



GREENERGY
Holdings

GREENERGY HOLDINGS INCORPORATED
(formerly MUSX Corporation)
54 National Road, Dampol II-A
Pulilan, Bulacan
Tel. No. (02) 661-6945

28 June 2013

THE DISCLOSURE DEPARTMENT
PHILIPPINE STOCK EXCHANGE, INC.
Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Ave.
Makati City, Metro Manila

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

MR. JUAN FEDERICO C. DE LEON
Senior Specialist, Disclosure Department

Subject: SEC- Annual Corporate Governance Report

Gentlemen:

In compliance with the rule on simultaneous filing, attached is a copy of Greenergy Holdings Incorporated's SEC- Annual Corporate Governance Report for 2012 which was filed with the Securities and Exchange Commission today.

Very truly yours,

JENNIFER T. ONG
Alternate Corporate
Information Officer

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is Filed for the Year **2012**

2. Exact Name of Registrant as Specified in its Charter **GREENERGY HOLDINGS INCORPORATED**

3. **54 National Road, Dampol II-A, Pulilan, Bulacan**
Address of Principal Office Postal Code

4. SEC Identification Number **AS092-000589** 5. (SEC Use Only)
Industry Classification Code

6. BIR Tax Identification Number **001-817-292**

7. **(+632) 661-6945**
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	9
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Actual number of Directors for the year	9
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(a) Composition of the Board

Complete the table with information on the Board of Directors:

The members of the Board of Directors elected during the last Annual Stockholders' Meeting on December 11, 2012 were as follows:

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) ¹	Elected when (Annual/Special Meeting)	No. of years served as director
George Uy	NED	N/A	George Uy	October 19, 2011	December 11, 2012	Annual Meeting	1.5
Helen Tong	NED	N/A	George Uy	October 19, 2011	December 11, 2012	Annual Meeting	1.5
Antonio Tiu	ED	N/A	Antonio Tiu	December 23, 2010	December 11, 2012	Annual Meeting	2.5
John Aloysius Bernas	NED	N/A	Antonio Tiu	October 19, 2011	December 11, 2012	Annual Meeting	1.5
Martin Subido	ED	N/A	Antonio Tiu	December 23, 2010	December 11, 2012	Annual Meeting	2.5
Manuel Bengson	NED	N/A	George Uy	December 11, 2012	December 11, 2012	Annual Meeting	0.5
Alfred Tong	NED	N/A	George Uy	December 11, 2012	December 11, 2012	Annual Meeting	0.5
Leonor Briones	ID	N/A	Antonio Tiu (No relationship with nominator)	October 19, 2011	December 11, 2012 (1.5 years)	Annual Meeting	1.5
Benjamin Lim	ID	N/A	Antonio Tiu (No relationship with nominator)	October 19, 2011	December 11, 2012 (1.5 years)	Annual Meeting	1.5

Prior to the Annual Stockholders' Meeting on December 11, 2012, the members of the Board of Directors elected during the immediately preceding Annual Stockholders' Meeting on October 19, 2011 were as follows:

¹ Reckoned from the election immediately following January 2, 2012.

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) ²	Elected when (Annual/Special Meeting)	No. of years served as director
George Uy	NED	N/A	George Uy	October 19, 2011	December 11, 2012	Annual Meeting	1.5
Helen Tong	NED	N/A	George Uy	October 19, 2011	December 11, 2012	Annual Meeting	1.5
Antonio Tiu	ED	N/A	Antonio Tiu	December 23, 2010	December 11, 2012	Annual Meeting	2.5
Mark Kenneth Duca	NED	N/A	Antonio Tiu	October 19, 2011	October 19, 2011	Annual Meeting	1
Martin Subido	ED	N/A	Antonio Tiu	December 23, 2010	December 11, 2012	Annual Meeting	2.5
Lyra Gracia Lipae-Fabella	ED	N/A	George Uy	December 23, 2010	October 19, 2011	Annual Meeting	2
Alfred Tong	NED	N/A	George Uy	December 11, 2012	December 11, 2012	Annual Meeting	0.5
Leonor Briones	ID	N/A	Antonio Tiu (No relationship with nominator)	October 19, 2011	December 11, 2012 (1.5 years)	Annual Meeting	1.5
Benjamin Lim	ID	N/A	Antonio Tiu (No relationship with nominator)	October 19, 2011	December 11, 2012 (1.5 years)	Annual Meeting	1.5

(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 follows the following policies embodied in Articles 6 to 10 of the Company's Amended Manual on Corporate Governance:

Article 6: Stockholders' Rights and Protection of Minority Stockholders' Interests

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

(i) Right to vote on all matters that require their consent or approval; (ii) Right to inspect corporate books and records;

(iii) Right to information;

(iv) Right to dividends; and

(v) Appraisal right.

² Reckoned from the election immediately following January 2, 2012.

B) The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the Company. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor. It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights.

The Board should take the appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether in person or by proxy. Accurate and timely information should be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.

Although all stockholders should be treated equally or without discrimination, and without prejudice to compliance with the provisions of the Corporation Code, the Securities Regulation Code and all relevant rules and regulations, the Board should give 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 Company.

Article 7: Governance Self-Rating System

The Board may create an internal self-rating system that can measure the performance of the Board and Management in accordance with the criteria provided for in this Code. The creation and implementation of such self-rating system, including its salient features, may be disclosed in the Company's annual report.

Article 8: Disclosure and Transparency

The essence of corporate governance is transparency. The more transparent the internal workings of the corporation are, the more difficult it will be for Management and dominant stockholders to mismanage the corporation or misappropriate its assets.

It is therefore essential that all material information about the Company which could adversely affect its viability or the interests of the stockholders should be 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 should be disclosed through the appropriate Exchange mechanisms and submissions to the Commission.

Article 9: Commitment to Good Corporate Governance

The Company shall exert its best efforts to implement the corporate governance rules embodied in this Manual

This Manual shall be made available for inspection by any shareholder at reasonable hours on business days.

Article 10: Regular Review of the Code and the Scorecard

The Company undertakes to accomplish annually a scorecard that the Commission may require in order to monitor the scope, nature and extent of the actions the Company has taken to meet the objectives of the Revised Code on Corporate Governance.

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

As often as necessary.

(d) Directorship in Other Companies

(i) Directorship in the Company's Group³

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.
George Uy	1. Biomass Holdings, Inc. 2. Isabela Alcolgas Corporation 3. Winsun Green Ventures, Inc.	1. Non-Executive, Chairman 2. Executive, Chairman 3. Non-Executive, Chairman
Antonio Tiu	1. San Carlos Biopower, Inc. 2. Biomass Holdings, Inc. 3. Total Waste Management Recovery System, Inc. 4. Music Semiconductor Philippines, Inc. 5. Winsun Green Ventures, Inc.	1. Executive, Member 2. Executive, Member 3. Executive, Chairman 4. Executive, Chairman 5. Executive, Member
Martin Subido	1. San Carlos Biopower, Inc. 2. Biomass Holdings, Inc. 3. Total Waste Management Recovery System, Inc.	1. Non-Executive, Member 2. Executive, Member 3. Non-Executive, Member

(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.
Antonio Tiu	1. AgriNurture, Inc.	1. Executive, Chairman
Martin Subido	1. AgriNurture, Inc.	1. Executive, Member
Leonor Briones	1. AgriNurture, Inc. 2. Megawide Construction Corp.	1. Independent Director (term in AgriNurture, Inc. ended on May 27, 2013) 2. Independent Director

(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
Antonio Tiu	Earthright Holdings, Inc.	Business. Antonio Tiu is a majority stockholder, director, President and Chairman of Earthright Holdings, Inc.
Antonio Tiu	Sunchamp Real Estate Development Corp.	Business. Antonio Tiu is a majority stockholder, director, President and Chairman of Sunchamp Real Estate Development Corp.

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

(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?
YES

**In particular, is the limit of five board seats in other publicly listed companies imposed and observed?
 NO. If yes, briefly describe other guidelines:**

Under the Company’s Revised Manual on Corporate Governance, the Board may consider the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock corporations. The optimum number should take into consideration the capacity of a director to diligently and efficiently perform his duties and responsibilities.

The CEO and other executive directors may be covered by a lower indicative limit for membership in other boards. A similar limit may apply to independent or non-executive directors who, at the same time, serve as full-time executives in other corporations. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised.

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	The CEO and other executive directors may be covered by a lower indicative limit for membership in other boards. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised.	No specific limit is explicitly set because we believe that all our directors have the capacity and ability to serve without compromising their diligence and efficiency and this is supported by their high attendance turnout during the regular monthly board meetings.
Non-Executive Director	A similar limit may apply to independent or non-executive directors who, at the same time, serve as full-time executives in other corporations. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised.	No specific limit is explicitly set because we believe that all our directors have the capacity and ability to serve without compromising their diligence and efficiency and this is supported by their high attendance turnout during the regular monthly board meetings.
CEO	The CEO and other executive directors may be covered by a lower indicative limit for membership in other boards. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised.	No specific limit is explicitly set because we believe that all our directors have the capacity and ability to serve without compromising their diligence and efficiency and this is supported by their high attendance turnout during the regular monthly board meetings.

(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 ⁴
George Uy		100,000	0.00%
Helen Tong		100,000	0.00%
Antonio Tiu	1,000,000	48,600,000,000	28.10%
John Aloysius Bernas		100,000	0.00%
Manual Bengson		100,000	0.00%
Alfred Tong		100,000	0.00%
Martin Subido	100,000	100,000	0.00%
Leonor Briones		100,000	0.00%
Benjamin Lim	1,400	100,000	0.00%
TOTAL	1,101,400	48,600,800,000	28.10%

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	George Uy
CEO/President	Antonio Tiu

(b) Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	<p>The Chairman effectively manages the affairs of the Board.</p> <p>He exercises such powers which are given him by the company's By-Laws and such other duties customarily incident to the said office and those which may be prescribed by the Board of Directors from time to time.</p> <p>Generally, he ensures that the Board is effective in its tasks of setting and implementing the company's direction and strategy.</p>	<p>Generally the President shall be the Chief Executive Officer of the Company and shall also have administration and direction of the day-to-day business affairs of the Company.</p> <p>He shall supervise and manage the internal organization and business affairs of the Company and ensure that the administrative and operational policies of the Corporation are carried out under his supervision and control.</p>
Accountabilities	<p>a) Preside over the meetings of the Board of Directors and the stockholders, and ensure that the meetings are held in accordance with the by-laws or as the Chairman may deem necessary;</p> <p>b) Supervise the preparation of the agenda of the meeting in coordination</p>	<p>a) To preside at the meetings of the Board of Directors and of the stockholders, in the absence of the Chairman of the Board;</p> <p>b) To initiate and develop corporate objectives and policies</p>

⁴ Based on a total of 172,952,856,500 outstanding shares.

