Non-Executive Directors			

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

Remuneration Scheme	Date of Stockholders' Approval
None	None

There has been no change in the arrangement or total remuneration of board of directors in the last three (3) years.

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
1). Fixed remuneration	P3.24mm		
2). Variable remuneration	NA	NA	NA
3). Per diem allowance	P0.19mm	P0.03mm	P1.06mm
4). Bonus	P1.87mm	P0.32mm	P0.79mm
5). Stock Option and other financial instruments	NA	NA	NA
6). Others (specify)	NA	NA	NA
Total	P5.3mm	P0.35mm	P1.85mm

Other Benefits	Executive Directors	Non-Executive Directors (other than Independent Directors)	Independent Directors
1). Advances	NA	NA	NA
2). Credit granted	NA	NA	NA
3). Pension Plan/s Contributions	P1.02mm	NA	NA
4). Pension Plans, Obligations incurred	NA	NA	NA
5). Life Insurance Premium	P0.01mm	NA	NA
6). Hospitalization Plan	P0.03mm	NA	NA
7). Car Plan (P3mm over five years)	P0.60mm	NA	NA
8). Others (Specify)	P0.11mm	NA	NA
Total	P1.77mm	NA	NA

4). Stocks Rights, Option and Warrants.

Not Applicable.

a). Board of Directors

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

Director's Name	Number of Direct Option/ Rights/Warrants	Number of Indirect Option/Rights/Warrant	Number of Equivalent Shares	Total % from Capital Stock
None	None	None	None	None

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:

Incentive Program	Amendments	Date of Stockholders' Approval
None	None	None

5). Remuneration of Management

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

Name of Officer/Position	Total Remuneration
Florence Wong – Vice President and CFO	
Lutgarda R. Gamboa – Compliance Officer	P1.78mm

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			Functions/ <b>Key Responsibilities/Power</b>
	ED	NED	ID	
Audit	1	-	2	Primary duties are to review the financial statements and material advice in respect of financial reporting; oversees internal control procedures of the Company and make recommendation to the Board on the appointment and removal of external auditor.
Nomination	2	-	1	One of the functions is to make recommendations to the Board regarding candidates to fill vacancies on the Board. It also selects, prescreen and prepare a final list of all nominee-candidates for directorship.
Compensation	1	-	2	Primary functions are setting, reviewing and recommending to the Board for approval on the overall remuneration policy and strategy of the Company concerning the Directors, officers and employees, this include approval and recommendation to the Board, the appointment, promotion and remuneration of key management positions.

2). Committee Members

a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	None	None	None	None	None	None
Member (ED)	None	None	None	None	None	None
Member (ID)	None	None	None	None	None	None

b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Bienvenido A. Tan Jr.	10/8/2002	5	4	80%	10 years
Member (ED)	Geronimo F. Velasco, Jr.	10/8/2002	5	5	100%	10 years
Member (ID)	Federico E. Puno	10/8/2002	5	4	80%	10 years

Disclose the profile or qualification of the Audit Committee Members:

Atty. Bienvenido A. Tan, Jr., is a director of the Company since 1975. He was elected Chairman in August 2007. He is also the Chairman of the Board and President of BBB Management, Inc., Elena P. Tan Foundation, Inc., Modern Glass Distributors, Inc., UP Medical Foundation, Inc., Bahay ni Angelo King Foundation, Inc., O.T. Kang Scholarship Foundation, Inc., Salome L. Tan Foundation, Inc, Yutivo Corporation and Bookmark, Inc. He is the Chairman of Philippine Tobacco Flue-Curing & Redrying Corporation. He is also the President and/or chairman of Board of Trustees of Mother Rosa Memorial Foundation, Children's Hour, St. Theresa's College Manila Foundation, Inc. and Xavier School (Emeritus). Atty. Tan received his Bachelor of Laws degree from the University of the Philippines. He served as Commissioner of Internal Revenue of the Republic of the Philippines from 1986 to 1988. He was the Ambassador Extraordinary and Plenipotentiary at Federal Republic of Germany from 1989 to 1992.

