



# STENIEL MANUFACTURING CORPORATION

July 3, 2013

**PHILIPPINE STOCK EXCHANGE, INC.**

Philippine Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City 1226

Attention: Ms. Janet A. Encarnacion  
*Head, Disclosure Department*

**Re: Annual Corporate Governance Report**

Madame:

We submit herewith a copy of the Annual Corporate Governance Report for 2013 of Steniel Manufacturing Corporation, filed with the Securities and Exchange Commission.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "Mia M. Ormita".

**Mia M. Ormita**  
Corporate Information Officer

COVER SHEET

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S.E.C. Registration Number

S T E N I E L M A N U F A C T U R I N G

C O R P O R A T I O N

(Company's Full Name)

G A T E W A Y B U S I N E S S P A R K ,

B R G Y . J A V A L E R A , G E N E R A L

T R I A S , C A V I T E

(Business Address : No. Street/City/Province)

MIA M. ORMITA

Contact Person

687 1195

Company Telephone Number

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Day

Fiscal Year

Annual Corporate  
Governance  
Scorecard

FORM TYPE

Last Tuesday of  
April

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles  
Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

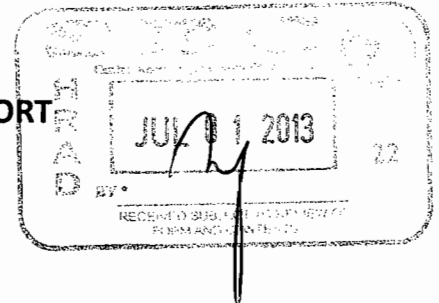
STAMPS

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**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM – ACGR**

**ANNUAL CORPORATE GOVERNANCE REPORT**



1. Report is Filed for the Year **2013**
2. Exact Name of Registrant as Specified in its Charter **Steniel Manufacturing Corporation**
3. **Gateway Business Park, Brgy. Javalera, Gen. Trias, Cavite** .....  
Address of Principal Office Postal Code
4. SEC Identification Number **23736**
5. [REDACTED] (SEC Use Only)  
Industry Classification Code
6. BIR Tax Identification Number **000-099-128**
7. **(046) 433-0066**  
Issuer's Telephone number, including area code
8. **N.A.**  
Former name or former address, if changed from the last report

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**A. BOARD MATTERS**

1) Board of Directors

Number of Directors per Articles of Incorporation 7

Actual number of Directors for the year 5<sup>1</sup>

(a) Composition of the Board

Complete the table with 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 election (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>2</sup>	Elected when (Annual /Special Meeting)	No. of years served as director
Nixon Y. Lim	NED	Roxburgh Investments Limited	Roxburgh Investments Limited	October 14, 2011	September 17, 2012	Annual Meeting	2
Delma P. Bermundo	ED	N/A	Nomination Committee	June 29, 2012	September 17, 2012	Annual Meeting	1
Esteban C. Ku	NED	N/A	Nomination Committee	October 14, 2011	September 17, 2012	Annual Meeting	2
Kenneth George D. Wood	ID	N/A	Nomination Committee	June 29, 2012	September 17, 2012	Annual Meeting	1
Mia M. Ormita	NED	N/A	Nomination Committee	October 14, 2011	September 17, 2012	Annual Meeting	2

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

The Board of Directors of Steniel Manufacturing Corporation (the "Corporation") has adopted a Revised Manual on Corporate Governance (the "Manual"), which provides for the following corporate governance policies: transparency, accountability, recognition, promotion and protection of shareholder rights. Specifically:

- Delineation of functions between the Chairman and the CEO to foster an appropriate balance of power, increased accountability and better capacity for independent decision-making by the Board
- Creation of a monitoring and evaluation system of the various Board committees
- Clear enumeration of the duties and responsibilities of the Board, corporate officers, Compliance Officer
- Emphasis on compliance with reportorial or disclosure requirements
- Recognition that the Board is primarily accountable to the shareholders
- Instruction to Management to formulate, under the supervision of the Audit Committee, the rules and procedures on financial reporting and internal control
- Recognition of investors' right and protection, namely: voting right, pre-emptive right, power of inspection, right of information, right to dividends, appraisal right and participation at Shareholders' Meeting
- Timely and public disclosure of all material information about the Corporation which could adversely

<sup>1</sup> As of June 30, 2013.

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

**affect its viability or the interests of the stockholders**

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

**After every annual meeting, the newly-elected Board is provided the opportunity to review the vision and mission of the Corporation and each member is allowed to give his/her views on the matter.**

(d) Directorship in Other Companies

(i) Directorship in the Company's Group<sup>3</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 (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Nixon Y. Lim	Steniel Mindanao Packaging Corporation ("SMPC") Steniel Cavite Packaging Corporation ("SCPC") Treasure Packaging Corporation ("TPC") Steniel Land Corporation ("SLC")	NED
Delma P. Bermundo	SMPC, SCPC, TPC, SLC	ED
Kenneth George D. Wood	SMPC, SCPC, TPC, SLC	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 (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
N/A		

(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 in its group:

Director's Name	Name of the Significant Shareholder	Description of the relationship
Nixon Y. Lim	Roxburgh Investments Limited	Shareholder

(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:

<sup>3</sup> The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

The Corporation has yet to impose a limit on the number of board seats in other companies that an individual director or CEO may hold simultaneously.

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	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. A lower limit may be imposed on EDs.	No limit has been imposed. The Board shall consider imposing such limits in accordance with the guidelines.
Non-Executive Director		
CEO		

(e) Shareholding in the Company

Complete the following table on the 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
Nixon Y. Lim	1	123,817,953	12.38%
Delma P. Bermundo	1	N/A	nil
Esteban C. Ku	1	N/A	nil
Kenneth George D. Wood	1	N/A	nil
Mia M. Ormita	1	N/A	nil
TOTAL	6	123,817,953	12.38%

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

Identify the Chair and CEO:

Chairman of the Board	Nixon Y. Lim
CEO/President	N/A <sup>4</sup>

(b) Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	Preside at Board and stockholders' meetings, and maintain qualitative and timely lines of communication and information between the Board	<ul style="list-style-type: none"> <li>Initiate and develop corporate objectives and policies and formulate long range projects, plans and programs for the approval of the Board</li> </ul>

<sup>4</sup> Mr. Genesis Goldi D. Golingan resigned as President/CEO and Director on June 5, 2013. The Board is in the process of considering the qualifications of certain candidates for nomination as Director, President and CEO.