	<p>with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management and the directors; and</p> <p>c) Maintain qualitative and timely lines of communication and information between the Board and Management.</p>	<p>and formulate long-range projects, plans and programs for the approval of the Board of Directors, including those for executive training, development and compensation;</p> <p>c) To have general supervision and management of the business affairs and property of the corporation;</p> <p>d) To ensure that the administrative and operational policies of the corporation are carried out under his supervision and control;</p> <p>e) Subject to guidelines prescribed by law, to appoint, remove, suspend or discipline employees of the corporation, prescribe their duties, and determine their salaries;</p> <p>f) To oversee the preparation of the budgets and the statements of account of the corporation;</p> <p>h) To represent the corporation at functions and proceedings;</p> <p>i) To execute on behalf of the corporation all contracts, agreements and other instruments affecting the interests of the corporation which require the approval of the Board of Directors, except as otherwise directed by the Board of Directors;</p> <p>j) To make reports to the Board of Directors and stockholders;</p> <p>k) To sign certificates of stock; and</p> <p>l) To perform such other duties as are incident to his office or are entrusted to him by the Board of Directors.</p>
<p>Deliverables</p>	<p>a) Meeting agenda prepared by the Corporate Secretary (considers suggestions of the President, Management and the directors).</p> <p>b) Recommendations regarding the business of the Corporation is submitted for consideration of the Board of</p>	<p>Submits and recommends for Board approval:</p> <p>a) short and long range plans for the Company;</p> <p>b) Balance Sheet, Profit and Loss Statement, Budget of administration</p>

	Directors. c) He casts the deciding vote in case of a tie in the Stockholders or in the Board of Directors' meetings.	expenses; c) Annual Report on the operation and condition of the Company; and d) Executes all resolutions of the stockholders and the Board of directors.
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3) Explain how the board of directors plan for the succession of the CEO/Managing Director/President and the top key management positions?

The Board of Directors, through its Nomination and Compensation Committee, reviews and evaluates the qualifications of all persons nominated to the Board as well as those nominated to other positions which includes the CEO/President and the top key management positions to ensure that only qualified, competent, honest and highly motivated officials are appointed.

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? YES. Please explain.

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

The Company's By-Laws provide that no person shall qualify or be eligible for nomination or election to the Board of Directors if he is engaged in any business which competes with or is antagonistic to that of the Corporation or any of its subsidiaries or affiliates. Without limiting the generality of the foregoing, a person shall be deemed to be so engaged:

- i. If he is an office, manager or controlling person of, or the owner (either of record or beneficial) of twenty percent (20%) or more of any outstanding class of shares of any corporation (other than one in which this Corporation owns at least thirty percent (30%) of the capital stock) engaged in business which the Board, by at least two-thirds (2/3) vote, determines to be competitive or antagonistic to that of the Corporation or any of its subsidiaries or affiliates:
- ii. If he is an officer, manager or controlling person of, or the owner (either of records or beneficial) of twenty percent (20%) or more of any outstanding class of shares of, any corporation or entity engaged in any line of business of the Corporation or of any of its subsidiaries or affiliates, when in the judgment of the Board, by at least a two-thirds (2/3) vote, the law against combinations in restraint of trade shall be violated by such person's membership in the Board of Directors; or
- iii. If the Board, in the exercise of its judgment in good faith, determines by at least two-thirds (2/3) vote that he is to nominee of any person set forth in (i) or (ii) above.

In determining whether or not a person is a controlling person, beneficial owner or the nominee of another, the Board may take into account such factors as business and family relationships.

For proper implementation of its provisions, all nominees for elections of Directors by the stockholders shall be submitted in writing to the Board of Directors and be received at the Corporation's principal place of business at least thirty (30) working days before the date of the regular or special meeting of stockholders for the purpose of electing directors.

Under the Company's Manual on Corporate Governance, in addition to the qualifications for membership in the Board provided for in the Corporation Code, Securities Regulation Code and other relevant laws, the Board may provide for additional qualifications such as:

- (i) College education or equivalent academic degree;

- (ii) Practical understanding of the business of the Company;
- (iii) Membership in good standing in relevant industry, business or professional organizations; and
- (iv) Previous business experience.

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

	Executive	Non-Executive	Independent Director
Role	<p>Generally the President shall be the Chief Executive Officer of the Corporation and shall be responsible for the effective day-to-day operations and management of the Company.</p> <p>He shall supervise and manage the internal organization and business affairs of the Corporation and ensure that the administrative and operational policies of the Corporation are carried out under his supervision and control.</p>	<p>A director's office is one of trust and confidence. Directors should act in the best interest of the corporation in a manner characterized by transparency, accountability and fairness.</p> <p>He should also exercise leadership, prudence and integrity in directing the corporation towards sustained progress.</p> <p>In addition, an independent director identifies the most critical issues for the board to deal with and assist the board in achieving consensus on important issues.</p>	
Accountabilities	<p>Upon authority granted by the Board of Directors, the President shall:</p> <ul style="list-style-type: none"> a) signs deeds, bonds, contracts, or other instruments; b) authorizes the purchase or acquisition of personal properties, furniture, fixtures, or other office equipments c) approves all expenses or disbursements authorized in the budget of the Corporation d) represents the Corporation in any negotiation which may be e) necessary to make in the usual f) represents the Corporation in any judicial or administrative g) proceedings h) appoints and discharge employees occupying the positions authorized by the Board of 	<p>He shall observe the following norms of conduct:</p> <ul style="list-style-type: none"> a) Conduct fair business transactions with the corporation and ensure that personal interest does not prejudice Board decisions; b) Devotes time and attention necessary to properly c) discharge his duties and responsibilities; <input type="checkbox"/> Acts judiciously; d) Exercises independent judgment; e) Have working knowledge of the statutory and regulatory requirements affecting the Corporation, including the contents of its Articles of Incorporation, By-laws, the requirements of the SEC, and, where applicable, the requirements of other government agencies f) Observes confidentiality; g) Ensures the continuing soundness, effectiveness and adequacy of the Company's internal control system. <p>Directors shall have the duty of preparing and actively participating in board meetings.</p> <p>Independent directors should always attend board meetings.</p>	

	<p>Director</p> <p>i) performs all other duties customarily incident to his office and as may be prescribed by the Board from time to time.</p>	
Deliverables	<p>Submits and recommends for Board approval:</p> <p>a) short and long range plans for the Company;</p> <p>b) Balance Sheet, Profit and Loss Statement, Budget of administration expenses; and</p> <p>c) Annual Report on the operation and condition of the Corporation;</p> <p>Company executes all resolutions of the stockholders and the Board of directors.</p>	<p>The Board establishes the general policies and guidelines which will enable Management to render an effective management of the Company and as part of which undertakes to:</p> <p>a) Formulate company's vision and mission;</p> <p>b) Approve and confirm management's corporate strategies, major plans of actions, risk policy, annual budget and business plan;</p> <p>c) Adopts a succession plan</p> <p>d) Review annually the Company's compliance with its Manual on Corporate Governance;</p> <p>e) Approve corporate policies on major areas of operations;</p> <p>f) Ensures the adequacy and effectiveness of the Company's internal control and management information systems;</p> <p>g) Approves annual budget and general expenses upon recommendation of the President; and</p> <p>h) Submits annually at regular General Meeting of Stockholders the Balance Sheet, Profit and Loss Statement and Annual Report on the condition of the Corporation.</p>

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

Under the Company's By-Laws, the independent directors shall have all the qualifications and none of the disqualifications set forth in Section 38 of the Securities Regulation Code (SRC) and its implementing Rules and Regulations, as the same may be amended from time to time. Thus, the Company follows the following definition of "independent director" under Rule 38 of the Implementing Rules and Regulations of the SRC:

"As used in Section 38 of the Code, independent director means a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director in any covered company and includes, among others, any person who:

- A. Is not a director or officer of the covered company or of its related companies or any of its substantial shareholders except when the same shall be an independent director of any of the foregoing;
- B. Does not own more than two percent (2%) of the shares of the covered company and/or its related companies or any of its substantial shareholders;
- C. Is not related to any director, officer or substantial shareholder of the covered company, any of its related companies or any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
- D. Is not acting as a nominee or representative of any director or substantial shareholder of the covered company, and/or any of its related companies and/or any of its substantial shareholders,

pursuant to a Deed of Trust or under any contract or arrangement;

E. Has not been employed in any executive capacity by the covered company, any of its related companies and/or by any of its substantial shareholders within the last five (5) years;

F. Is not retained, either personally or through his firm or any similar entity, as professional adviser, by that covered company, any of its related companies and/or any of its substantial shareholders, within the last five (5) years; or

G. Has not engaged and does not engage in any transaction with the covered company and/or with any of its related companies and/or with any of its substantial shareholders, whether by himself and/or with other persons and/or through a firm of which he is a partner and/or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms length and are immaterial.”

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.

The Company follows the term limits under SEC Memorandum Circular No. 9 Series of 2011 which provides that an independent director can serve as such for 5 consecutive years, provided that service for a period of at least 6 months shall be equivalent to 1 year. After completion of the 5-year service, the independent director shall be ineligible for election as such in the same company for a period of 2 years. After the 2-year “cooling off” period, and provided that he has not engaged in any activity under the rules that disqualifies him to act as an independent directors, the independent director can serve as such in the same company for another 5 years. After serving for 10 years, the independent director shall be perpetually barred from being elected as such in the same 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
Mark Kenneth Duca	Member of the Board	October 1, 2012 (effective date of resignation)	To focus on other businesses.

(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
a. Selection/Appointment		
(i) Executive Directors	Under the Company’s By-Laws, all nominees for lections of Directors by the stockholders shall be submitted in writing to the Board of Directors and be received at the Corporation’s principal place of business at least thirty (30) working days before the date of the regular or special meeting of stockholders for the purpose	Under the Company’s By-Laws, any person having at least one (1) share of stock registered in his name in the books of the Corporation may be nominated and elected to the Board of Directors provided, however, that no person shall qualify or be eligible for nomination or election to the Board of
(ii) Non-Executive Directors		
(iii) Independent Directors		

	<p>of electing directors.</p> <p>Further, the Nomination Committee shall have the following functions: (a) formulate screening policies to enable the Committee to effectively review the qualification of the nominees for independent directors; and (b) conduct nominations for independent directors prior to the stockholders' meeting in accordance with the procedure set forth in Rule 38 of the Amended Implementing Rules and Regulations of the Securities Regulation code, as the same may be amended from time to time.</p>	<p>Directors if he is engaged in any business which competes with or is antagonistic to that of the Corporation or any of its subsidiaries or affiliates. Without limiting the generality of the foregoing, a person shall be deemed to be so engaged:</p> <p>If he is an office, manager or controlling person of, or the owner (either of record or beneficial) of twenty percent (20%) or more of any outstanding class of shares of any corporation (other than one in which this Corporation owns at least thirty percent (30%) of the capital stock) engaged in business which the Board, by at least two-thirds (2/3) vote, determines to be competitive or antagonistic to that of the Corporation or any of its subsidiaries or affiliates:</p> <p>If he is an officer, manager or controlling person of, or the owner (either of records or beneficial) of twenty percent (20%) or more of any outstanding class of shares of, any corporation or entity engaged in any line of business of the Corporation or of any of its subsidiaries or affiliates, when in the judgment of the Board, by at least a two-thirds (2/3) vote, the law against combinations in restraint of trade shall be violated by such person's membership in the Board of Directors; or</p> <p>If the Board, in the exercise of its judgment in good faith, determines by at least two-thirds (2/3) vote that he is to nominee of any person set forth in (i) or (ii) above.</p> <p>In determining whether or not a person is a controlling person, beneficial owner or the nominee of another, the Board may take into account such factors as business and family relationships.</p>
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		<p>Further, under the Company’s Manual on Corporate Governance, in addition to the qualifications for membership in the Board provided for in the Corporation Code, Securities Regulation Code and other relevant laws, the Board may provide for additional qualifications such as:</p> <p>(i) College education or equivalent academic degree;</p> <p>(ii) Practical understanding of the business of the Company;</p> <p>(iii) Membership in good standing in relevant industry, business or professional organizations; and</p> <p>(iv) Previous business experience.</p>
b. Re-appointment		
(i) Executive Directors	Same as above under “Selection/Appointment”.	Same as above under “Selection/Appointment”.
(ii) Non-Executive Directors		
(iii) Independent Directors		
c. Permanent Disqualification		
(i) Executive Directors	Same as above under “Selection/Appointment”.	<p>Under the Company’s Manual on Corporate Governance, the following shall be grounds for the permanent disqualification of a director:</p> <p>(i) Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person’s conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of</p>
(ii) Non-Executive Directors		
(iii) Independent Directors		