Mr. Geronimo F. Velasco, Jr., has been with the Company since 1991 as Vice President and General Manager, and was appointed the President of the Company in July 1998. He has served as Director since 1988. He is the Chairman of Forum Pacific Inc. and Cambridge Children's Learning and Development, Inc. and Vice Chairman of Stradcom Corporation. He is President and Director of Gervel, Inc., Metropolitan Management Corporation, Cello Realty Corporation, Cabildo Holdings, Inc. and Avenger Holdings, Inc. He is Director of D.S. Realty and Cyberdrive Solutions, Inc. He has a MBA Degree, major in Finance, from Wharton School, University of Pennsylvania.

Mr. Federico E. Puno, Filipino, holds a Masters in Industrial Administration degree from Carnegie Mellon University, USA. He has served as Director of the Company since 1988. Mr. Puno is Team Energy's President and CEO since 2007. Team Energy is a joint venture company between Tokyo Electric Power and Marubeni Corporation. He is the Chairman of the Board of Marubeni's San Roque Power Corporation and an Independent Director of Semirara Mining Corporation and Forum Pacific Inc. He is also a Director of Pampanga Sugar Development Corporation, Lima Utilities Corporation, SEM Calaca Power Corporation and San Fernando Light and Power Corporation. Formerly, Mr. Puno was the President of Republic-Asahi Glass Corporation, RGC Marine Transport Corporation and Republic Glass Holdings Corporation. Other positions he held until year 2001 were as follows: President of National Power Corporation, Vice President-Finance of Philippine National Oil Company and Subsidiaries, Assistant Treasurer of the Philippines, Bureau of Treasury, Ministry of Finance and Chief Financial and Management Services of Ministry of Energy.

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

The responsibility of Audit Committee relative to external auditor: discuss with internal auditor the nature and scope of audit before audit commences; recommend the appointment /replacement of external auditor; fix audit fees; evaluate the performance, qualification and independence of external auditor; approves non-audit services and conducts post-audit discussions.

c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Bienvenido A. Tan Jr.	10/8/2002	1	1	100%	10 years
Member (ED)	Geronimo F. Velasco, Jr.	10/8/2002	1	1	100%	10 years
Member (ED)	Ma. Paz V. Laperal	10/8/2002	1	1	100%	10 years

d) Compensation Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Federico E. Puno	10/8/2002	1	1	100%	10 years
Member (ED)	Geronimo F. Velasco, Jr.	10/8/2002	1	1	100%	10 years
Member (ID)	Adeline S. Lim	10/8/2002	1	1	100%	10 years

e) Others (Specify)

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	None	None	1	1	100%	10 years
Member (ED)	None	None	1	1	100%	10 years
Member (ID)	None	None	1	1	100%	10 years

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
Executive	NA	NA
Audit	None	None
Nomination	None	None
Compensation	None	None
Others (specify)	NA	NA

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
Executive	NA	NA
Audit	Reviewed Company's Financial information; effectiveness of internal control system; final results of the financial statements of the Company for the year ended 31 December 2011 and 2012 and quarterly ended March 31, June 30 and September 30, 2012. Monitored the implementation of risk management policy.	No issues. The Board had no disagreement with the Audit Committee's view on the selection, and appointment of external auditor.
Nomination	Reviewed the composition of the Board; Assessed the independence of the Independent Directors. Made recommendation to the Board on matters relating to the selection and appointment of Directors	No issues.
Compensation	<b>Reviewed Company Remuneration policy vis -a-vis industry and Company performance.</b>	<b>No major issues.</b>
Others (specify)	NA	NA