	<b>Chairman</b>	<b>Chief Executive Officer</b>
	and Management.	<ul style="list-style-type: none"> <li>▪ Have general supervision and management of the business affairs and property of the Corporation</li> <li>▪ Ensure that the administrative and operational policies of the Corporation are carried out under his supervision and control</li> </ul>
<b>Accountabilities</b>	The Chairman is accountable to the Board and stockholders for ensuring that the meetings of the Board are held in accordance with the By-laws, and proper supervision of the preparation of the meeting agenda in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management and the directors.	The CEO is accountable to the Board and stockholders. At stockholder meetings, the CEO renders a report on the results of operations of the Corporation for the past fiscal year.
<b>Deliverables</b>	<ul style="list-style-type: none"> <li>▪ Preside at Board and stockholders' meetings</li> <li>▪ Ensure that Board and stockholders' meetings are held in accordance with the By-laws.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Subject to guidelines prescribed by law, appoint, remove, suspend or discipline employees, prescribe their duties and determine their salaries</li> <li>▪ Represent the Corporation at all functions and proceedings</li> <li>▪ Execute on behalf of the Corporation all contracts, agreements and other instruments which require the approval of the Board, except as otherwise directed by the Board</li> <li>▪ Report to the Board and stockholders</li> <li>▪ Sign stock certificates</li> <li>▪ Oversee the preparation of the budgets and statements of accounts</li> <li>▪ Prepare such statements and reports of the Corporation as may be required by law</li> </ul>

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

**The President/CEO and Treasurer/CFO are appointed annually by the Board. Succession in these key management positions entails review by the Board of the new appointee's curriculum vitae, experience and qualifications with emphasis on experience in similar industries, previous positions held and achievements, and the proper turnover of corporate documents and duties and responsibilities between outgoing and incoming management and management team. Should a key management position be suddenly left vacant, the Board will exert efforts to invite and promptly fill-up the vacancy with suitable candidates.**

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.

**YES. The Nomination Committee shall pre-screen nominees for directors taking into account, among other factors, their practical understanding of the business of the Corporation, memberships in good standing in relevant industry, business or professional organizations, and previous business experience.**

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

**Yes. The non-executive directors must have relevant experience and practical understanding of the business of the Corporation.**

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

	Executive	Non-Executive	Independent Director
Role	The Board is primarily responsible for the governance of the Corporation. Corollary to setting the policies for the accomplishment of the corporate objectives, it shall provide an independent check on Management. The Board shall formulate the Corporation's vision, mission, strategic objective, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance.		
Accountabilities	Meet at such times or frequency as may be needed. The minutes of such meetings shall be duly recorded wherein independent views during Board meetings should be encouraged and given due consideration	Meet at such times or frequency as may be needed. The minutes of such meetings shall be duly recorded wherein independent views during Board meetings should be encouraged and given due consideration	Meet at such times or frequency as may be needed. The minutes of such meetings shall be duly recorded wherein independent views during Board meetings should be encouraged and given due consideration; A member of the Nomination Committee, Executive Compensation Committee and Audit Committee shall be an independent director.
Deliverables	Attendance at board and committee meetings	Attendance at board and committee meetings	Attendance at board committee meetings

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

**The Company has adopted its definition of "independence" from the Securities Regulation Code and its Implementing Rules. Independence means being 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.**

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 the term for no more than four additional years? Please explain.

YES. The Company follows SEC Memorandum Circular No. 9 (December 5, 2011) which imposed term limits on independent directors. The Company's independent directors can serve for five consecutive years. After the five-year period, an independent director shall be ineligible for election unless he undergoes a two-year "cooling off" period. After the "cooling-off" period, an independent director may be re-elected as such and he can serve for another five consecutive years. After serving for ten years, the independent director shall be perpetually barred from being elected as such in the Company.

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

(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
Genesis Goldi D Gologan	President & CEO, Director	June 5, 2013	Resignation
Victoria R. Tamayao	Independent Director	June 28, 2013	Resignation

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

Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

Procedure	Process Adopted	Criteria
<b>a. Selection/Appointment</b>		
(i) Executive Directors	Directors are elected annually by the stockholders for a term of one year and shall serve until the election and acceptance of their duly qualified successors.  The Nomination Committee reviews and evaluates the qualifications of all persons nominated to the Board and shortlists all qualified nominees.	The Nomination Committee shall consider the following guidelines in pre-screening nominees: the nature of the business of the corporations of which he is a director; age of the director; number of directorships/active memberships and officerships in other corporations and organizations; possible conflict of interest; experience from other boards; experience as chief executive officer or chief operating officer; knowledge of finance and accounting; knowledge of the industry of the Corporation, local and international market; and contacts of value to the Corporation.
(ii) Non-Executive Directors	Same as above	Same as above
(iii) Independent Directors	Same as above	In addition to the guidelines for the election of directors, the Nomination Committee also considers the following in pre-screening nominees for independent directors:  The nominee 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

Procedure	Process Adopted	Criteria
		<p>in carrying out his responsibilities as a director of the Corporation, including, among others, any person who:</p> <ul style="list-style-type: none"> <li>(i) Is not a director or officer or substantial stockholders of the Corporation or of its related companies or any of its substantial shareholders (other than as an independent director of any of the foregoing);</li> <li>(ii) Is not relative of any director, officer or substantial shareholder of the Corporation, any of its related companies or any of its substantial shareholders. For this purpose, relatives includes spouse, parent, child, brother, sister, and spouse of such child, brother or sister;</li> <li>(iii) Is not acting as a nominee or representative of a substantial shareholder of the Corporation, any of its related companies or any of its substantial shareholders;</li> <li>(iv) Has not been employed in any executive capacity by the Corporation, any of its related companies or by any of its substantial shareholders within the last five (5) years;</li> <li>(v) Is not retained as professional adviser by the Corporation, any of its related companies or any of its substantial shareholders within the last five (5) year, either personally or through his firm; and</li> <li>(vi) Has not engaged and does not engage in any transaction with the Corporation or with any of its related companies or with any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm's length and</li> </ul>

Procedure	Process Adopted	Criteria
		are immaterial or insignificant.
<b>b. Re-appointment</b>		
(i) Executive Directors	Same as above	Same as above
(ii) Non-Executive Directors	Same as above	Same as above
(iii) Independent Directors	Same as above	Same as above
<b>c. Permanent Disqualification</b>		
(i) Executive Directors	All nominees for election to the Board of Directors are pre-screened by the Nomination Committee which shall ensure that such nominees have all the qualifications and none of the disqualifications for such election.	<p>As provided in the By-laws and the Manual:</p> <p>(1) Conviction by final judgment or order of any crime that (a) involves the purchase or sale of securities, as defined in the SRC; (b) arises out of a person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker (hereinafter "Underwriter"); 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;</p> <p>(2) Permanently enjoined by a final judgment or order of the SEC, or any court or administrative body from: (a) acting as Underwriter; (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;</p> <p>The disqualification shall also apply if such person is currently the subject of an order of the SEC or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, SRC or any other law administered by the SEC or Bangko Sentral ng Pilipinas (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.</p>