		<p>them;</p> <p>(ii) Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Securities and Exchange Commission (the "Commission") or any court or administrative body of competent jurisdiction from:</p> <p>(a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.</p> <p>The disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;</p> <p>(iii) Any person convicted by</p>
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		<p>final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;</p> <p>(iv) Any person who has been adjudged by final judgment or order of the Commission, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law administered by the Commission or BSP, or any of its rule, regulation or order;</p> <p>(v) Any person earlier elected as independent director who becomes an officer, employee or consultant of the same corporation;</p> <p>(vi) Any person judicially declared as insolvent;</p> <p>(vii) Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in sub-paragraphs (i) to (v) above; and</p> <p>(viii) 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>
d. Temporary Disqualification		
(i) Executive Directors	Same as above under "Selection/Appointment".	Under the Company's Manual on Corporate Governance, the Board may provide for the temporary disqualification of a director for any of the following
(ii) Non-Executive Directors		
(iii) Independent Directors		

		<p>reasons:</p> <p>(i) Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists.</p> <p>(ii) Absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election.</p> <p>(iii) Dismissal or termination for cause as director of any corporation covered by the Revised Code on Corporate Governance. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination.</p> <p>(iv) If the beneficial equity ownership of an independent director in the Company 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>(v) 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>
e. Removal		
(i) Executive Directors	Under the Company's Manual	If the director possesses any

(ii) Non-Executive Directors	<p>on Corporate Governance, to strictly observe and implement the provisions of said Manual, the following penalties shall be imposed, after notice and hearing, on the Company's directors, officers, staff, subsidiaries and affiliates and their respective directors, officers and staff in case of violation of any provision of the Manual.</p> <p>a. In the case of a first violation, the subject person shall be reprimanded.</p> <p>b. Suspension from office shall be imposed in the case of a second violation. The duration of the suspension shall depend on the gravity of the violation.</p> <p>c. For a third violation, the maximum penalty of removal from office shall be imposed. The commission of a third violation of this Manual by any member of the Board or its subsidiaries and affiliates shall be a sufficient cause for removal from directorship. The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend the imposable penalty for such violation to the Chairman of the Board, for further review and approval of the Board.</p>	<p>of the grounds for permanent disqualification under the Company's Manual on Corporate Governance, the Corporation Code and the Securities Regulation Code.</p>
(iii) Independent Directors		
f. Re-instatement		
(i) Executive Directors	<p>Same as above under "Selection/Appointment".</p>	<p>Same as above under "Selection/Appointment".</p>
(ii) Non-Executive Directors		
(iii) Independent Directors		
g. Suspension		
(i) Executive Directors	<p>Same as above under "Removal".</p>	<p>If the director possesses any of the grounds for temporary disqualification under the Company's Manual on Corporate Governance, the Corporation Code and the Securities Regulation Code.</p>
(ii) Non-Executive Directors		
(iii) Independent Directors		

Voting Result of the last Annual General Meeting

Name of Director	Votes Received
(1) George Y. Uy (2) Antonio L. Tiu (3) John Aloysius S. Bernas (4) Helen O. Tong (5) Martin C. Subido (6) Manuel Q. Bengson (7) Alfred E. Tong (8) Leonor M. Briones (Independent Director) (9) Benjamin P. Lim (Independent Director)	110,190,166,000 out of 142,852,856,500 outstanding shares on the date of the stockholders' meeting on December 11, 2012

6) Orientation and Education Program

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

The Company does not have a formal orientation program however, new directors are provided with reference reading materials to assist them in understanding better the business and operations of the Company. Among the reading materials provided are: (1) Audited Financial Statements, (2) SEC Form 20-IS- Information Statement/ Annual Report, (3) Revised Manual of Corporate Governance, (4) Amended Articles of Incorporation, (5) Amended By-laws, (6) Definitive Information Statement, (7) Minutes of Annual Stockholders' Meeting, (8) Other relevant write-ups, references or insurance industry reports.

(b) State any in-house training and external courses attended by Directors and Senior Management⁵ for the past three (3) years:

Antonio Tiu attended the Bangko Sentral ng Pilipinas seminar and training for directors in 2010.

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

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Martin Subido	August 2012	Mandatory Continuing Legal Education for Lawyers	Legal Management Council of the Philippines (LMCP)

B. CODE OF BUSINESS CONDUCT & ETHICS

1) Discuss briefly the company's policies on the following business conduct or ethics affecting directors, senior management and employees:

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	<p>The basic principle to be observed is that 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 Company, or stands to acquire or</p>		

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

	gain financial advantage at the expense of the Company.
(b) Conduct of Business and Fair Dealings	<p>The basic principle to be observed is that 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.</p> <p>A director should devote sufficient time to familiarize himself with the Company's business. He should be constantly aware of and knowledgeable with the Company's operations to enable him to meaningfully contribute to the Board's work. He should attend and actively participate in Board and committee meetings, review meeting materials and, if called for, ask questions or seek explanation.</p>
(c) Receipt of gifts from third parties	Everybody is enjoined to avoid the receipt from and giving of gifts of unusually high value to persons or entities with whom the company relates.
(d) Compliance with Laws & Regulations	<p>Everybody is enjoined to avoid the receipt from and giving of gifts of unusually high value to persons or entities with whom the company relates.</p> <p>Further, he should have a working knowledge of the statutory and regulatory requirements that affect the Company, including its Articles of Incorporation and By-Laws, the rules and regulations of the Commission and, where applicable, the requirements of relevant regulatory agencies. A director should also keep abreast with industry developments and business trends in order to promote the Company's competitiveness.</p>
(e) Respect for Trade Secrets/Use of Non-public Information	A director should keep secure and confidential all non-public information he may acquire or learn by reason of his position as director. He should not reveal confidential information to unauthorized persons without the authority of the Board.
(f) Use of Company Funds, Assets and Information	Directors, Officers and Employees shall use company property and resources including company time, supplies and software, efficiently, responsibly and only for legitimate business purposes only. They shall safeguard company assets from loss, damage, misuse or theft and shall respect intellectual property rights.
(g) Employment & Labor Laws & Policies	<p>Employment in the Company signifies willingness and commitment to perform according to standards set by management and to abide by all the policies and procedures as well as rules and regulations of the Company.</p> <p>The Company has an Employees' Manual of Policies and Procedures which provides for employee rights, obligations and sets policies on employee-related matters to ensure uniformity and consistency in the interpretation and implementation of Human Resources Policies and Programs, which are consistent with and in accordance with relevant provisions of the Labor Code.</p>
(h) Disciplinary action	<p>Under the Company's Manual on Corporate Governance, to strictly observe and implement the provisions of said Manual, the following penalties shall be imposed, after notice and hearing, on the Company's directors, officers, staff, subsidiaries and affiliates and their respective directors, officers and staff in case of violation of any provision of the Manual.</p> <p>a. In the case of a first violation, the subject person shall be reprimanded. b. Suspension from office shall be imposed in the case of a second violation. The duration of the suspension shall depend on the gravity of the violation. c. For a third violation, the maximum penalty of removal from office shall be imposed. The commission of a third violation of this Manual by any member of the Board or its subsidiaries and affiliates shall be a sufficient cause for removal from directorship.</p> <p>The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend the imposable penalty for such violation to the Chairman of the Board, for further review and approval of the Board.</p>
(i) Whistle Blower	Illegal or unethical behavior by a colleague or co-employee, regardless of his or her level of authority, should not be condoned. It is the responsibility of each employee to report legitimate concerns so that problems can be properly resolved and corrective measures instituted. An officer or employee or employee who becomes

	aware of any violation should immediately notify his superior. The superior officer shall in turn immediately inform the Human Resources Department (HRD). HRD shall conduct or manage the necessary actions or investigation of any reported violations of this Code. In case Senior Management or any Board Member is involved, the same shall be referred to Audit Committee.
(j) Conflict Resolution	The Audit Committee will handle resolution of reported illegal or unethical behavior involving Senior Management or any Board Member. The Audit Committee may ask assistance from Internal Audit and Human Resources Department (HRD) to conduct investigation of subject illegal acts or activities to further support subject reports and findings.

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

The company does not have a formal code of ethics but its policy is to strictly follow the provisions of its Manual on Corporate Governance and the provisions of the Corporation Code, Securities Regulation Code, Labor Code, and other applicable laws and regulations.

3) Discuss how the company implements and monitors compliance with the code of ethics or conduct. NOT APPLICABLE.

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	The essence of corporate governance is transparency. The more transparent the internal workings of the corporation are, the more difficult it will be for Management and dominant stockholders to mismanage the corporation or misappropriate its assets.
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	It is therefore essential that all material information about the Company which could adversely affect its viability or the interests of the stockholders should be 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 should be disclosed through the appropriate Exchange mechanisms and submissions to the Commission. Develop and disclose a policy governing the company’s transactions with related parties. Clearly define the thresholds for disclosure and approval for RPTs and categorize such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed,
(7) Directors including spouse/children/siblings/parents	
(8) Interlocking director relationship of Board of Directors	

	<p>and those that need prior shareholder approval. The aggregate amount of RPT within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p> <p>Establish a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions in shareholders meetings.</p> <p>Have its independent directors or audit committee play an important role in reviewing significant RPTs.</p> <p>Be transparent and consistent in reporting its RPTs. A summary of such transactions shall be published in the company's annual report.</p> <p>Have a clear policy in dealing with material non-public information by company insiders.</p> <p>Have a clear policy and practice of full and timely disclosure to shareholders of all material transactions with affiliates of the controlling shareholders, directors or management.</p>
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(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. **NONE.**

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	There is no actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.
Name of Officer/s	There is no actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.
Name of Significant Shareholders	There is no actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

(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	The Company promotes a culture of good corporate governance by formally adopting a policy that is founded on the Company's core business principles of fairness, accountability, integrity, transparency and honesty.
Group	In compliance with disclosure requirements of related accounting standards and the Securities Regulation Code reporting requirements, we promptly and properly disclose to the public all material information, including all related

	party transactions through detailed disclosures provided in the related Notes to financial statements (Note 19. Related Party Transactions), SEC Form 17-A, Annual Report and SEC's Form 20-IS, Definitive Information Statement.
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5) Family, Commercial and Contractual Relations

- (a) Indicate, if applicable, any relation of a family,⁶ 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
NONE.		

- (b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description
Cleantech Projektgesellschaft mbH	Business	Investment Agreement and Subscription Agreement
Earthright Holdings, Inc.	Business	Subscription Agreement.
Sunchamp Real Estate Development Corp.	Business	Subscription Agreement.

- (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
NONE		

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.

	Alternative Dispute Resolution System
Corporation & Stockholders	Under the Company's Manual on Corporate Governance, the Board of Directors shall establish and maintain, as far as practicable, an alternative dispute resolution system in the Company that can amicably settle conflicts or differences between the Company and its stockholders, and the Company and third parties, including the regulatory authorities.
Corporation & Third Parties	
Corporation & Regulatory Authorities	

⁶ Family relationship up to the fourth civil degree either by consanguinity or affinity.