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
Executive	NA	NA
Audit	<b>Review Company's Financial information; effectiveness of internal control system; final results of the financial statements of the Company for the year ended 31 December 2013 and quarterly ended March 31, June 30 and September 30, 2013. Continue Monitoring the implementation of risk management policy.</b>	Adoption of new and/ or amended IFRS issuances that may have impact on the Company financial statements.
Nomination	<b>Review the composition of the Board; Assess the independence of the Independent Directors. Recommend to the Board on matters relating to the selection and appointment of Directors</b>	Ensure the composition of the Board is conducive to effective discussion and decision making and that the Board has appropriate number of independent directors.
Compensation	<b>Review Company Remuneration policy vis –a-vis industry and Company performance.</b>	Ensure compliance with the labor laws and competitiveness of remuneration package.
Others (specify)	NA	NA

## F. RISK MANAGEMENT SYSTEM

### 1). Disclose the Following:

#### a) Overall risk management philosophy of the company;

The Company aim to support the achievement of its objectives of continuing operations and growth by putting the following principles into practice:

- o the prevention, detection and investigation of fraud;
- o ensure that all relevant information about risks, including opportunities for benefits and threats to success;
- o ensure systematic means to assess, monitor and control risk exposure;
- o the training of all employees in ethics, privacy and fraud awareness activities;
- o the training of all employees in risk and fraud control activities;
- o the discipline of offenders, including those involving routine or minor instances of fraud when appropriate;
- o the recovery of the proceeds of fraudulent activity;

#### b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof;

Internal and external auditors conduct audits that involve testing the effectiveness of the internal control system in addressing financial, operational and compliance risks. Any material findings or non-compliance in internal control and the remedial measures implemented, if any, are reported directly to the Chief Executive Officer and Audit Committee. Based on the review of internal auditor and the findings performed by the external auditors, the Board , with the consensus of the Audit Committee, determines whether or not there were adequate controls in place in managing the financial, operational and compliance risks as of December 31, 2012.

#### c) Period covered by the review;

Calendar year 2012.

#### d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness; and

On an annual basis.

e) Where no review was conducted the year, an explanation why not.

N.A.

2). Risk Policy

a) Company

Give a general discussion 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:

Risk Exposure	Risk Management Policy	Objective
Liquidity Risks	The Company manages its liquidity profile to be able to service its operations and to finance capital requirements. The Company maintains a level of cash and cash equivalents deemed sufficient to finance operations. As part of its liquidity risk management, the Company regularly evaluates its projected and actual cash flows.	To manage the risk arises from the possibility that adverse changes in the business environment and/or its operations would result to substantially higher working capital requirements and the subsequent difficulty in financing additional working capital
Credit Risks	The Company trades only with recognized, creditworthy third parties. It is the Company's policy that the BOD approves on major transaction with third parties	To manage the risk arises when a customer or counterparty fails to discharge an obligation and cause the Company to incur a financial loss arises when a customer or counterparty fails to discharge an obligation and cause the Company to incur a financial loss.
Market Risk-Foreign Currency Risks	The Company considers the trend in the movement of the foreign currencies in acquiring foreign currency-denominated investments and enters into derivative contracts, if necessary.	To manage the risk arises from the possibility that future cash flows of financial instruments will fluctuate because of changes in foreign currency exchange rates
Market Risk-Equity Price Risks	The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments.	To manage the risk that the fair values of investments in equity decrease as a result of changes in the levels of equity indices and the value of individual shares.
Regulatory Risks	The Company manages the regulatory risk through compliance and regular monitoring of changes and updates in tax laws etc.	To manage risk arises from regulatory changes made by the various regulators, such as tax law, changes in labor laws and others
Operational Risks	The Company manages the operational risk through continuing evaluation of efficiency of the internal control, and the best practices, as well as training of personnel.	To manage risk arises from inadequate internal procedures, human error or as consequence of external event, including economic, social and legal risk.

b) Group

Give a general discussion of the Groups 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:

Risk Exposure	Risk Management Policy	Objective
Same as item (a) above on "Company"		

c) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power: Risk to Minority Shareholders.