Procedure	Process Adopted	Criteria
		<p>(3) Conviction by final judgment or order an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;</p> <p>(4) Adjudged by final judgment or order of the SEC, 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, SRC or any other law administered by the Commission or the BSP or any of its rules, regulations or orders;</p> <p>(5) Any person earlier elected as independent director who becomes an officer, employee or consultant of the Corporation;</p> <p>(6) Any person judicially declared as insolvent;</p> <p>(7) 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 clauses (1) to (5) above; and</p> <p>(8) 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.</p>
(ii) Non-Executive Directors	Same as above	Same as above
(iii) Independent Directors	Same as above	Same as above
<b>d. Temporary Disqualification</b>		
(i) Executive Directors	All nominees for election to the Board of Directors are pre-screened by the Nomination Committee which shall ensure that such nominees have all the qualifications and none of the disqualifications for such election.	<p>Temporary Disqualification</p> <p>(1) Refusal to comply with the disclosure requirements of the SRC and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists;</p> <p>(2) Absence or non-participation without justifiable causes for more than fifty percent (50%) of all meetings, both regular and special, of the Board during his incumbency, or any twelve (12) month period during the said incumbency. This disqualification applies for purposes of the succeeding election. For this purpose, absence for</p>

Procedure	Process Adopted	Criteria
		<p>justifiable causes may only include absence due to illness or death of immediate family and serious accidents or any other analogous or similar events;</p> <p>(3) Dismissal/termination from directorship of any company covered by the Code for cause. This disqualification shall be in effect until he has cleared himself of any involvement in the cause that gave rise to his dismissal or termination;</p> <p>(4) If the beneficial equity ownership of an independent director in the Corporation or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with;</p> <p>(5) If the independent director becomes an officer or employee of the Corporation, he shall be automatically disqualified from being an independent director;</p> <p>(6) If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final;</p> <p>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.</p>
(ii) Non-Executive Directors	Same as above	Same as above
(iii) Independent Directors	Same as above	Same as above
<b>e. Removal</b>		
(i) Executive Directors	Removal procedure is in accordance with the Corporation Code.	Grounds for removal are in accordance with the Corporation Code.
(ii) Non-Executive Directors	Same as above	Same as above
(iii) Independent Directors	Same as above	Same as above
<b>f. Re-Instatement</b>		
(i) Executive Directors	Removed directors shall pass through the screening, nomination and election process. Directors are elected annually by the stockholders for a term of one year and shall serve until the election and acceptance of their duly qualified successors.	The Nomination Committee reviews and evaluates the qualifications of all persons nominated to the Board and shortlists all qualified nominees. Hence, directors may be elected anew provided he has all the qualifications and none of the disqualifications of a director.

Procedure	Process Adopted	Criteria
(ii) Non-Executive Directors	Same as above	Same as above
(iii) Independent Directors	Same as above	Same as above
<b>g. Suspension</b>		
(i) Executive Directors	Suspension procedure is in accordance with the Corporation Code.	Grounds for suspension are in accordance with the Corporation Code.
(ii) Non-Executive Directors	Same as above	Same as above
(iii) Independent Directors	Same as above	Same as above

#### Voting Results of the last Annual General Meeting

Name of Director	Votes Received
Nixon Y. Lim	100% of shareholders present and represented
Delma P. Bermundo	100% of shareholders present and represented
Esteban C. Ku	100% of shareholders present and represented
Kenneth George D. Wood	100% of shareholders present and represented
Mia M. Ormita	100% of shareholders present and represented

#### 6) Orientation and Education Program

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

**The newly-elected Directors are provided with copies of the Articles of Incorporation, By-laws, Manual on Corporate Government, latest Annual Report and latest audited financial statements, for his/her reference.**

(b) State any in-house training and external courses attended by Directors and Senior Management<sup>5</sup> for the past three (3) years:

**None for the past three (3) years.**

(c) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

**None for the past three (3) years.**

Name of Director/Officer	Date of Training	Program	Name of Training Institution

#### 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:

<sup>5</sup> Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.



Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	<p>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>	Ensures implementation of Corporation's policy	Ensures implementation of Corporation's policy
(b) Conduct of Business and Fair Dealings	Conduct fair business transactions with the Corporation and ensure that personal interest does not conflict with the interests of the Corporation	Ensures implementation of Corporation's policy	Ensures implementation of Corporation's policy
(c) Receipt of gifts from third parties	Highly discouraged as this may compromise their ability to make objective business decisions in the best interest of the Company.	Highly discouraged as this may compromise their ability to make objective business decisions in the best interest of the Company.	Highly discouraged as this may compromise their ability to make objective business decisions in the best interest of the Company.
(d) Compliance with Laws & Regulations	The Board acts as an independent audit mechanism to monitor the adequacy and effectiveness of the Corporation's governance, operations, and information systems, including compliance with laws, rules, regulations.	Ensures implementation of Corporation's policy on compliance.	Ensures implementation of Corporation's policy on compliance.
(e) Respect for Trade Secrets/Use of Non-public Information	A director is bound to 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	Ensures implementation of Corporation's policy on confidentiality	Ensures implementation of Corporation's policy on confidentiality

Business Conduct & Ethics	Directors	Senior Management	Employees
(f) Use of Company Funds, Assets and Information	The Board acts as an independent audit mechanism to monitor the adequacy and effectiveness of the Corporation's governance, operations, and information systems, including safeguarding of assets.	Ensures implementation of Corporation's policy on safeguarding of assets.	Ensures implementation of Corporation's policy on safeguarding of assets.
(g) Employment & Labor Laws & Policies	The Board acts as an independent audit mechanism to monitor the adequacy and effectiveness of the Corporation's governance, operations, and information systems, including compliance with labor laws, rules, regulations.	Ensures implementation of Corporation's policy on compliance with labor laws, rules and regulations	Ensures implementation of Corporation's policy on compliance with labor laws, rules and regulations
(h) Disciplinary action	<p>The Board may impose other penalties in addition to those provided in the applicable regulations of the SEC after notice and hearing, on the individual directors, officers, and employees, such as censure, suspension and removal from office depending on the gravity of the offense as well as the frequency of the violation.</p> <p>The commission of a grave violation of the Manual by any member of the Board of the Corporation shall be sufficient cause for removal from directorship.</p>	Reviews evaluation reports and implements appropriate sanctions in relation to violations of the Corporation's policies and rules, subject to due process and hearing in favor of the subject employee	Duly notified of the current policies and rules of the Corporation with respect to employee's rights, duties and responsibilities as well as grounds and procedure for disciplinary action
(i) Whistle Blower	Entertains anonymous reports of violations, but action thereon always subject to due process and hearing in favor of the subject employee	Entertains anonymous reports of violations, but action thereon always subject to due process and hearing in favor of the subject employee	Encouraged to report violations to superiors and/or senior Management
(j) Conflict Resolution	Enjoined to establish and maintain an alternative dispute resolution system in the Corporation that can amicably settle conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties, including the regulatory authorities	Supervises the internal grievance policies of the Corporation	Encouraged to raise concerns and recommendations to improve corporate policies and processes

2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees?