C. BOARD MEETINGS & ATTENDANCE

1) Are Board of Directors’ meetings scheduled before or at the beginning of the year? **NO, BUT THE COMPANY ENSURES THAT EACH OF THE MEMBERS OF THE BOARD OF DIRECTORS RECEIVES THE NOTICE AND AGENDA OF THE MEETING AT LEAST 3 CALENDAR DAYS PRIOR TO THE MEETING.**

2) Attendance of Directors (in 2012)

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	George Uy	October 19, 2011	11	11	100%
Member	Antonio Tiu			11	100%
Member	John Aloysius Bernas			11	100%
Member	Helen Tong			7	64%
Member	Mark Kenneth Duca ⁷			3	27%
Member	Martin SUBido			10	91%
Member	Lyra Gracia Lipae-Fabella ⁸			10	91%
Independent	Leonor Briones			8	73%
Independent	Benjamin Lim			10	91%

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. **THE MINIMUM QUORUM REQUIREMENT FOR BOARD DECISIONS FOLLOWED BY THE COMPANY IS A MAJORITY OF THE BOARD MEMBERS AS REQUIRED UNDER THE CORPORATION CODE AND THE COMPANY’S BY-LAWS.**

5) Access to Information

(a) How many days in advance are board papers⁹ for board of directors meetings provided to the board? **AT LEAST 3 CALENDAR DAYS PRIOR TO THE MEETING.**

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

(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? **YES.**

Under the Company’s By-Laws, the Corporate Secretary of the Company is the custodian of and shall maintain the corporate books and records and shall be the recorder of the corporation’s formal actions and transactions. He shall have the following specific powers and duties:

a) To record the minutes and transactions of all meetings of the directors and the stockholders and to maintain minute books of such meetings in the form and manner required by law;

b) To keep record books showing the details required by law with respect to the stock certificates of the corporation, including ledgers and transfer books showing all shares of the corporation subscribed, issued and transferred;

c) To keep the corporate seal and affix it to all papers and documents requiring a seal, and to attest by his signature all corporate documents requiring the same;

⁷ Resigned as a member of the Board of Directors on October 12, 2012.

⁸ Term as a director ended on December 11, 2012.

⁹ Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

d) To attend to the giving and serving of all notices of the corporation required by law or these by-laws to be given;

e) To certify to such corporate acts, countersign corporate documents or certificates, and make reports or statements as may be required of him by law or by government rules and regulations;

f) To act as the inspector at the election of directors and, as such, to determine the number of shares of stock outstanding and entitled to vote, the shares of stock represented at the meeting, the existence of a quorum, the validity and effect of proxies, and to receive votes, ballots or consents, hear and determine questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote. The Secretary may assign the exercise or performance of any or all of the foregoing duties, powers and functions to any other person or persons, subject always to his supervision and control; and

g) To perform such other duties as are incident to his office or as may be assigned to him by the Board of Directors or the President.

In addition to these functions and duties, the Board of Directors has assigned to the Corporate Secretary the task of assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes.

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

The current Corporate Secretary is Atty. Martin Subido. Atty. Martin Subido is a Certified Public Accountant and a member of the Integrated Bar of the Philippines. He graduated with a *B.S. Accountancy* degree from *De La Salle University* and obtained his Juris Doctor degree, with honors, from the *School of Law of Ateneo de Manila University*. He was a Senior Associate of the Villaraza & Angangco Law Offices before becoming managing partner of The Law Firm of Subido Pagente Certeza Mendoza & Binay.

(a) 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 Notice and Agenda of the pertinent meeting, and the supporting documents for the matters included in the agenda, are given to the directors at least 3 calendar days prior to the meeting via email and/or personal service. In the event that any director has clarifications or requests for additional information or documents, said director can directly contact the Corporate Secretary regarding said clarification or request.
Audit	
Nomination	
Remuneration	
Others (specify)	

6) External Advice

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

Procedures	Details
Seeking legal advice or opinion	Directors can contact the Corporate Secretary or legal counsel
Seeking independent opinion on financial matters and related regulatory concerns	Directors can contact external auditors

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
Authorized capital stock of the Company used to be Php1,000,000,000.00	The increase of the authorized capital stock of the Company to Php2,000,000,000.00 was approved by the SEC on March 8, 2012	To allow more investors to invest in the Company and for the Company to expand its operations.

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 Company has a Compensation or Remuneration Committee, which may be composed of at least three (3) members and one of whom should be an independent director, to establish a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the Company's culture, strategy and the business environment in which it operates.

The levels of remuneration of the Company 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 Company 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 depending on the particular needs of the Company. No director should participate in deciding on his remuneration.

The Company's annual reports and information and proxy statements shall include a clear, concise and understandable disclosure of all fixed and variable compensation that may be paid, directly or indirectly, to its directors and top four (4) management officers during the preceding fiscal year.

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	Company Salary Structure, market rates used as a guide; salary adjustments based on performance and changes in responsibilities and authorities.	
(2) Variable remuneration	None	
(3) Per diem allowance	None	
(4) Bonus	None	
(5) Stock Options and other financial instruments	Subject to the approval of the Board of Directors	
(6) Others (specify)	None	

2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	<p>The compensation of directors, which shall not be more than 10% of the net income before income tax of the Company during the preceding year, which shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting. (Amended By-Laws).</p> <p>Also, under Section 8, Article III of the By-Laws of the Company, by resolution of the Board, each director shall receive a reasonable per diem allowance for their attendance at each meeting of the Board.</p>		
Non-Executive Directors	<p>The compensation of directors, which shall not be more than 10% of the net income before income tax of the Company during the preceding year, which shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting. (Amended By-Laws, page). As of this date, no standard or other arrangements have been made in respect of director's compensation.</p> <p>Also, under Section 8, Article III of the By-Laws of the Company, by resolution of the Board, each director shall receive a reasonable per diem allowance for their attendance at each meeting of the Board.</p>		

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.

The decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors is made by the Board of Directors.

Remuneration Scheme	Date of Stockholders' Approval

3) Aggregate Remuneration

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

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	Php1,300,000.00	None	None
(b) Variable Remuneration	Php100,000.00	None	None
(c) Per diem Allowance	100,000	Php180,000.00	Php80,000.00
(d) Bonuses	None	None	None
(e) Stock Options and/or other financial instruments	Php1,000,000.00	None	None
(f) Others (Specify)	None	None	None
Total	Php2,300,000.00	Php180,000.00	Php80,000.00

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	None	None	None
2) Credit granted	None	None	None
3) Pension Plan/s Contributions	None	None	None
(d) Pension Plans, Obligations incurred	None	None	None
(e) Life Insurance Premium	None	None	None
(f) Hospitalization Plan	None	None	None
(g) Car Plan	None	None	None
(h) Others (Specify)	None	None	None
Total	None	None	None

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:

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock
George Uy Antonio Tiu	Accordingly, on February 22, 2012 and April 14, 2012, the Company approved to issue 1 Billion warrants to the Corporation's President and CEO, Mr. Antonio L. Tiu, and 7.5 Billion warrants to the Corporation's Chairman, Mr. George Y. Uy, respectively, at the issue price of P0.001/warrant and under such terms as may further be agreed upon and subject to existing requirements of the Securities and Exchange Commission and the Philippine Stock Exchange. To date, said warrants have not been formally issued.			

(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: **NONE.**

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
George Uy / Chairman	Php3,000,000.00
Antonio Tiu / President	
Kenneth Tan / CFO	
Sam Hernando / VP	
Pam Muhi / AVP	

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	The Company does not have an Executive Committee.						
Audit	1	1	1		a) Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations; b) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company. This function shall include regular receipt from Management of information on risk exposures and risk management activities; c) Perform oversight functions over the Company's internal and external auditors. It should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions; d) Review the annual internal audit plan to ensure its conformity with the objectives of the Company. The plan shall include the audit scope, resources and budget necessary to implement it; e) Prior to the commencement of the audit, discuss		

					<p>with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;</p> <p>f) Organize an internal audit department, and consider the appointment of an independent Internal Auditor and the terms and conditions of its engagement and removal;</p> <p>g) Monitor and evaluate the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology security;</p> <p>h) Review the reports submitted by the internal and external auditors;</p> <p>i) Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:</p> <ul style="list-style-type: none"> • Any change/s in accounting policies and practices • Major judgmental areas • Significant adjustments resulting from the audit • Going concern assumptions • Compliance with accounting standards • Compliance with tax, legal and regulatory requirements. <p>j) Coordinate, monitor and facilitate compliance with laws, rules and regulations;</p> <p>k) Evaluate and determine 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 Company'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 Company's annual report;</p> <p>l) Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee.</p> <p>The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties.</p>
Nomination	1	1	1		To review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors
Remuneration	1	1			To establish a formal and transparent procedure for developing a policy on remuneration of

			1		directors and officers to ensure that their compensation is consistent with the Company's culture, strategy and the business environment in which it operates.
Others (specify)					

2) Committee Members

(a) Executive Committee- THE COMPANY DOES NOT HAVE AN 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 (in 2012)	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Leonor Briones	October 19, 2011	11	8	73%	1.5 years
Member (ED)	Antonio Tiu			11	100%	1.5 years
Member (NED)	Mark Kenneth Duca ¹⁰			3	27%	1 year
Member (ID)	Leonor Briones			see above		

Disclose the profile or qualifications of the Audit Committee members.

LEONOR M. BRIONES. Prof. Briones is Director for Policy and Executive Development, National College of Public Administration and Governance, University of the Philippines System, Diliman. She is also a Professor and Faculty Member, Graduate Level, in the same university. Prof. Briones was the Treasurer of the Philippines' Bureau of Treasury from August 1998 to February 2001 and was concurrently the Presidential Adviser for Social Development, with Cabinet Rank, Office of the President.

ANTONIO L. TIU. Mr. Tiu holds the positions of CEO of Beidahuang Philippines Agro Industrial Development Corp, Chairman/President and CEO of Agrinurture, Inc. He has held and/or continues to hold chairmanship positions in the Board of Directors of First Class Agriculture Corporation, Fresh & Green Harvest Agricultural Company Inc., Best Choice Harvest Agricultural Corp., Lucky Fruits & Vegetable Products Inc., M2000 IMEX Company Inc., Fruitilicious Company Inc., Ocean Biotech Inc., and Fresh and Green Palawan Agri Ventures. He likewise served as part-time lecturer in International Finance at DLSU Graduate School from 1999 to 2001. In 2009, he was given the Ernst and Young Emerging Entrepreneur of the Year award. He is an active member of the Integrated Food Manufacturer Association of the Philippines, PHILEXPORT, PHILFOODEX, Chinese Filipino Business Club, and Philippine Chamber of Agriculture and Food Industries.

Mr. Tiu has a Masters degree in Commerce specializing in International Finance from University of New South Wales, Sydney Australia and BS Commerce major in Management from De La Salle University, Manila. He is currently a candidate for a Doctorate degree in Public Administration at the University of the Philippines.

¹⁰ Resigned on October 1, 2012.

MARK KENNETH O. DUCA. Mr. Duca is a Director of Central Equity Rural Bank (soon to be Agricultural Bank of the Philippines upon approval of the SEC) and Beidahaung (Phils.) Agro-Industrial Development Corporation. He is also the General Manager of United Pharmachem Agrivet Corp. Mr. Duca is a graduate of York University Canada with a degree in BS Commerce.

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

The Audit Committee shall evaluate and determine 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 Company'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 Company's annual report.

Management should formulate, under the supervision of the Audit Committee, the rules and procedures on financial reporting and internal control in accordance with the following guidelines:

(i) The extent of its responsibility in the preparation of the financial statements of the Company, with the corresponding delineation of the responsibilities that pertain to the external auditor, should be clearly explained;

(ii) An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the Company should be maintained;

(iii) On the basis of the approved audit plans, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the Company's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules and regulations;

(iv) The Company should consistently comply with the financial reporting requirements of the Commission;

(v) The external auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Company, should be changed with the same frequency. The Internal Auditor should submit to the Audit Committee and Management an annual report on the internal audit department's activities, responsibilities and performance relative to the audit plans and strategies as approved by the Audit Committee. The annual report should include significant risk exposures, control issues and such other matters as may be needed or requested by the Board and Management. The Internal Auditor should certify that he conducts his activities in accordance with the International Standards on the Professional Practice of Internal Auditing. If he does not, he shall disclose to the Board and Management the reasons why he has not fully complied with the said standards.