Minority Shareholders has a right to vote according to his/her shareholding – one share one vote.

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:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Liquidity Risks	Identification, evaluation, diversification and monitoring.	Internal Audit and external audit regular reviews, close and continue monitoring and internal control system.
Credit Risks		
Market Risk-Foreign Currency Risks		
Market Risk-Equity Price Risks		
Regulatory Risks		
Operational Risks		

b) Group

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

Risk Exposure	Risk Management Policy	Objective
Same as item (a) above on "Company		

c) Committee

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

Committee/Unit	Control Mechanism	Details of its functions
Audit Committee	Establishment of define policies, regular audit by Internal and external auditor involving testing of the effectiveness of internal control system in addressing financial, operational and compliance risks..	Governance of risk and exercises oversight of the Risks exposure of the Company.

G. INTERNAL AUDIT AND CONTROL

1). Internal Control System

Describe the following pertaining to the internal control system of the Company:

a) Explain how the internal control system is defined for the Company;

As defined in the Company's Revised Manual of Corporate Governance, Internal control is the system established by the Board of Directors and Management for the accomplishment of the Corporation's objectives, the efficient operation of its business, the reliability of its financial reporting, and faithful compliance with applicable laws, regulations and internal rules; while Internal control system is defined as the framework under which internal controls are developed and implemented (alone or in concert with other policies or procedures) to manage and control a particular risk or business activity, or combination of risks or business activities, to which the Corporation is exposed;



The Company has defined financial authorization and approval limits for the procurement of goods and services, the acquisition and disposal of investments / assets, operating and capital expenditures. The company has established threshold limits for transactions requiring Board's approval.

- b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;

Please refer to item F.1.b above.

- c) Period covered by the review;

Calendar year 2012.

- d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system, and

On an annual basis.

- e) Where no review was conducted during the year, an explanation why not.

Not applicable.

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
The role is to provide an independent, objective assurance and consulting activity designed to add value and improve the company's operations. It helps the company in attaining its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes	Scope of Internal Audit function are summarized below: evaluates and provides reasonable assurance that risk management, control, and governance systems are functioning as intended and will enable the attainment of Company's objectives and goals ;reports risk management issues and internal controls deficiencies identified directly to the audit committee and provides recommendations for improving operations, in terms of both efficient and effective performance ;evaluates information security and associated risk exposures; evaluates regulatory compliance program with consultation from legal counsel;	In -house	Edna C. Reyes	President and Audit Committee

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

The appointment and /or removal of internal auditor or the accounting / auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee.

- 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 the records, properties and personnel?

The internal auditor has direct access to the board of directors and the audit committee and to all the records, properties and personnel.

- 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	None

- 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	The progress against plans is being monitored and reported to the Audit Committee
Issues	Issues are discussed with the department and / or person involved and measures adopted as recommended. No major issues noted.
Findings	Findings are discussed and reported to the Audit Committee together with the measures taken. No major findings noted.
Examination Trends	Expanding scope of examination to beyond operations, systems and fraud investigations (if any), and to managing risk and regulatory compliance as well as business process optimization.

(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 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 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
No new internal audit controls and procedures were implemented in year 2012.	None

g) Mechanism and Safeguards

State the mechanism established by the Company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (ex., 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 Analyst	Investment Bank	Rating Agencies
In order to maintain the independence of external auditors, engagement contract for the non-audit service may be given to another external auditor,	NA	NA	NA

h) State the officers (preferably the Chairman and the CEO) who will have to attest to the Company's full compliance with 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.

The Chief Executive officer and the Compliance officer attested to the Company substantial compliance with the Securities and Exchange Commission Code of Corporate Governance last January 18, 2013.

H. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' Welfare	NA. The business activity of the company is mainly funds placements, bonds and equity investments	NA
Supplier / Contractor Selection practice	Afford all supplier the opportunity to offer their product and conducts competitive bidding in a fair and profession manner	Secure quotation from at least three (3) suppliers with valid business registration.
Environmentally friendly value-chain	The Company shall endeavor to protect the environment.	Conserve energy by encouraging directors, officers and employees to walk or commute to work, Avoid using non-biodegradable plastics materials and Recycle.
Community interaction	None	None
Anti-Corruption programmers and procedures	Code of Business Conducts expresses the fundamental values of business conduct premise on fairness, honesty and professionalism	Do not solicit, accept, offer or gift gratuities, gifts or favors other than gifts of nominal value. Do not use resources for personal gain.
Safeguarding Creditors' rights	Strive to create environment of professionalism, respect creditor rights to repayment.	Settlement of debt in accordance to the agreement.

2). Does the Company have a separate corporate responsibility (CR) report/section or sustainability report/section?

None

3). Performance-enhancing mechanisms for employee participation.

- a) What are the Company's policy for its employee's safety, health, and welfare?

The Company is committed to maintain the safety, health and welfare of everyone by complying with the government laws and regulations and provide each employee with the opportunity for growth and development and fair wage.

- b) Show data relating to health, safety and welfare of the employees.

The company values its employee through provision of benefits such as annual medical and dental check-ups, medical insurance, group-life insurance, pension plan, annual outings, vacation leaves, sick leaves and performance bonus.

- c) State the Company's training and development programmers for its employees. Show the data.

None.

- d) State the Company's reward / compensation policy that accounts for the performance of the Company beyond short-term financial measures.

Performance rewards are evaluated individually by the compensation committee based on financial performance of the company.

- 4). What are the Company's procedures for handling complaints my employees concerning illegal (including corruption) and unethical behavior? Explain how employees are protected from retaliation.

Employees reporting complain can report directly to the President or Audit Committee concerning illegal, suspected fraud and unethical behavior by means of telephone calls, email and written report. The policy aims to encourage the reporting of such incidents in good faith with the confidence that the reporting-employees will be treated fairly and protected from reprisal.

## I. DISCLOSURE AND TRANSPARENCY

### 1). Ownership Structure

- a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
Gervel, Inc.	457,746,945	67.11%	-
PCD Nominee Corp. (Filipino)	46,422,029	6.81%	-
Metropolitan Management Corp.	46,330,800	6.79%	-
Sysmart Corporation	37,624,061	5.52%	-
Henry Sy, Sr.	36,082,878	5.29%	-

Name of Senior Management	Number of Direct Shares	Number of Indirect shares/ through (name of record owner)	% of Capital Stock
Ma. Paz V. Laperal	161,250		0.02%
Geronimo F. Velasco, Jr.	2,844,011		0.43%
Florence Wong	30,000		0.00%
Total	3,095,252		0.45%

- 2). Does the Annual Report disclose the following:

Key risks	Yes, key financial risks
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Corporate objectives	Yes
Financial performance indicators	Yes
Dividend policy	No
Details of whistle-blowing policy	No
Biographic details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors	Yes
Training and / or continuing education meetings attended by each director	No
Number of Board of Directors meetings held during the year	Yes
Attendance details of each director in respect of meeting held	Yes
Details of remuneration of the CEO and Board of directors	Yes

Should the Annual Report not disclose any of the above, please indicate the reason for the non disclosure.

3). External Auditor's Fee

Name of Auditor	Audit Fee	Non-Audit Fee
SGV & Co.	Ps. 0.35mm	N.A

4). Medium of Communication

List down the mode/s of communication that the Company is using for disseminating information.

The Company disseminates information relating to quarterly results, annual report and announcement through disclosures to PSE (ODISY system), Securities and Exchange Commission and Company's website.

5). Date of release of audited Financial Report .

March 22, 2013.

6). Company Website

Does the Company have a website disclosing up-to-date information about the following?