**The code of ethics are currently embodied in the Manual. The Board will consider the formulation of a separate but complementary code of ethics. The Manual has been disseminated to all Directors and senior management.**

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

**The Compliance Officer monitors compliance by the Corporation with the Manual.**

- 4) Related Party Transactions

- (a) Policies and Procedures

Describe 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 members of the Board.

Related Party Transactions	Policies and Procedures
(1) Parent Company	<p>The Board is tasked to formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the Corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board.</p> <p>Further, all material information, i.e., anything that could potentially affect share price, shall be publicly disclosed. Such information shall include earnings results, acquisition or disposal of assets, Board changes, related party transactions, shareholdings of directors and changes of ownership.</p>
(2) Joint Ventures	Same as above
(3) Subsidiaries	Same as above
(4) Entities Under Common Control	Same as above
(5) Substantial Stockholders	Same as above
(6) Officers including spouse/children/siblings/parents	Same as above
(7) Directors including spouse/children/siblings/parents	Same as above
(8) Interlocking director relationship of Board of Directors	Same as above

- (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.

**There is no 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	
Name of Officer/s	
Name of Significant Shareholders	

(ii) Mechanism

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.

	Directors/Officers/Significant Shareholders
Company	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. 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.
Group	Same as above

5) Family, Commercial and Contractual Relations

(a) Indicate, if applicable, any relation of a family,<sup>6</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:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
N/A		

(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
N/A		

(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

<sup>6</sup> Family relationship up to the fourth civil degree either by consanguinity or affinity.

N/A		

6) Alternative Dispute Resolution

Describe the alternative dispute resolution 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.

**The Corporation will consider and review the establishment of an alternative dispute resolution system that can amicably settle conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties, including the regulatory authorities.**

Alternative Dispute Resolution System	
Corporation & Stockholders	
Corporation & Third Parties	
Corporation & Regulatory Authorities	

**C. BOARD MEETINGS & ATTENDANCE**

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

**YES. The regular Board meetings are set forth in the By-laws. The Board of Directors set the dates of the regular (quarterly) meetings of the Board at the beginning of the year, subject to the finalization of the actual dates of meetings in accordance with the common schedule of the Directors.**

2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Nixon Y. Lim	September 17, 2012	3	3	100
Member	Delma P. Bermundo	September 17, 2012	3	3	100
Member	Esteban C. Ku	September 17, 2012	3	3	100
Member	Mia M. Ormita	September 17, 2012	3	3	100
Independent	Kenneth George D. Wood	September 17, 2012	3	3	100

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.

**NO. The quorum requirement for Board meetings is majority of the number of directors.**

5) Access to Information

(a) How many days in advance are board papers<sup>7</sup> for board of directors meetings provided to the board?

<sup>7</sup> Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information

**Board Meeting kits are provided to the Directors at least five (5) days prior to the meetings, unless certain documents are noted to be presented on-site due to finalization issues or sheer volume of the document pages. In any case, the agenda for the meeting is provided during the meeting.**

(b) Do board members have independent access to Management and the Corporate Secretary?

**YES. Directors are granted independent access to the key management personnel 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 is an officer of the Corporation and must faithfully perform the duties of the office to the best of his ability. Likewise, his/her loyalty to the mission, vision and specific business objectives of the Corporation comes with his duties.**

**The Corporate Secretary has the following duties and responsibilities:**

- (i) **Be responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its committees, as well as the other records of the Corporation;**
- (ii) **Be loyal to the mission, vision and objectives of the Corporation;**
- (iii) **Have appropriate administrative and interpersonal skills;**
- (iv) **Work fairly and objectively with the Board, Management and stockholders;**
- (v) **As to the agenda, get a complete schedule thereof at least for the current year and inform the members of the Board, in accordance with the By-laws, of the agenda. Also, the Corporate Secretary must ensure that the members of the Board have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;**
- (vi) **If the Corporate Secretary is not at the same time the Corporation's legal counsel, he should be aware of the laws, rules and regulations necessary in the performance of his duties and responsibilities;**
- (vii) **Have a working knowledge of the operations of the Corporation. Furthermore, the Corporate Secretary should assist the Board in making business judgment in good faith and in the performance of their responsibilities and obligations;**
- (viii) **Attend all Board meetings, except when justifiable causes prevent him from doing so, and maintain record of the same;**  
  
**"Justifiable causes" shall include illness, death in the immediate family and serious accidents.**
- (ix) **Ensure that all Board procedures, rules and regulations are strictly followed by the members;**
- (x) **If the Corporate Secretary is also the Compliance Officer, he shall perform all duties and responsibilities of the said officer as enumerated in the Revised Manual.**

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

**While it has been the policy of the Board and of Management to engage a lawyer to act as its Corporate Secretary, neither the By-laws nor the Revised Manual require the Corporate Secretary to be a lawyer. We note, however, that the incumbent Corporate Secretary is a lawyer.**

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includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

(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

Committee	Details of the procedures
Executive	The Executive Committee has access to all information and/or documents required for its meetings.
Audit	The Audit Committee receives and reviews the reports submitted by the internal and external auditors, the quarterly and annual financial statements before the submission to the Board and the internal audit plan to ensure conformity with the objectives of the Corporation, all prior to the meeting called to present, discuss and approve and/or endorse the same.
Nomination	The Nomination Committee receives all nominations, including supporting documents, for review and evaluation. Any further inquiry is directed to the nominee himself/herself.
Remuneration	The Executive Compensation Committee is provided the proposed remuneration packages for corporate officers and directors prior to any meeting called to approve the same.
Others (specify)	N/A

6) External Advice

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

Procedures	Details
The Directors may seek independent counsel and/or advice.	The Directors are encouraged to keep abreast of developments in the industry and to seek advice or opinion of industry players or professionals. Any findings may be presented to the Board during its meetings.

7) Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) 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
N/A		

**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:

**The Corporation fixes the salary, bonuses and benefits of its two (2) executive officers, namely the President/CEO and Vice President/CFO, according to industry standards to ensure that its remuneration package is competitive. Increases in such remuneration are determined based on actual performance and length of tenure.**

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration		
(2) Variable remuneration		
(3) Per diem allowance		
(4) Bonus		
(5) Stock Options and other financial instruments		
(6) Others (specify)		

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.