B) The Board, after consultations with the Audit Committee, shall recommend to the stockholders an external auditor duly accredited by the Commission who shall undertake an independent audit of the Company, and shall provide an objective assurance on the manner by which the financial statements shall be prepared and presented to the stockholders. The external auditor shall not, at the same time, provide internal audit services to the Company. Non-audit work may be given to the external auditor, provided it does not conflict with his duties as an independent auditor, or does not pose a threat to his independence.

If the external auditor resigns, is dismissed or ceases to perform his services, the reason/s for and the date of effectivity of such action shall be reported in the Company's annual and current reports. The report shall include a discussion of any disagreement between him and the Company on accounting principles or practices, financial disclosures or audit procedures which the former auditor and the Company failed to resolve satisfactorily. A preliminary copy of the said report shall be given by the Company to the external auditor before its submission.

If the external auditor believes that any statement made in an annual report, information statement or any report filed with the Commission or any regulatory body during the period of his engagement is incorrect or

incomplete, he shall give his comments or views on the matter in the said reports.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held (in 2012)	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Leonor Briones	October 19, 2011	11	8	73%	1.5 years
Member (ED)	Antonio Tiu			11	100%	1.5 years
Member (NED)	Lyra Gracia Liape-Fabella ¹¹			10	91%	
Member (ID)	Leonor Briones			see above		

LYRA GRACIA Y. LIPAE-FABELLA. Atty. Lipae-Fabella is a Certified Public Accountant and member of the Integrated Bar of the Philippines. Her work experience includes that as of Junior Staff Auditor in a leading auditing firm, Associate in a law firm and Securities Counsel III with the Securities and Exchange Commission. She is presently the Managing Partner of the Fabella and Fabella Law Office. Atty. Lipae-Fabella graduated from the San Beda College of Law and obtained her BS Business Administration and Accountancy degree from the University of the Philippines-Diliman.

LEONOR M. BRIONES. Prof. Briones is Director for Policy and Executive Development, National College of Public Administration and Governance, University of the Philippines System, Diliman. She is also a Professor and Faculty Member, Graduate Level, in the same university. Prof. Briones was the Treasurer of the Philippines' Bureau of Treasury from August 1998 to February 2001 and was concurrently the Presidential Adviser for Social Development, with Cabinet Rank, Office of the President.

ANTONIO L. TIU. Mr. Tiu holds the positions of CEO of Beidahuang Philippines Agro Industrial Development Corp, Chairman/President and CEO of Agrinurture, Inc. He has held and/or continues to hold chairmanship positions in the Board of Directors of First Class Agriculture Corporation, Fresh & Green Harvest Agricultural Company Inc., Best Choice Harvest Agricultural Corp., Lucky Fruits & Vegetable Products Inc., M2000 IMEX Company Inc., Fruitilicious Company Inc., Ocean Biotech Inc., and Fresh and Green Palawan Agri Ventures. He likewise served as part-time lecturer in International Finance at DLSU Graduate School from 1999 to 2001. In 2009, he was given the Ernst and Young Emerging Entrepreneur of the Year award. He is an active member of the Integrated Food Manufacturer Association of the Philippines, PHILEXPORT, PHILFOODEX, Chinese Filipino Business Club, and Philippine Chamber of Agriculture and Food Industries. Mr. Tiu has a Masters degree in Commerce specializing in International Finance from University of New South Wales, Sydney Australia and BS Commerce major in Management from De La Salle University, Manila. He is currently a candidate for a Doctorate degree in Public Administration at the University of the Philippines.

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held (in 2012)	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Benjamin Lim	October 19, 2011	11	10	91%	1.5 years
Member (ED)	George Uy			11	100%	1.5 years
Member (NED)	Helen Tong			7	64%	1.5 years
Member (ID)	Benjamin Lim			see above		
Member						

HELEN O. TONG. Ms. Tong is the Managing Director of Propmech Corporation. She also occupies various positions as COO/Treasurer, Secretary and/or Director of the following business entities: Safehull Marine Technologies Inc., Paleeno AP Inc., Floatech International Corporation, Philmarine Technology Group Inc. and Manila Cordage Company. Ms. Tong obtained her degree in Bachelor of Arts in Business Administration from the College of the Holy Spirit.

¹¹ Term ended on December 11, 2012.

GEORGE Y. UY. Mr. Uy started his career with the United Laboratories and Squibb between 1969 and 1970. He co-founded the Optima Scientific Consultants, Inc. which is engaged in the design of pollution abatement systems. Mr. Uy was one of the first proponents in the Philippines of the polypropylene woven bag plant using equipment from Europe, and also one of the first to Greenery Holdings Incorporated set up a meat processing plant that uses equipment from Germany with a license to export to Japan from the Philippines granted by the Japanese Ministry of Agriculture. In 1988, he cofounded a company engaged in mass transport system, telecommunications, and indenter of steel products. Currently he is also engaged in the biofuel program in the Philippines. Mr. Uy obtained both his Bachelor's degree and Master's degree in Chemistry from the Ateneo de Manila University.

BENJAMIN P. LIM. Mr. Lim has served as Vice-President for Operations and Vice President for Corporate Services and various other management positions while with the PNO Energy Development Corporation from 1993 until 2005. After his retirement, he became adviser to the Board of Directors of the PNO rendering timely advice on policy and operational matters. He also occupied various management positions while working with Petron Corporation from 1977 until 1993. Previously, he was connected with Lakeview Industrial Corporation from 1974 until 1977, with Esso Philippines Incorporated from 1971 until 1974 and Freeman Incorporated from 1967 until 1969. He was also a member of the Faculty of Engineering of the University of Sto. Tomas from 1966-1969. Mr. Lim obtained his degree in BS Chemical Engineering (*summa cum laude*) at the University of Sto. Tomas and his degree in MS Chemical Engineering at the University of Washington.

(e) Others (Specify)

Provide the same information on all 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	None	None
Audit	Mark Kenneth Duca	Resigned as a director and committee member on October 1, 2012 in order to focus on his other businesses.
Nomination	None	None
Remuneration	None	None
Others (specify)	None	None

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	The Company does not have an Executive Committee.	
Audit	Assisted the Board in fulfilling its oversight responsibilities for	Reviewed and discussed quarterly unaudited financial statements,

	financial reporting process, system of internal control, audit process and the company's process for monitoring compliance with laws and regulations and the code of conduct.	<p>audited annual financial statements including Management's Discussion and analysis of financial condition and results of operations, adequacy of the company's enterprise risk management framework, and the effectiveness of the system for monitoring compliance with laws and regulations.</p> <p>Approved the overall scope and audit plans of Internal and external audits, effectiveness of the internal audit function and recommended for approval the re-appointment of the current external auditors.</p> <p>Performed a self-evaluation of the Committee in terms of expectations set out in the Audit Committee Charter.</p>
Nomination	Reviewed and evaluated the qualifications of all persons nominated to the Board as well as those nominated to other positions requiring the appointment by the Board.	Reviewed the qualifications of all nominees to the Board of directors, taking into consideration the relevant requirements of the the Securities and Exchange Commission and Philippine Stock Exchange relative to qualifications and disqualifications of both regular and independent director nominees.
Remuneration	Provided a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration of corporate officers and directors.	<p>Provided oversight over remuneration of senior management and other key personnel.</p> <p>No other resolution relating to director's remuneration has been adopted by the Board of Directors as the schedule of the amount of per diem for attendance in meetings of the Board of Directors/Committees has remained unchanged since 2009.</p>
Others (specify)		

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	The Company does not have an Executive Committee.	
Audit	<p>Review and approve the Audit Committee Charter.</p> <p>Conduct Board self-evaluation of the company's current and potential</p>	Review financial reporting process, system of internal control and the company's process for monitoring compliance with laws and regulations and the code of conduct.

	<p>state of CG practices using existing CG scorecards and best practice guidelines.</p> <p>Conduct learning sessions for the company- toward improving audit consciousness and compliance awareness throughout the organization.</p>	<p>A more-focused compliance function will ensure that all regulatory requirements are generally complied as well as internal policies and procedures are implemented accordingly.</p> <p>CG practices to evolve from mere compliance to performance improvement and consistent implementation.</p> <p>Better understanding of roles, responsibilities, business policies, processes and procedures as well as laws, rules and good conduct lead to well-informed and more productive work force.</p>
Nomination		<p>Defines the purpose, roles and responsibilities, membership, authority, frequency of meetings and other matters affecting the committee.</p> <p>Ensures all nominees to the Board both regular and independent directors possess all the qualifications and none of the disqualifications enumerated under the SRC</p> <p>Establish and formalize a succession plan for senior management</p> <p>Provide oversight over remuneration of senior management and other key Personnel</p> <p>Code of Corporate Governance and related SRC Rule 38- Requirements on Nomination and Election of Independent Directors</p> <p>Recommend adoption of a formal succession plan for the company</p> <p>Review/evaluate existing remuneration policy and procedures on executives' compensation and for fixing the remuneration of directors and corporate officers.</p>
Remuneration		
Others (specify)		

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

The risk assessment is based upon a “what if” analysis, judged against the method used to include the particular item in the projection. The analysis could support the projection or require it to be modified. Risks that are manageable, i.e. within the scope of control by the Company, must be managed as a natural course of running the business. When taking decisions, management considers first the effect of those risks that are in any way related to the decision.

The Company’s business activities are exposed to a variety of financial risks, which include credit risk, liquidity risk and market risk. Management ensures that it has sound policies and strategies in place to minimize potential adverse effects of these risks on the Company’s consolidated financial performance. The Company’s Board of Directors is mainly responsible for the overall risk management approach and for the approval of risk strategies and principles of the Company. It has also the overall responsibility for the development of risk strategies, principles, frameworks, policies and limits. It establishes a forum of discussion of the Company’s approach to risk issues in order to make relevant decisions.

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

The management ensures that it has sound policies and strategies in place to minimize potential adverse effects of these risks on the company’s financial performance.

(c) Period covered by the review- 2012;

(d) How often the risk management system is reviewed and the directors’ criteria for assessing its effectiveness- As often as necessary; and

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

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:

The Company does not have a formal written risk management policy but the Company observes Board directed policies in addressing risk management and compliance processes.

The Company is exposed to variety of financial risks, which result from both its operating and investing activities. The Company’s principal financial instruments comprise of cash on hand and in banks, receivables, advances to related parties and trade and other payables and interest bearing loans and borrowings loans. The main purpose of these financial instruments is to raise finance for the Company’s operations.

Company policies and guidelines cover credit risk, liquidity risk and market risk. The objective of financial risk management is to contain, where appropriate, exposures in these financial risks to limit any negative impact on the Company’s results and consolidated financial position. The Company actively measures, monitors and manages its financial risk exposures by various functions pursuant to the segregation of duties principles.