Business operations	Yes,
Financial Statements/reports (current and prior years)	Yes
Material provided in briefings to analysts and media	N.A
Shareholder structure	Yes
Group Corporate Structure	Yes
Downloadable annual report	Yes,
Notice of AGM and / or EGM	Yes
Company's constitution (by-laws, and articles of incorporation)	No,

Should the foregoing information be not disclose any of the above, please indicate the reason for the non disclosure.

7). Disclosure of RPT

RPT	Relationship	Nature	Value
Metropolitan Management, Inc.	Shareholder and Parent	Annual Lease Agreement	P933K

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the Company and in particular of its minority shareholders and other stakeholders?

RPT are monitored and assessed by Audit Committee periodically.

J. RIGHTS OF STOCKHOLDERS

1). Right of participate effectively in and vote in Annual/Special Stockholders' Meeting

a). Quorum

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

Quorum Required	Majority
-----------------	----------

b). System Used to Approved Corporate Acts

Explain the system used to approve corporate acts.

System Used	<p><u>Method of electing directors:</u> Pursuant to the Corporation Code, each stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many nominees as he shall see fit, provided that the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected.</p>
Description	<p>All matters subject to vote, except in cases where the law provides otherwise, shall be decided by majority vote of the issued and outstanding shares of the Registrant's common stock and represented and entitled to vote at the annual meeting.</p> <p>Unless required by law, or demanded by stockholder present in person at any meeting and entitled to vote thereat, the vote of any question need not be by ballot. On a vote by ballot, each ballot shall be signed by the stockholder voting or in his name by his proxy if there be such proxy, and shall state the number of shares voted by him. Voting and counting shall be by show of hands or viva voce.</p> <p>Two inspectors shall be appointed by the Board of Directors before or at each meeting of the stockholders, at which the election of directors shall take place, if no such appointment has been made or if the inspectors appointed by the Board of Directors refused to act or fail to attend, then the appointment shall be made by the presiding officer of the meeting. The two inspectors shall, as much as possible be appointed from among the employees/ representatives of the Registrant's external auditors, Failing which, the two inspectors shall be appointed from among the stockholders/proxies in attendance at the meeting, preferably those with an accounting background who own shares of stock not exceeding 2% of shares issued and outstanding. The inspectors will validate the ballots when voting is done by ballot. Likewise, they will count the number of hands raised when voting by show of hand is done. Counting of the show of hands shall be done at the meeting in the presence of the shareholders. Validation of balloting shall, likewise be done at the meeting in the presence of the shareholders, provided, that: if this is inconvenient and the validation/counting of ballots is done elsewhere, any shareholder/proxy who wishes to witness/attend the validation /counting shall be permitted to do so.</p>

c). Stockholders' Right

List any Stockholders' Right concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code

Stockholders' Right under the Corporation Code	Stockholders' Right not in the Corporation Code
Right to vote on all matters that require their consent or approval	None
Pre-emptive right to all stock issuance of the Corporation	

Right to inspect corporate books and records	
Right to information	
Right to dividends	
Appraisal right	

Declaration Date	Record Date	Payment Date
9/21/2012	10/25/2012	11/22/2012

d). Stockholders' Participation

1. State, if any, the measures adopted to promote participation in the Annual /Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors and board committees. Include in discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as the procedures for putting forward proposals at stockholders' meetings.

Measures Adopted	Communication Procedure
None	None

2. State the Company policy of asking shareholders to actively participate in corporate decisions regarding:
  - a) Amendments to the company's constitution
  - b) Authorization of addition shares
  - c) Transfer of all or substantially all assets, which in effect results in the sale of the Company.

There is no special policy promulgated by the Board on the foregoing but the practice is for full and total information respecting the foregoing is given to all shareholders to enable them to come to an informed decision in a "meeting duly called for the purpose".