**Each director of the Corporation may receive a per diem allowance for his attendance at each meeting of the Board, in such amount as may be fixed by the Board or by resolution of the stockholders.**

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	The levels of remuneration of the Corporation should be sufficient to be able to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors may be structured or be based on corporate and individual performance.	The Corporation, through its Board of Directors, may establish formal and transparent procedures for the development of a policy on executive remuneration or determination of remuneration levels for individual directors and officers. No director should participate in deciding on his remuneration.	There is no exact computation; rather, the Corporation fixes the compensation in accordance with industry standards.
Non-Executive Directors			

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

**Pursuant to the Manual, the Board Remuneration Committee shall establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and to designate the amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the company successfully, subject to approval of the Board.**

**The Company's Annual Reports and Information Statements distributed and accessible to stockholders before the annual meetings disclose the compensation of its executive officers and directors for the previous fiscal year and the ensuing year. At annual meetings, stockholders are asked to ratify all acts and resolutions of its Board and its Committees, hence, they have the opportunity to approve decisions on total remuneration.**



Remuneration Scheme	Date of Stockholders' Approval

3) Aggregate Remuneration

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

For the last two (2) years, there have been no fees paid to Directors. However, the Corporation is currently planning to rationalize the remuneration scheme of the Directors, subject to Board and shareholders' approvals.

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	2,745,600.00	N/A	N/A
(b) Variable Remuneration	N/A	N/A	N/A
(c) Per diem Allowance	N/A	N/A	N/A
(d) Bonuses	N/A	N/A	N/A
(e) Stock Options and/or other financial instruments	N/A	N/A	N/A
(f) Others (Specify)	N/A	N/A	N/A
<b>Total</b>	2,745,600.00	N/A	N/A

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances			
2) Credit granted			
3) Pension Plan/s Contributions			
(d) Pension Plans, Obligations incurred			
(e) Life Insurance Premium			
(f) Hospitalization Plan			
(g) Car Plan			
(h) Others (Specify)			
<b>Total</b>	N/A	N/A	N/A

4) Stock Rights, Options and Warrants

(a) Board of Directors

Complete the following table, on the members of the company's Board of Directors who own or are entitled to stock rights, options or warrants over the company's shares:

There are no such entitlements to stock rights, options or warrants over the Corporation's shares.

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock

(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:

There are no such amendments or discontinuations of incentive programs during the last three (3) years.

Incentive Program	Amendments	Date of Stockholders' Approval

5) Remuneration of Management

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

Name of Officer/Position	Total Remuneration
N/A	

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			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-executive Director (NED)	Independent Director (ID)				
Executive	N/A	N/A	N/A	N/A			
Audit	1	1	1	Based on the SRC, By-laws and Manual	Supervise the internal and external audit policies and procedures of the Corporation	Review all financial, findings and reports of the Corporation	Oversight over Management's activities specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation
Nomination	1	1	1	Based on the SRC, By-laws and Manual	Pre-screen and recommend the nominees to the Board of Directors	Review all qualifications of nominees and produce the Final List of Candidates for election to the Board of Directors	
Remuneration	N/A	N/A	N/A	Based on the SRC, By-laws and Manual	Supervise the remuneration of directors and key officers	Designate the amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the company successfully, subject to approval of the Board	
Others (specify)	N/A						

## 2) Committee Members

### (a) Executive Committee

**The Board has no Executive Committee.**

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman						
Member (ED)						
Member (NED)						
Member (ID)						
Member						

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Kenneth George D. Wood	September 17, 2012	1	1	100	8 months
Member (ED)	Genesis Goldi D. Golingan*	September 17, 2012	1	1	100	8 months
Member (ED)	Delma P. Bermundo	September 17, 2012	1	1	100	8 months

\*resigned on June 5, 2013

Disclose the profile or qualifications of the Audit Committee members.

The Audit Committee is be composed of at least three (3) directors preferably with accounting and finance backgrounds, one (1) of whom shall be an independent director who shall be the Chairman and another one (1) with audit experience. Each member shall have at least adequate understanding of the Corporation's financial management systems and environment.

Currently, Mr. Kenneth George D. Wood, an Independent Director, acts as Chairman of the Audit Committee. Ms. Delma P. Bermundo, a Director who is also a certified public accountant, is a member.

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

The Audit Committee performs oversight functions over the Corporation's internal and external auditors. It should ensure the independence of both internal and external auditors from each other. Furthermore, the Audit Committee makes certain that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions.

It also reviews the annual internal audit plan to ensure its conformity with the objectives of the Corporation. The plan shall include the audit scope, resources and budget necessary to implement it. Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit scope, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts.

It likewise evaluates and determines the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Corporation's overall consultancy expenses. The Audit Committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Corporation's annual report. Further, it pre-approves all audit plans, scope and frequency one (1) month before the conduct of external audit.

Finally, the Audit Committee reviews the reports submitted by the internal and external auditors.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Genesis Goldi D. Golingan*	September 17, 2012	0	0		8 months
Member (ED)	Delma P. Bermundo	September 17, 2012	0	0		8 months
Member (ID)	Kenneth George P. Wood	September 17, 2012	0	0		8 months

\* resigned as of June 5, 2012.

(d) Remuneration Committee

As of date hereof, the Executive Compensation Committee has not yet been constituted.

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman						
Member (ED)						
Member (NED)						
Member (ID)						
Member						

(e) Others (Specify)

Provide the same information on all other committees constituted by the Board of Directors:

There are no other committees constituted by the Board of Directors.

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman						
Member (ED)						
Member (NED)						
Member (ID)						
Member						

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	N/A	
Audit	Genesis Goldi D. Golangan	Resignation
Nomination	Genesis Goldi D. Golangan	Resignation
Remuneration	N/A	N/A
Others (specify)	N/A	

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	N/A	
Audit	Continuing review of the audited financial statement and annual report as of December 31, 2012 of the Corporation. Finalized the quarterly report as of March 31, 2013 of the Corporation.	
Nomination	N/A	
Remuneration	N/A	

Others (specify)	N/A	
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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	N/A	
Audit	N/A	
Nomination	The nomination period for the election of the incoming directors for the year 2013 to 2014 shall soon commence, subject to the finalization of the date of the annual stockholders' meeting.	N/A
Remuneration	The Remuneration Committee will be constituted after the next annual meeting of shareholders.	N/A
Others (specify)	N/A	

**F. RISK MANAGEMENT SYSTEM**

1) Disclose the following:

(a) Overall risk management philosophy of the company;

The control environment of the Corporation consists of (a) the Board which ensures that the Corporation is properly and effectively managed and supervised, (b) a Management that actively manages and operates the Corporation in a sound and prudent manner, (c) the organizational and procedural controls supported by effective management information and risk management systems, and (d) an independent audit mechanism to monitor the adequacy and effectiveness of the Corporation's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts.