Risk Exposure	Risk Management Policy	Objective
<i>Credit risk</i>	Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from deposits with banks, as well as credit exposure to receivables from third and related parties.	The Company determines the allowances appropriate for each individually significant loan on an individual basis. Items considered when determining amounts of allowances include payment and collection history, timing of

	<p>The Company trades only with recognized, creditworthy third parties. Also, it is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to doubtful accounts is not significant.</p> <p>For banks, the Company has maintained its business relationships with accredited banks, which are considered in the industry as universal banks. The receivables from related parties are accordingly collected in accordance with the Company's credit policy.</p> <p>The Company's exposure to credit risk arises from default of other counterparties.</p> <p>The credit quality of the Company's financial assets is evaluated using internal credit rating. Financial assets are considered as high grade if the counterparties are not expected to default in settling their obligations, thus credit risk exposure is minimal. These counterparties include banks, customers and related parties who pay on or before due date.</p>	<p>expected cash flows and realizable value of collateral, if any.</p> <p>The Company sets criteria for specific loan impairment testing and uses the discounted cash flow method to compute for impairment loss. Accounts subjected to specific impairment and are found to be impaired shall be excluded from the collective impairment computation.</p> <p>Impairment losses are recognized based on the results of specific (individual) and collective assessment of credit exposures.</p> <p>Impairment has taken place when there is a presence of known difficulties in the payments of obligation by counterparties. This and other factors, either singly or in tandem with other factors, constitute observable events or data that meet the definition of objective evidence of impairment.</p>
<i>Liquidity risk</i>	<p>This represents the risk or difficulty in raising funds to meet the Company's commitment associated with financial obligation and daily cash flow requirement. The Company is exposed to the possibility that adverse exchanges in the business environment and/or its operations would result to substantially higher working capital requirements and the subsequent difficulty in financing additional working capital.</p>	<p>The Company's approach to manage its liquidity profile are: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed. Also, the Company addresses liquidity concerns primarily through cash flows from operations and short-term borrowings, if necessary.</p> <p>The Company likewise regularly evaluates other financing instruments to broaden the Company's range of financing sources.</p>
<i>Market risk</i>	<p>Market risk refers to the risk that changes in market prices, such as interest rates, foreign exchange rates and other market prices will affect the Company's income or the value of its holdings of financial instruments.</p> <p>The Company is subject to various market risks, including risks from changes in interest rates and foreign currency exchange rates. There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk.</p>	<p>The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.</p>
<i>Interest rate</i>	<p>Interest rate risk is the risk that the fair value</p>	<p>To mitigate the interest rate risk</p>

<i>risk</i>	or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's interest-bearing loans and borrowings.	of the Company.
<i>Foreign currency exchange risk</i>	The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise with respect to transactions denominated in Philippine Peso. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. Significant fluctuation in the exchange rates could significantly affect the Company's financial position.	The Company regularly monitors outstanding financial assets and liabilities in foreign currencies and maintains them at a level responsive to the current rates so as to minimize the risks related to these foreign currency denominated assets and liabilities.
<i>Capital risk management</i>	<p>The Board of Directors has overall responsibility for monitoring of capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the Company's external environment and the risks underlying the Company's business operations and industry.</p> <p>The Company manages its capital structure (total equity) and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust or delay the dividend payment to shareholders, and appropriate a percentage of retained earnings towards expansion and capital expenditures.</p> <p>There were no changes in the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.</p> <p>The Company monitors capital on the basis of the debt-to-equity ratio, which is calculated as total debt divided by total equity. Total debt is equivalent to total liabilities as shown in the consolidated statement of financial position.</p> <p>Total equity comprises all components of equity including share capital, additional paid-in capital and retained earnings.</p>	The primary objective of the Company's capital management is to ensure its ability to continue as a going concern and that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

(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: THE SAME AS THOSE INDICATE ABOVE FOR THE COMPANY.

Risk Exposure	Risk Management Policy	Objective
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(c) Minority Shareholders

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

Risk to Minority Shareholders
While there is a risk that the exercise of the controlling shareholders' voting power may be restrictive or authorizing preferences in their favor, the Board in its commitment to practice good governance, is committed to respect the rights of the shareholders as provided for in the Corporation Code. These include the right to vote on all matters that require their consent or approval, such that a director shall not be removed without cause if it will deny minority shareholders representation in the Board.
Although all stockholders should be treated equally or without discrimination, the Board should give 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.

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)
		Management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition, and liabilities are recognized. The Board of Directors reviews the financial statements are approved and submitted to the stockholders of the Company.
		The board of directors through its audit and compliance committee continuously reviews and follow up until closure all action items needed to be in full compliance with the company's Manual on Corporate Governance and its related documents and policies.
		Continuous training is being under taken by the members of the board of directors, Management officers and personnel to fully acquaint then with the company's corporate governance manual, policies and related matters.

(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 FOR THE COMPANY.

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:

Committee/Unit	Control Mechanism	Details of its Functions
Audit Committee	the Board in fulfilling its oversight responsibilities for financial reporting process, system of internal control, audit process and the company's process for monitoring compliance with laws and regulations and the code of conduct.	Mainly responsible for recommending the appointment of external auditors whose report they review; monitor the system of internal controls and corporate compliance with laws, regulations and code of ethics; serve as a direct channel of communications to the Board for the internal auditor, compliance officer and the general counsel.

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;

Management should formulate, under the supervision of the Audit Committee, the rules and procedures on financial reporting and internal control in accordance with the following guidelines:

- (i) The extent of its responsibility in the preparation of the financial statements of the Company, with the corresponding delineation of the responsibilities that pertain to the external auditor, should be clearly explained;
- (ii) An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the Company should be maintained;
- (iii) On the basis of the approved audit plans, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the Company's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules and regulations;
- (iv) The Company should consistently comply with the financial reporting requirements of the Commission;
- (v) The external auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Company, should be changed with the same frequency. The Internal Auditor should submit to the Audit Committee and Management an annual report on the internal audit department's activities, responsibilities and performance relative to the audit plans and strategies as approved by the Audit Committee. The annual report should include significant risk exposures, control issues and such other matters as may be needed or requested by the Board and Management. The Internal Auditor should certify that he conducts his activities in accordance with the International Standards on the Professional Practice of Internal Auditing. If he does not, he shall disclose to the Board and Management the reasons why he has not fully complied with the said standards.

Internal Control Responsibilities of the Board

The control environment of the Company consists of (a) the Board which ensures that the Company is properly and effectively managed and supervised; (b) a Management that actively manages and operates the Company in a sound and prudent manner; (c) the organizational and procedural controls supported by effective management information and risk management reporting systems; and (d) an independent audit mechanism to monitor the adequacy and effectiveness of the Company'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.

- (i) The minimum internal control mechanisms for the performance of the Board's oversight responsibility may include:
 - a) Definition of the duties and responsibilities of the CEO who is ultimately accountable for the Company's organizational and operational controls;
 - b) Selection of the person who possesses the ability, integrity and expertise essential for the position of CEO;
 - c) Evaluation of proposed senior management appointments;
 - d) Selection and appointment of qualified and competent management officers; and
 - e) Review of the Company's human resource policies, conflict of interest situations, compensation program for employees, and management succession plan.
- (ii) In determining the scope and particulars of the systems of effective organizational and operational controls, which may differ among corporations, the Company may take into consideration the following factors: nature and complexity of the business and the business culture; volume, size and complexity of transactions; degree of risks involved; degree of centralization and delegation of authority; extent and effectiveness of information technology; and extent of regulatory compliance.
- (iii) The Company may establish an internal audit system that can reasonably assure the Board, Management and stockholders that its key organizational and operational controls are faithfully complied with. The Board may appoint an Internal Auditor to perform the audit function, and may require him to report to a level in the organization that allows the internal audit activity to fulfill its mandate. The Internal Auditor shall be guided by the International Standards on Professional Practice of Internal Auditing.

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

The management ensures that it has sound policies and strategies in place to minimize potential adverse effects of these risks on the company's financial performance.

(c) Period covered by the review- 2012;

(d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system. The Audit Committee is tasked by the Board (through its approved charter) to review the internal control system of the Company on a semi-annual basis. Part of their regular meeting is to review the internal control system through the reports of the auditors (internal and external) and representation made by the Management.

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

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
1. Evaluating the reliability and integrity of significant information	All financial, managerial, and operating information and the means used to identify, measure, classify, and report such information is accurate, reliable and timely.	In-house	Rafaelito Soliza	Quarterly
2. Evaluating the systems established to ensure compliance	Compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the organization.	In-house	Rafaelito Soliza	Annual
3. Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.	All company assets	In-house	Rafaelito Soliza	Quarterly
4. Evaluating the quality of performance of external auditors and the degree of coordination with internal audit.	Based on the leading practices 'criteria, as approved by Audit Committee	In-house	Rafaelito Soliza	Annual
5. Reporting periodically on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan.	Based on the leading practices 'criteria, as approved by Audit Committee	In-house	Rafaelito Soliza	Quarter/ Annually
6. Reporting significant risk exposures and control issues	All risk exposures and issues including fraud risks, governance issues, and other matters needed or requested by the Board.	In-house	Rafaelito Soliza	As needed
7. Evaluating specific operations at the request of the Board, Audit	Based on the request of the sponsor	In-house	Rafaelito Soliza	As needed

Committee or Management, as				
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- (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? Yes
- (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 is directly reporting to the Audit Committee and administratively to the President / Chief Executive Officer.

(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. NONE.

Name of Audit Staff	Reason

(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	97%
Issues¹²	No critical issues were identified.
Findings¹³	No critical findings were made.
Examination Trends	Lack of updated policy and work procedures documentation

[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
Governance frameworks must be established to define the scope of work and policies that will regulate and control internal audit activities.	Implemented.

¹² “Issues” are compliance matters that arise from adopting different interpretations.

¹³ “Findings” are those with concrete basis under the company’s policies and rules.

Risk-based plans must be established to determine the priorities of the internal audit activity, consistent with the Company's goals	Implemented.
To help ensure the efficient functioning of the people management system, written instructions, guidelines or other communications that deal with policies and procedures regarding leave, attendance reporting and record keeping, and other administrative requirements shall be issued to all employees.	Implemented.

(g) Mechanisms and Safeguards

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 Internal Auditor is not authorized to: 1. Perform any operational duties for the organizations or its affiliates; 2. Initiate or approve accounting transactions external to the Internal Audit Department; and 3. Direct the activities of any organization employee not employed by the Internal Audit Department, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the internal auditors.	There are no independence concerns involving financial analyst, investment banks and rating agencies as there are no material public information being disclosed ahead to any group other than what is disclosed publicly to the regulators within the prescribed time period for reporting.		
The External Auditor is not authorized to: 1. Perform management responsibilities; 2. Provide Financial information systems design and implementation; and 3. Provide Litigation support and legal services.	There are no independence concerns involving financial analyst, investment banks and rating agencies as there are no material public information being disclosed ahead to any group other than what is disclosed publicly to the regulators within the prescribed time period for reporting.		

(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.

For 2012, the Company submitted a certification on the Company's compliance with the Manual on Corporate Governance in accordance with the requirements of SEC Memorandum Circular No. 6 Series of 2009. Said certification was signed by the Compliance Officer and countersigned by the President/CEO.

H. ROLE OF STAKEHOLDERS

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

	Policy	Activities
Customers' welfare	The Company does not have customers considering that it is a holding company.	
Supplier/contractor selection practice	For major suppliers or service providers, a request for proposal is required to be submitted based on an approved term of reference. A separate (board) committee may be designated to review	

	and evaluate proposals submitted and make recommendations for Board consideration.	
Environmentally friendly value-chain	The Company practices Corporate Social Responsibility (CSR) as part of its long-term business strategy for sustainability and continuity by providing basic social services, educational assistance, research and development aid, capability building for indigenous communities and disaster relief operations.	The Company participates in conferences on mitigating consequences of natural catastrophes. It also participates jointly in community related projects undertaken by other entities from time to time through donations, sponsorship and being resource speaker in certain events which aim to raise the insurance awareness of the general public.
Community interaction		
Anti-corruption programs and procedures?	<p>The Company does not condone any dishonest, unethical or unprofessional behaviour and actions displayed by an employee, regardless of his/her level of authority.</p> <p>It is the responsibility of each employee to report legitimate concerns so that issues can be properly investigated or resolved and corrective measures can be instituted.</p>	<p>Concerns may be raised verbally or in writing to the Human Resource Department Head while concerns involving the HRD Head should be raised to the CEO and complaints concerning the CEO should be raised to the Chairman of the Nomination Committee of the Company's Board of Directors.</p> <p>Management shall maintain the confidentiality of all the concerns or complaints raised and the anonymity of the person making the complaint to the fullest extent reasonably practicable within the legitimate needs of law.</p>
Safeguarding creditors' rights	The company manages its cash and investment position to meet its obligations arising from its business/investment transactions and other financial liabilities.	All valid claims are settled promptly and judiciously, as part of the company's commitment to its clients

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 Company is committed in providing and maintaining a safe, secure and healthy work environment. In turn, the employee has the responsibility to work safely, to keep work areas and common areas in the company clean, not just to reduce the chances of injury but also to make the office a more attractive and pleasant place to work in.