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

The Company observed the minimum 21 business day for delivering notices to the Annual Stockholders' meeting where items to be resolved by the shareholders are clearly stated, providing ample time for shareholders to review the Notice

- a) Date of sending out notices – April 8, 2013
- b) Date of Annual/Special Stockholders' Meeting- April 30, 2013.

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

None.

5. Results of Annual/Special Stockholders' Meetings Resolutions.

Resolution	Approving	Dissenting	Abstaining
Reading and Approval of the Minutes of the previous Annual Stockholders' Meeting.	All Stockholders Present	None	None
Annual Report of the President	All Stockholders Present	None	None
Approval of the Audited Consolidated Financial Statements for the Year Ended December 31, 2011	All Stockholders Present	None	None
Ratification and approval of all acts and	All Stockholders Present	None	None

resolutions of the Board of Directors and Officers of the Corporation for the fiscal year 2011 (i.e. Declaration of Cash Dividends)			
Election of the members of the Board of Directors (including the Independent Directors).	All Stockholders Present	None	None
Appointment of External Auditors	All Stockholders Present	None	None

6. Date of publishing the result of the votes taken during the most recent AGM/ASM for all resolutions:

The result of the votes taken during the April 30, 2012 ASM was disclosed to the Philippines Stock Exchange on the same day, April 30, 2012.

- e). Modifications

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

Modifications	Reason for Modification
None	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 Procedures (by Poll, show of hands etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH in Attendance
ASM	Corazon S. Dela Paz – Bernardo	April 30, 2012	Show of hands or Viva Voce as appropriated	4.27%	3.84%	8.11%
	Antonio A. Henson					
	Ma. Paz V. Laperal					
	Adeline S. Lim					
	Victor C. Macalincaag					
	Federico E. Puno					
	Geronimo F. Velasco, Jr.					
	Jose Miguel F. Velasco					
ASM	Mario T. Meneses, Jr.	April 30, 2012	NA	NA	NA	NA
ASM	Florence Wong	April 30, 2012	NA	NA	NA	NA
ASM	Lutgarda R. Gamboa	April 30, 2012	NA	NA	NA	NA
Special	NA	NA	NA	NA	NA	NA

- ii). Does the Company appoint an independent party (inspectors) to count and/or validate the votes of ASM/SSMs?

No

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

The Company's Common Shares carry one vote for one share, except in the election of directors where voting is cumulative number of vote is number of shares times the number of Directors.

- 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	Article VII of the Amended By-Laws states that any stockholders may be represented by proxy at any meeting of the stockholders of the company and the person holding the same may vote the proxy as if the stockholder were present in person. The proxy must be in writing and must be submitted to the Secretary.
Notary	Not required
Submission of Proxy	Must be submitted to the Corporate Secretary anytime before meeting.
Validity of Proxy	Must be executed by the owner of the share
Proxies executed abroad	Must be duly authenticated by Philippine Embassy/Consular office
Invalidated Proxy	Proxy with a later date/ Personal presence of shareholder invalidates
Validation of Proxy	Must be expressed / cannot be implied
Violation of Proxy	Invalidates proxy vote

h). Sending Notices

State the policies and procedure followed by the company on the sending of notices of Annual (ASM)/Special Stockholders' Meeting (SSM).

Policies	Procedure
To maintain high standards of corporate disclosure and transparency	The Company makes timely notices of ASM/SSM, disclosures on any material information and financial results on a quarterly basis to the Securities and Exchange Commission and Philippine Stock Exchange. These filings / reports are also posted in the Company's Websites.

i). Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	1,147
Date of Actual Distribution of Definitive Information Statement and Management Report and Other materials held by market participants/ certain beneficial owners	April 8, 2012 (PCD Participants)
Date of Actual Distribution of Definitive Information Statement and Management Report and Other materials held by stockholders	April 8, 2012
State whether CD format or hard copies were distributed	Hard copies
IF yes, indicate whether requesting stockholders were provided hard copies	NA

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 directorship 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

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

2). Treatment of Minority Stakeholders

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

Policies	Implementation

The Company believes in equitable and fair dealings for all shareholders. Through the cumulative voting system, a minority shareholder of the Company has the ability to influence the Board composition. Other rights enjoyed by a minority shareholder include access to any

and all information relating to business and affairs of the Company, the right to propose the holding of a meeting and the right to propose matters / items for inclusion in the agenda of the meeting.