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

**The Directors have reviewed the effectiveness of the risk management system and found the same adequate.**

(c) Period covered by the review;

**The risk management system was last reviewed by the Directors in connection with the on-going finalization of the Annual Report as of December 31, 2012.**

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

**The risk management system is reviewed annually.**

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

**N/A.**

2) Risk Policy

(a) Company

Give a general description 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
Credit Risk	The Company verifies credit worthiness of third party customers of the Corporation's operating subsidiaries.	Reduction of exposure to bad debts.
Liquidity Risk	Monitoring of assets to ensure sufficiency in meeting operational requirements.	Management of Liquidity Risk

(b) Group

Give a general description of the Group'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:

Same as above.

Risk Exposure	Risk Management Policy	Objective

(c) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power.

Risk to Minority Shareholders
The small number of shareholdings of minority shareholders naturally limits the control of the latter in the approval of major corporate acts. However, the relevant regulations on rights of minority shareholders, including appraisal rights are recognized and respected by the Corporation.

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)
Credit and liquidity risks	Management monitors, assesses and measures credit and liquidity risks, and subsequently discussed with the Board.	The Company verifies credit worthiness of third party customers of the Corporation's operating subsidiaries to manage credit risks. The Company monitors its assets to ensure sufficiency in meeting operational requirements.
Legal risks	Assessment and monitoring are	Company officers regularly consult

	conducted initially by the Company's officers. These are then discussed with external counsels and other advisors, and with Management and the Board if necessary.	with external counsels and other advisors to manage and control perceived legal risks. Directors also have direct access to external counsel, so they can prepare and get appropriate advice before corporate actions are taken.
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(b) Group

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

Same as above.

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)

(c) Committee

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

The Board of Directors in coordination with the Audit Committee defines the internal control mechanisms of the Corporation.

Committee/Unit	Control Mechanism	Details of its Functions

**G. INTERNAL AUDIT AND CONTROL**

1) Internal Control System

Disclose the following information pertaining to the internal control system of the company:

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

The control environment of the Corporation consists of (a) the Board which ensures that the Corporation is properly and effectively managed and supervised, (b) a Management that actively manages and operates the Corporation in a sound and prudent manner, (c) the organizational and procedural controls supported by effective management information and risk management systems, and (d) an independent audit mechanism to monitor the adequacy and effectiveness of the Corporation's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts.

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

The Directors have reviewed the effectiveness of the internal control system and found the same adequate.



(c) Period covered by the review;

**The risk management system was last reviewed by the Directors in connection with the on-going finalization of the Annual Report as of December 31, 2013.**

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

**The risk management system is reviewed annually.**

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

**A review was conducted this year.**

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
Provides reasonable assurance that the Corporation's key organizational and procedural controls are effective, appropriate and complied with	The scope and particulars of a system of effective organizational and procedural controls shall be based on the following factors: the nature and complexity of business and the business culture; the volume, size and complexity of transactions; the degree of risk; the degree of centralization and delegation of authority; the extent and effectiveness of information technology; and the extent of regulatory compliance	In-house	Eliza Macuray	Functionally reports directly to the Audit Committee

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

**No. However, the terms and conditions of the engagement and subsequent removal is subject to the evaluation and recommendation 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 records, properties and personnel?

The internal auditor functionally reports directly to the Audit Committee, and ensures that, in the performance of the work of the internal auditor, he shall be free from interference by outside parties. Further, the Audit Committee performs oversight functions over the Corporation's internal and external auditors. It ensures the independence of both internal and external auditors from each other. Furthermore, the Audit Committee makes certain that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions.

- (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
N/A	

- (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	N/A
Issues <sup>8</sup>	N/A
Findings <sup>9</sup>	N/A
Examination Trends	N/A

[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 a 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 of 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
The Internal auditor must be free from interference by outside parties.	Done
The Audit Committee shall review and approve the annual internal audit plan.	Done

- (g) Mechanisms and Safeguards

<sup>8</sup> "Issues" are compliance matters that arise from adopting different interpretations.

<sup>9</sup> "Findings" are those with concrete basis under the company's policies and rules.

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, 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 Analysts	Investment Banks	Rating Agencies
The Audit Committee performs oversight functions over the Corporation's internal and external auditors. It ensures the independence of both internal and external auditors from each other. Furthermore, it makes certain that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions	In the event that independent appraisers and/or analysts are engaged, the Corporation provides access to all its available data and documents and respects the independence of such entities in the performance of their respective scope of work	Same as policy with Financial Analysts	Same as policy with Financial Analysts

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

#### H. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' welfare	N/A	N/A
Supplier/contractor selection practice	The Corporation's operating subsidiaries select suppliers that are in good financial standing and repute.	Verification of creditworthiness and good industry repute.
Environmentally friendly value-chain	The Corporation has obtained approval from the SEC in relation to its last two (2) shareholders' meeting to distribute its Definitive Information Sheet via CD format, in part to minimize the usage of paper products.	The Corporation plans to continue this process for the foreseeable future.

Community interaction	N/A	N/A
Anti-corruption programmes and procedures?	Control policies	The Corporation strictly implements the control policies recommended by Management and the Audit Committee
Safeguarding creditors' rights	Election of creditor representative in the Board of Directors	Participation of the lender representative in ensuring sound financial policies and conduct are implemented.

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

**NO.**

3) Performance-enhancing mechanisms for employee participation.

(a) What are the company's policy for its employees' safety, health, and welfare?

**The Corporation's policy for its employees' safety, health and welfare are in accordance with the minimum requirements of the Labor Code of the Philippines.**

(b) Show data relating to health, safety and welfare of its employees.

**No available data.**

(c) State the company's training and development programmes for its employees. Show the data.

**No available data.**

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

4) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behaviour? Explain how employees are protected from retaliation.