Employees are urged to report to their immediate superior accidents or any condition or practice which is unsafe, whether or not these result in personal injury or no matter how minor they might seem to be.

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

Generally regular employees undergo medical check-up with their preferred medical clinic/hospital. There have been no reported work-related accidents or health concerns in the Company.

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

New employees are given orientation on the Company's policies and procedures and made to undergo basic training.

(d) State the company's reward/compensation policy that accounts for the performance of the company

beyond short-term financial measures

The Company adopts a Performance Management System (PMS) that allows for the objective assessment of an individual's performance and development needs. The PMS shall be conducted regularly and the results of which shall be the basis for the company's compensation and rewards system, promotions policy, training and development, and succession planning programs.

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

PROCEDURE IN THE DIVISION LEVEL

- a. All violations of the company policy must be processed and as much as possible, resolved at the division level. The latter may consult with the HRD as regards interpretation of the company policy.
- b. Department head/managers may delegate the investigation and the reception of evidence to the supervisors or team leaders concerned, always taking into consideration the primacy of preserving good industrial relation between management and personnel.
- c. If the discretion of the department head the case is of a grave or serious nature, the same may be forwarded to the Disciplinary Council for further investigation.

PROCEDURE IN THE DISCIPLINARY COUNCIL

- a. Investigation for violation of company rules and policy that are not settled at the Division Level shall start with filing of proper and duly accomplished complaint form by the Department Head concerned with the HRD.
- b. Contents of the complaint form:
 - Name of the accused;
 - Designation of the offense as provided in the company policy;
 - Acts or omissions complained of as constituting the offense;
 - Name of the offended party, if any;
 - Approximate date of the commission of the offense;
 - Place where the offense was committed;
 - Circumstances for mitigation or aggravation of the offense.
- c. The HRD shall forward the complaint to the Disciplinary Council, composed of the Corporate Resource Officer, Division Head, and the Department Manager of concerned employee.
- d. Upon the filing of the complaint, the accused shall be notified in writing and furnished a copy of said complaint in order for him/her to be given a chance to respond within two (2) working days from said notification and receipt.
- e. The Disciplinary Council shall convene to review all evidence, including documents and testimonies of the accused and the witnesses for and against him.
- f. After due consideration of all the evidence presented, the case may be dismissed, suspended or in case of conviction, the necessary penalty be imposed.
- g. The majority vote of the Council shall be required for a valid decision.
- h. All the parties shall be notified of the decision by the council as soon as practicable.
- i. Before the decision of the Disciplinary Council becomes final, it may be appealed to the Office of the Chief Executive Officer who shall have the power to review, revise or reverse any decision of the Disciplinary Council.
- j. Unless modified by the Chief Executive Officer, the decision of the Disciplinary Council shall be final and executor after five (5) days from the notice to the parties concerned.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

- (a) Holding 5% shareholding or more¹⁴**

¹⁴ Based on total outstanding shares of 172,952,856,500 as of June 28, 2013.

Shareholder	Number of Shares	Percent	Beneficial Owner
PCD Nominee Corp. (Filipino)	32,743,810,260	18.93%	PCD Nominee Corporation (No stockholder owns more than 5% of the outstanding capital stock under the PCD Nominee Corp.)
Earthright Holdings, Inc.	25,000,000,000	14.45%	Earthright Holdings, Inc. (Antonio Tiu is majority stockholder, President and Chairman)
Cleantech Projektgesellschaft mbH	20,776,856,000	12.01%	Cleantech Projektgesellschaft mbH
Sunchamp Real Estate Developmen Corp.	17,600,000,000	10.18%	Sunchamp Real Estate Developmen Corp. (Antonio Tiu is majority stockholder, President and Chairman)
PCD Nominee Corp. (Non-Filipino)	12,060,073,000	6.97%	PCD Nominee Corporation (No stockholder owns more than 5% of the outstanding capital stock under the PCD Nominee Corp.)

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Antonio Tiu	1,000,000	6,000,000,000 (through Three Star Capital Ltd.)	
		25,000,000,000 (through Earthright Holdings, Inc.)	
		17,600,000,000 (through Sunchamp Real Estate Development Corp.)	
TOTAL	1,000,000	48,600,000,000	28.10%

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 programs 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.

(i) Details of whistle-blowing policy and (ii) training and/or continuing education programs attended by each director/commissioner are not required to be indicated in SEC Form 17-A, as amended (Annual Report).

3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
BDO Alba Romeo and Co. (2012)	Php150,000.00	None
BDO Alba Romeo and Co. (2011)	Php234,950.00	None

4) Medium of Communication

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

a) Website: <http://www.ghi.com.ph>

b) Facebook: <https://www.facebook.com/greenergyholdings>

c) Uploading of announcements, disclosures, structured and unstructured reports in the Philippine Stock Exchange portal.

d) Disclosures and reports are also public records which are available in the Securities and Exchange Commission.

5) Date of release of audited financial report: April 30, 2013

The Company filed a request for extension (SEC Form 17-L) to file the Annual Report (containing the audited financial statements for 2012) with the SEC on April 15, 2013 and filed the Annual Report and audited financial statements for 2012 with the SEC within the extended period of on or before April 30, 2013.

6) Company Website

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

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

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

7) **Disclosure of RPT**

RPT	Relationship	Nature	Value
Officers and employees	Officers and employees of the Company	Advances to the Company	Php886,307.00

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 fully disclosed to the Board of Directors and are done in the regular course of business and conducted on an arm's length basis, negotiated based on prevailing competitive commercial terms. None of the Company's shareholders are granted special privileges or concessions.

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.

Quorum Required	A quorum at any meeting of the stockholders shall consist of stockholders representing at least a majority of the outstanding capital stock except in those cases where the Corporation Code of the Philippines requires greater proportion. In the event of lack of quorum, the Chairman of the meeting or a majority interest of the stockholders present in person or represented by proxy may adjourn the meeting from time to time without notice other than announcement of the meeting, until a quorum shall be obtained. At any such adjourned meeting at which there is a quorum, any business may be transacted which might have been transacted at the meeting originally called.
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(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	For the ratification of the acts of the Board of Directors and Officers, the vote required is a majority of the outstanding common stock present in person or by proxy, provided constituting a quorum.
Description	The method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The votes shall be counted by a show of hands or, upon motion duly made and seconded, by secret ballot.

(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 <u>not</u> in The Corporation Code
All stockholders' rights are in accordance with the Corporation Code.	None.

Dividends

Declaration Date	Record Date	Payment Date
None	None	None

(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
<p>The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the Company. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.</p> <p>It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights.</p> <p>The Board should take the appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether in person or by proxy. Accurate and timely information should be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.</p> <p>Although all stockholders should be treated equally or without discrimination, and without prejudice to compliance with the provisions of the Corporation Code, the Securities Regulation Code and all relevant rules and regulations, the Board should give 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 Company.</p>	<ol style="list-style-type: none"> 1. Shareholders are provided through public records, communication media, and the Company's website, the disclosures, announcements and reports filed with the SEC, PSE, IC and other regulating agencies. 2. Shareholders are allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code. 3. Shareholders, upon request, are provided with periodic reports which disclose personal and professional information about the directors, officers and certain other matters such as their shareholdings, dealings with the Company, relationships among directors and key officers, and the aggregate compensation of directors and officers. 4. Stockholders are informed at least 15 business days before the scheduled date of the Annual Stockholders' Meeting. The Notice of Meeting includes the date, time, venue and agenda of the meeting, the record date of stockholders entitled to vote, and the date and place of proxy validation. 5. Each share entitles the holder to one vote that may be exercised in person or by proxy at shareholder meetings, including the Annual Stockholders' Meeting. Shareholders have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code. 6. Voting procedures on matters presented for approval to the stockholders in the Annual Stockholders' Meeting are set out in the Definitive Information Statement, which is sent to all stockholders of record at least 15 days before the date of meeting.

	<p>7. The Company has also designated relations officers to handle investor and shareholder queries and requests, and their contact information can easily be accessed through the Company's website.</p> <p>8. The Company continues to actively maintain its website to provide timely information updates on its governance, operational, and financial performance.</p>
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- 2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:**
- a. Amendments to the company's constitution**
 - b. Authorization of additional shares**
 - c. Transfer of all or substantially all assets, which in effect results in the sale of the company**

Shareholders have the right to actively participate in the above corporate decisions (a,b,c) through shares held as each share entitles the holder to one vote that may be exercised in person or by proxy at shareholder meetings, including the Annual Stockholders' Meeting. Shareholders have the right to elect, remove and replace directors and vote on certain corporate acts (which also includes the above corporate decision matters) in accordance with the Corporation Code.

Voting procedures on matters presented for approval to the stockholders in the Annual Stockholders' Meeting are set out in the Definitive Information Statement, which is sent to all stockholders of record at least 15 days before the date of meeting.

- 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?**

No. The Company observes the minimum 15 business days requirement under Rule 20 of the Securities Regulation Code Implementing Rules and Regulations.

- a. Date of sending out notices: November 19, 2012**
- b. Date of the Annual/Special Stockholders' Meeting: December 11, 2012**

- 4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting. NONE.**

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

Resolution	Approving	Dissenting	Abstaining
1. Approval of the Minutes of the Annual Meeting of the Stockholders held on October 19, 2011;	77.14% (110,190,166,000 shares)		
2. Adoption of the Audited Financial Statements for the calendar year ended December 31, 2011, as contained in the Annual Report;	77.14% (110,190,166,000 shares)		
3. Issuances of the following primary common shares and warrants, and to cause listing thereof, as may be necessary:	77.14% (110,190,166,000 shares)		

<p>a. 25,000,000,000 primary common shares issued to Earthright Holdings, Inc. at par value of P0.01 per share, pursuant to the increase in authorized capital stock from P1 Billion to P2 Billion as approved by the Securities and Exchange Commission on March 8, 2012;</p> <p>b. 2,500,000,000 primary common shares issued to Southern Field Limited at par value of P0.01 per share, per Subscription Agreement dated July 18, 2012;</p> <p>c. 20,776,856,000 primary common shares issued on October 5, 2012 to Cleantech Projektgesellschaft mbH for a total subscription price of PhP415,537,300.00, and two (2) Warrant Certificates under the American call option covering 10,489,500,000 shares of the Company with a strike price of P0.02 per share and 10,489,500,000 shares of the Company with a strike price of P0.03 per share, exercisable within 1 year and 3 years from issuance, respectively;</p> <p>d. 25,200,000,000 primary common shares issued to various private placement investors on October 31, 2012 at par value of P0.01 per share; and</p> <p>e. 8,500,000,000 primary common shares approved on November 16, 2012 to be issued to various private placement investors at par value of P0.01 per share.</p>			
<p>4. Waiver by majority of the minority shareholders of the requirement, if any, to conduct a rights or a public offering with respect to the shares enumerated in the preceding item;</p>	<p>77.14% (110,190,166,000 shares)</p>		
<p>5. Amendments to the Company's Articles of Incorporation and By-Laws to effect the following changes and to delegate the determination thereof to the Board of Directors:</p> <p>a. Change of corporate name; and</p> <p>b. Increase of authorized capital stock from P2 Billion up to an amount not exceeding P10 Billion.</p>	<p>77.14% (110,190,166,000 shares)</p>		
<p>6. Authority for Music Semiconductors Philippines, Inc. ("MSPI") (39%-owned) to look for prospective investors to fund its expansion with waiver on the preemptive right to subscribe to any of its future issuance of shares and further</p>	<p>77.14% (110,190,166,000 shares)</p>		

authority to list its shares with the PSE in compliance with existing rules;			
7. Investment in companies or acquisition of assets and delegation of authority to the Board of Directors;	77.14% (110,190,166,000 shares)		
8. Investments in Isabela Alcogas Corporation amounting to P25 Million worth of shares with authority to make advances up to P50 Million, and in Total Waste Management Recovery Systems, Inc. up to P300 Million;	77.14% (110,190,166,000 shares)		
9. All prior acts, resolutions and decisions of the Board of Directors and Management; and	77.14% (110,190,166,000 shares)		
10. Appointment of BDO Alba Romeo & Co. as External Auditor for the calendar year 2012	77.14% (110,190,166,000 shares)		
	77.14% (110,190,166,000 shares)		

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

Disclosed through the PSE on December 11, 2012 and through the SEC on December 14, 2012.