Article 6 of the Company’s Corporate Governance on Stockholders’ Rights and Protection of Minority Stockholders’ Interest are worded as follows:

A) The Board shall respect the rights of the stockholders as provided for in the Corporation Code, namely:

- i. Right to vote on all matters that require their consent or approval;
- ii. Pre-emptive right to all stock issuances of the corporation;
- iii. Right to inspect corporate books and records;
- iv. Right to information;
- v. Right to dividends; and
- vi. Appraisal right.

B) The Board should be transparent and fair in the conduct of the annual and special stockholders’ meetings of the Corporation. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the by-laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the Stockholder’s favor.

It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights.

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

Yes.

#### K. INVESTORS RELATIONS PROGRAM

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

The Chief Executive Officer and Corporate Secretary review and approve major announcement of the Company..

- 2). Described 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 provide transparent, reliable, accurate, up-to-date and fair information to stakeholder..
2). Principles	
3). Modes of Communications	Disclosure of information relating to quarterly results, annual report and announcement through PSE, SEC and Company’s website; Personalize assistance to stakeholder.; E-mail ; Telephone and Annual/Special Stockholders’ Meeting.
4). Investors Relation Officer	Florence Wong Telephone No. (+632) 8175011

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?

Board and stockholders' approval is required.

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

The Company and the Board avail the services of external or independent professional advice when needed.

#### L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiative	Beneficiary
NA	NA

While the Company has not undertaken any initiative nor proposed to be undertaken, it had made donation to certain charity and churches as approved by the Board.

#### 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	The Board adopts self-rating system in measuring the performance and effectiveness of the board and its committees and individual director. The system takes into account factors such as attendance, participation and preparedness of a director, board composition, board processes and corporate integrity,	Evaluation by the Board. The CEO also adopts self-rating system in measuring his performance and effectiveness. The system takes into account factors such as attainment of Company's objectives and goals, business development and day-to-day management.
Board Committees		
Individual Directors		
CEO/President		

#### 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
First violation or breach involving officers and employees	Reprimand
Second violation or breach involving officers and employees	Suspension
Third violation or breach involving officers and employees	Removal from office
Violation involving Director	Temporary or permanent disqualification as provided in Article 3.E.1 and 2 of the Corporate Governance Manual

Pursuant to the requirements of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned; thereunto duly authorized, in the City of \_\_\_\_\_ on \_\_\_\_\_, 20\_\_\_\_\_.

### SIGNATURES

BIENVENIDO A. TAN, JR.  
Chairman of the Board

GERONIMO F. VELASCO, JR.  
Chief Executive Officer

ADELINE S. LIM  
Independent Director

VICTOR C. MACALINCAG  
Independent Director

FEDERICO E. PUNO  
Independent Director

LUTGARDA R. GAMBOA  
Compliance Officer

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, affiant exhibiting to me their Community Tax Certificates as follows:

	<u>CTC Number</u>	<u>Date/ Place of Issue</u>
Bienvenido A. Tan, Jr.	22009931	01/03/13 Makati City
Geronimo F. Velasco, Jr.	10687235	02/04/13 Makati City
Adeline S. Lim	01185586	01/18/13 Mandaluyong City
Victor C. Macalincag	14036172	02/04/13 Quezon City
Federico E. Puno	02670019	01/21/13 Pasay City
Corazon S. Dela Paz-Bernardo	10719471	02/28/13 Makati City

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Page No. ;  
Book No. ;  
Series of 2013.