**The Corporation has only one employee.**

## I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
Steniel (Netherlands) Holdings B.V.	720,848,912	72.08%	Mark O. Vergara
Roxburgh Investments Limited	123,817,953	12.38%	Nixon Y. Lim

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Delma P. Bermundo	1	-	nil
<b>TOTAL</b>	<b>1</b>	<b>-</b>	<b>nil</b>

2) Does the Annual Report disclose the following:

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

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

**The Board will consider establishing new whistle-blowing policies.**

**The number of board meeting held during the year, and the attendance of directors therein, is reported to the SEC on or before January 30 of each year.**

**The training and/or continuing education programs attended by directors were not listed in the Annual Report as of December 31, 2011 because no such training programs were attended by them.**

3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
Isla Lipana & Co.	Php1,650,000.00	N/A

4) Medium of Communication

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

**The Corporation submits the regulatory reports to the SEC and Bureau of Internal Revenue as well as disclosures to the Philippine Stock Exchange.**

**Prior to any stockholders' meeting, copies of the Definitive Information Sheet, and its attachments ("DIS"), are transmitted to its stockholders of record. For the past two (2) years, the DIS for the annual stockholders' meeting has been sent to the stockholders of record via CD format, in accordance with the applicable regulations.**

5) Date of release of audited financial report:

**The audited financial report as of December 31, 2012 is currently being finalized and shall be submitted to the SEC and the PSE as soon as possible.**

6) Company Website

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

**The Corporation does not have a website.**

Business operations	
Financial statements/reports (current and prior years)	
Materials provided in briefings to analysts and media	
Shareholding structure	
Group corporate structure	
Downloadable annual report	
Notice of AGM and/or EGM	
Company's constitution (company's by-laws, memorandum and articles of association)	

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

**7) Disclosure of RPT**

**The following are the related party transactions of the Company as of December 31, 2012:**

RPT	Relationship	Nature	Value
TPC	Subsidiary	Accounts Payable	12,157
		Trades Receivable	197
		Due from Related Party	88,848
SMPC	Subsidiary	Advances	132,668
	Subsidiary	Trade Receivables	39,038
SCPC	Subsidiary	Advances	21,089
MPPC	Subsidiary	Advances	74,255
MPPPI	Subsidiary	Advances	118,618

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?

**All related party transactions are conducted at arms-length.**

**Further, all material information, including related party transactions are disclosed in the financial statements of the Corporation filed with the SEC and the PSE.**

**J. RIGHTS OF STOCKHOLDERS**

**1) Right to participate effectively in and vote in Annual/Special Stockholders' Meetings**

**(a) Quorum**

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

<b>Quorum Required</b>	Unless otherwise provided by law, in all regular or special meetings of stockholders, stockholders who own or hold a majority of the outstanding capital stock must be present or
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	represented in order to constitute quorum.
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(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

<b>System Used</b>	Voting, personal or by proxy
<b>Description</b>	At all meetings of stockholders, a stockholder may vote in person or by proxy executed in writing by the stockholder or his duly authorized attorney-in-fact, on forms prescribed and provided by the Board of Directors. All proxies must be acknowledged before the Corporate Secretary or a Notary Public and must be filed and received by the Corporate Secretary not later than ten (10) days before the date set for the meeting.

(c) Stockholders' Rights

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

Stockholders' Rights under The Corporation Code	Stockholders' Rights not in The Corporation Code
Notice of Meeting complying with the period for giving out notices, the contents of the notice and authorization requirements for the person issuing the notice	Special laws and the By-laws provide for other rights not in the Corporation Code, such as: <ul style="list-style-type: none"> <li>▪ Longer notice period (15 business days)</li> <li>▪ Transmittal to stockholders of a written information statement and management report which has been reviewed by the SEC</li> </ul>
Appraisal right	
Voting - voting by proxy, cumulative voting, creation of voting trusts	
Higher voting requirement for approval of certain corporate acts	

Dividends

**There have been no dividends declared during the past three (3) years.**

Declaration Date	Record Date	Payment Date

(d) Stockholders' Participation

1. State, if any, the measures adopted to promote stockholder 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 or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.

Measures Adopted	Communication Procedure
Respecting Right to Information	(i) The shareholders shall be provided, upon request, periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Corporation's shares, dealings with the other corporations,

relationships among directors and key officers, and the aggregate compensation of directors and officers.

(ii) The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda, provided the items are for legitimate business purposes, and in accordance with law, jurisprudence and the best practice.

(iii) The minority shareholders shall have access to any and all information relating to matters for which Management is accountable for and to those relating to matters for which Management shall include such information and, if not included, then the minority shareholders shall be allowed to propose such matters in the agenda of the shareholders' meeting, being within the definition of "legitimate purposes", and in accordance with law, jurisprudence and best practice.

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
- a. Amendments to the company's constitution

**All proposed amendments to the Articles of Incorporation and/or By-laws are detailed in the DIS transmitted to the stockholders of record prior to any stockholders' meeting called for such purpose, during which the proposed amendments are voted upon by the stockholders present or represented. During such stockholders' meeting, comments and/or objections from the stockholders present or represented are invited and entertained by the presiding officer.**

**Further, appraisal right, if applicable, is observed and respected by the Corporation in all instances.**

- b. Authorization of additional shares

**Any and all proposed increases to the authorized capital stock of the Corporation are detailed in the DIS transmitted to the stockholders of record prior to any stockholders' meeting called for such purpose, during which the proposed increases are voted upon by the stockholders present or represented presented for approval. During such stockholders' meeting, comments and/or objections from the stockholders present or represented are invited and entertained by the presiding officer.**

- c. Transfer of all or substantially all assets, which in effect results in the sale of the company

**All proposed amendments to the Articles of Incorporation and/or By-laws are detailed in the DIS transmitted to the stockholders of record prior to any stockholders' meeting called for such purpose, during which the proposed amendments are voted upon by the stockholders present or represented. During such stockholders' meeting, comments and/or objections from the stockholders present or represented are invited and entertained by the presiding officer.**

**Further, appraisal right is observed and respected by the Corporation in all instances.**

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

- a. Date of sending out notices:

**The Corporation complies with the minimum notice requirement of 15 business days prior to an annual stockholders' meeting. The DIS for the last annual stockholders' meeting was transmitted to the**



stockholders on August 23, 2012.

b. Date of the Annual/Special Stockholders' Meeting:

The last annual stockholders' meeting was held on September 17, 2012.

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

There were no questions raised during the last annual stockholders' meeting.

5. Result of Annual/Special Stockholders' Meeting's Resolutions

Resolution	Approving	Dissenting	Abstaining
Election of Directors for the year 2012 to 2013	All	None	None
Approval of the Audited Financial Statements as of December 31, 2011	All	None	None
Appointment of Isla Lipana & Co. as the External Auditor	All	None	None

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

September 17, 2012, through a disclosure of the results of the annual stockholders' meeting with the PSE.

(e) Modifications

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

There were no such modifications.

Modifications	Reason for Modification

(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 Procedure (by poll, show of hands, etc.)	% of SH Attending In Person	% of SH in Proxy	Total % of SH attendance
Annual	All, except Victoria R. Tamayao	September 17, 2012	Poll	.01	84.46	84.47
Special	N/A					

(ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs?

**YES. The Corporation's stock transfer agent, Stock Transfer Service Inc. counts and/or validates the votes at the stockholders' meetings.**

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

**YES. The Corporation's common shares carry one (1) vote per share.**

(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	At all meetings of stockholders, a stockholder may vote in person or by proxy executed in writing by the stockholder or his duly authorized attorney-in-fact, on forms prescribed and provided by the Board of Directors.
Notary	All proxies must be acknowledged before the Corporate Secretary or a Notary Public.
Submission of Proxy	All proxies must be filed and received by the Corporate Secretary not later than ten (10) days before the date set for the meeting.
Several Proxies	Each stockholder must appoint a proxy, although an individual may be appointed as a common proxy of several stockholders.
Validity of Proxy	All proxies filed with the Corporate Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary at least six (6) days prior to a scheduled meeting or by their personal presence at the meeting.
Proxies executed abroad	As the proxies must be notarized, such notarization must be consularized with the Philippine Consulate at such foreign jurisdiction.
Invalidated Proxy	The decision of the Corporate Secretary on the validity of the proxies shall be final and binding until and unless set aside by a court of competent jurisdiction.
Validation of Proxy	It shall be valid only for the meeting at which it has been presented to the Corporate Secretary.
Violation of Proxy	The decision of the Corporate Secretary on the validity of the proxies shall be final and binding until and unless set aside by a court of competent jurisdiction.

(h) Sending of Notices

State the company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting.

Policies	Procedure
<b>Compliance with the Securities Regulation Code</b>	Notice of meeting and the DIS for the annual shareholders' meeting are transmitted to the stockholders of record at least 15 business days prior to the meeting

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	3,569 (Record Date of August 17, 2012)
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	August 23, 2012
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	August 23, 2012
State whether CD format or hard copies were distributed	CD format
If yes, indicate whether requesting stockholders were provided hard copies	Hard copies, provided upon request.

(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 directorships 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 Stockholders

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

Policies	Implementation
<b>Respect for the rights of minority stockholders, including the right to information</b>	The minority shareholders are granted access to any and all information relating to matters for which Management is accountable for and to those relating to matters for which Management shall include such information and, if not included, then the minority shareholders shall be allowed to propose such matters in the agenda of the shareholders' meeting, being within the definition of "legitimate purposes", and in accordance with law, jurisprudence and best practice.
<b>Encouraged participation in calling meetings.</b>	Although all stockholders should be treated equally or without discrimination, the Board gives the minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly

	to the business of the Corporation.  The minority shareholders are granted the right to propose the holding of a meeting, and the right to propose items in the agenda, provided the items are for legitimate business purposes, and in accordance with law, jurisprudence and the best practice.
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(b) Do minority stockholders have a right to nominate candidates for board of directors?

**Yes, the Nomination Committee receives nominations of candidates for the Board of Directors from any and all stockholders. The status or shareholdings of the nominating stockholder is not relevant.**

**K. INVESTORS RELATIONS PROGRAM**

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

**All material information about the Corporation which could adversely affect its viability or the interests of the stockholders are publicly and timely disclosed. Such information should include, among others, earnings results, acquisition or disposition of assets, off balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board and Management. All such information is disclosed through the appropriate exchange mechanisms and submissions to the SEC and the PSE.**

**The Board of Directors reviews and approves all major announcements of the Corporation.**

- 2) Describe 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.

**The Corporation shall establish its Investor Relations Program.**

	Details
(1) Objectives	
(2) Principles	
(3) Modes of Communications	
(4) Investors Relations Officer	

- 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?

**Any and all proposed corporate actions which, by law or regulations, trigger appraisal right of stockholders are so noted in the DIS transmitted to all stockholders prior to the stockholders' meeting called to approve such actions.**

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

**There has been no such evaluation conducted recently.**

**L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

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

**The Corporation shall review and consider the establishment of a Corporate Social Responsibility Program.**

Initiative	Beneficiary

**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 polices itself through annual review.	The Board reviews, among others, attendance of each director during Board meetings, quality of presentations, if any, disruptions caused, if any.
Board Committees	Each committee reports regularly to the Board of Directors.	The Board reviews performance based on the duties and responsibilities imposed on the relevant committee and its members.
Individual Directors	The Board polices itself through annual review.	The Board reviews, among others, attendance of each director during Board meetings, quality of presentations, if any, disruptions caused, if any.
CEO/President	The Board of Directors reviews the performance of the President/CEO.	The Board evaluates the milestones achieved by the President/CEO based on the projections/plans presented at the beginning of the fiscal year.

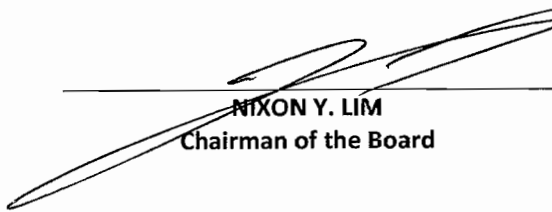
**N. INTERNAL BREACHES AND SANCTIONS**

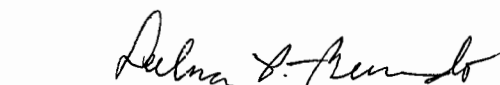
Discuss the internal policies or sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees

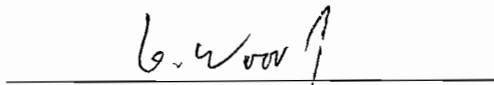
Violations	Sanctions
Simple violation	Board may impose other penalties in addition to those provided in the applicable regulations of the Commission, after notice and hearing, on the individual directors, officers, and employees, such as censure, suspension and removal from office depending on the gravity of the offense as well as the frequency of the violation
Grave violation	The commission of a grave violation of this Manual by any member of the Board of the Corporation shall be sufficient cause for removal from directorship.

Pursuant to the requirement 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 PASIG CITY on JUL 01 2013, 2013.

SIGNATURES

  
NIXON Y. LIM  
Chairman of the Board

  
DELMA P. BERMUNDO  
Vice President/CFO


  
KENNETH GEORGE D. WOOD  
Independent Director

  
MIA M. ORMITA  
Compliance Officer

SUBSCRIBED AND SWORN to before me this JUL 01 2013 day of \_\_\_\_\_ 2013, affiant(s) exhibiting to me their Taxpayer's Identification Numbers as follows:

NAME/NO.	TIN
Nixon Y. Lim	177748507000
Delma P. Bermundo	116179192000
Kenneth George D. Wood	100430130000
Mia M. Ormita	907477586000

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Book No. II  
Series of 2013,

  
ARLEO ANTONIO R. MAGTIBAY JR.  
Appointment No. 264 (2012-2013)  
Notary Public for Pasig City  
Until December 31, 2013  
Attorneys Roll No. 61659  
Suite 2401 The Orient Square,  
F. Ortigas Jr. Road, Ortigas Center Pasig City  
PTR No. 8413042; 01.04.13; Pasig City  
IBP No. 917063; 01.03.13; RSM