(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: **NONE**

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	George Uy Antonio Tiu John Aloysius Bernas Martin Subido Manuel Bengson Alfred Tong	December 11, 2012	By show of hands	19.61% (28,000,301,400)	57.53% (82,189,864,600)	77.14% (110,190,166,000 out of 142,852,856,500)

	Benjamin Lim (ID)					
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 stock transfer agent in coordination with the Corporate Secretary of the Company.

(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

(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	All stockholders who will not, are unable, or do not expect to attend the meeting in person are urged to fill out, date, sign and send the proxy enclosed in the Notice to the Corporation not later than November 29, 2012 (for the December 11, 2012 Annual Meeting).
Notary	The proxy need not be notarized. The By-Laws of the Company do not require notarization.
Submission of Proxy	At least 10 days prior to the date of the meeting as provided in the By-Laws.
Several Proxies	<p>Where the corporation receives more than one proxy from the same stockholder and they are all undated, the postmark dates shall be considered. If the proxies are mailed on the same date, the one bearing the latest time of day of postmark is counted. If the proxies are not mailed, then the time of their actual presentation is considered. That which is presented last will be recognized.</p> <p>Where a proxy is given to two or more persons in the alternative in one instrument, the proxy designated as an alternative can only as proxy in the event of non-attendance designated person.</p> <p>Where the same stockholder gives two or more proxies, the latest one given is to be deemed to revoke all former proxies.</p> <p>If the stockholder intends to designate several proxies, the number of shares of stock to be represented by each proxy shall be specifically indicated in the proxy form. If some of the proxy forms do not indicate the number of shares, the total shareholding of the stockholder shall be tallied and the balance thereof, if any, shall be allotted to the holder of the proxy form without the number of shares. If all are in blank, the stocks shall be distributed equally among the proxies. The number of persons to be designated as proxies may be limited by the By-laws.</p>
Validity of Proxy	Unless stated otherwise, a proxy shall be valid only for the

	meeting for which it is intended. No proxy shall be valid for more than 5 years.
Proxies executed abroad	Proxies executed abroad shall be duly authenticated by the Philippine Embassy or Consular Office.
Invalidated Proxy	Not counted in the determination of the no. of shares represented in the meeting.
Validation of Proxy	The Proxies submitted shall be validated by a Committee of Inspectors commencing on December 4, 2012 (for the December 11, 2012 Annual Meeting) at the office of the Corporation's stock and transfer agent, RGFS Registry and Agency Services, Inc. at Unit 5-B, 8101 Pearl Plaza Building, Pearl Drive, Brgy. San Antonio, Ortigas Center, Pasig City.
Violation of Proxy	Any violation shall be subject to the administrative sanctions provided for under Section 144 of the Corporation Code; Section 56 of the Revised Securities Act and PD 902-A, as amended.

(h) Sending of Notices

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

Policies	Procedure
Notices for regular or special stockholders' meetings may be sent by the Secretary by personal deliver, or by mail or facsimile transmission to each stockholders of record at his last known post office address or facsimile number, or by publication in a newspaper of general circulation within such period as may from time to time be required by law or regulation.	The CD format of the Definitive Information Statement, together with the hard copy of the Agenda and proxy, is sent out via courier and in coordination with the stock transfer agent.

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	929 (including beneficial owners under PCD Nominee Corp.)
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	November 19, 2012
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	November 19, 2012
State whether CD format or hard copies were distributed	CD format of Definitive Information Statement and hard copy of agenda and proxy
If yes, indicate whether requesting stockholders were provided hard copies	Yes

(j) Does the Notice of Annual/Special Stockholders' Meeting include the following:

Each resolution to be taken up deals with only one item.	Yes*
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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*

*Provided in the Definitive Information Statement (SEC Form 20-IS) which is sent/disseminated together with the Notice of Annual/Special Stockholders' Meeting.

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
<p>The Board shall respect the rights of the stockholders as provided for in the Corporation Code, namely:</p> <p>(i) Right to vote on all matters that require their consent or approval; (ii) Right to inspect corporate books and records; (iii) Right to information; (iv) Right to dividends; and (v) Appraisal right.</p> <p>The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the Company. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.</p>	<ol style="list-style-type: none"> 1. Shareholders are informed at least 15 business days before the scheduled date of the Annual Stockholders' Meeting. 2. Each share entitles the holder to one vote that may be exercised in person or by proxy at shareholders meeting, including the Annual Stockholders' Meeting. 3. Voting procedures on matters presented for approval to the stockholders in the Annual Stockholders' meeting are set out in the Definitive Information Statement, which is sent to all stockholders of record at least 15 days before the date of meeting. 4. Shareholders are provided through public records, communication media, and the Company's website, the disclosures, announcements and reports filed with the SEC, PSE and other regulating agencies. 5. The Board of Directors are authorized to declare dividends out of the unrestricted retained earnings of the Company, which may be payable in cash, in property, or in stock to all stockholders.

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

All stockholders of the Company have the right to nominate candidate to the Board of Directors.

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.

The Company has set-up communication channels that promote effective communication with its shareholders and the investing community. Aside from the regular reporting and disclosures to the various regulating agencies such as the SEC and PSE, the Company actively maintains its website that provides timely information updates on its governance, operational, and financial performance. The Company has also designated relations officers to handle investor and shareholder queries and requests, and their contact information can easily be accessed through the Company's website. The President/CEO and Chief Financial Officer (CFO) exercises oversight responsibility over this investor relations program.

- 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.

	Details
(1) Objectives	To build better understanding and cultivate a relationship of trust with stakeholders, the Company has set-up communication channels that promote effective communication with its shareholders and the investing community.
(2) Principles	Handle investors and shareholders queries and requests as a top priority matter and therefore, immediate resolution is required.
(3) Modes of Communications	Company Website and PSE Website for all our corporate disclosures.
(4) Investors Relations Officer	Atty. Lenie Basilio, Alternate Information Officer, Tel. Phone. No. 661-6945, Fax No. 6216742

- 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?

The Company does not have a separate rule or procedure governing the acquisition of corporate control in the capital markets and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets other than the provisions stated under Sections 40, 81 and 82 of the Corporation Code of the Philippines.

SEC. 40. Sale or other disposition of assets.- "... a corporation may, by a majority vote of its board of directors or trustees, sell, lease, exchange, mortgage, pledge or otherwise dispose of all or substantially all of its property and assets, including its goodwill, upon such terms and conditions and for such consideration, which may be money, stocks, bonds or other instruments for the payment of money or other property or consideration, as its board of directors or trustees may deem expedient, when authorized by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock... in a stockholders' or members' meeting duly called for the purpose."

SEC. 81. Instances of appraisal right.- "Any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

1. In case of amendment to the Articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;

2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Code; and

3. In case of merger or consolidation."

SEC. 82. How right is exercised.- "The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares..."

Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price. NONE

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

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

Initiative	Beneficiary
Conducts medical and dental Missions. The company taps its pool of volunteers, friends and employees to visit different parts of Luzon and provide free professional services to selected beneficiaries.	Poor and underprivileged communities in Luzon
Disaster Relief During emergencies	Victims of local disasters.

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	No formal performance evaluation is in place however, the Board, through its Audit Committee, performs a self-evaluation in which the current and potential state of the Company's corporate governance practices were rated using best practice guidelines issued by the PSE (criteria used).	
Board Committees	Audit Committee conducts annual performance evaluation in compliance with the SEC requirement per SEC Memo Circular No. 4, Series of 2012.	Guidelines for the Assessment of the Performance of Audit Committee of Companies Listed on the Exchange.
Individual Directors	No formal evaluation process in place.	
CEO/President	The Nomination and Compensation Committee conducts a performance evaluation of the CEO/President	

N. INTERNAL BREACHES AND SANCTIONS

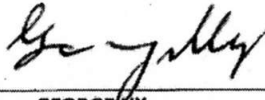
Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees

Violations	Sanctions
First violation	The subject person shall be reprimanded.
Second violation	Suspension from office shall be imposed, the duration of the suspension shall depend on the gravity of the violation.
Third violation	The maximum penalty of removal from office shall be imposed.

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 Makati on June 28, 2013.

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 Makati on June 28 2013.

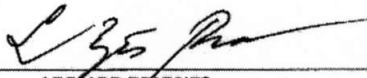
SIGNATURES



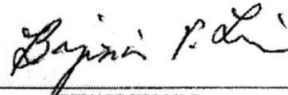
GEORGE UY
Chairman of the Board



ANTONIO TIW
Chief Executive Officer



LEONOR BRIONES
Independent Director



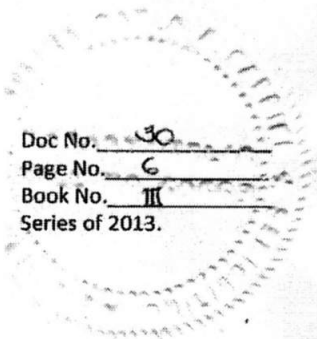
BENJAMIN LIM
Independent Director



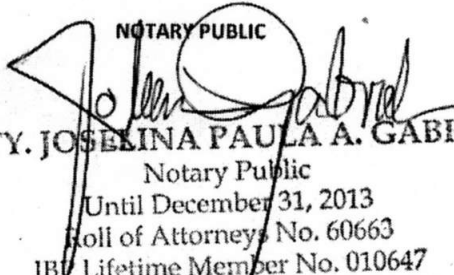
MARTIN SUBIDO
Compliance Officer

SUBSCRIBED AND SWORN to before me this 28th day of June 2013, affiant(s) exhibiting to me their valid identifications, as follows:

NAME	I.D. NO.	Valid Until	PLACE OF ISSUE
ANTONIO L. TIW	Passport No. EB4436922	11 Jan. 2017	DFA-Manila
GEORGE UY	Driver's License No. N17-71-010242	18 October 2015	LTO- East. Ave., Q.C.
LEONOR BRIONES	Senior Citizen's ID No. 17935		Quezon City
BENJAMIN LIM	Senior Citizen's ID No. 14867		Quezon City
ATTY. MARTIN SUBIDO	Passport No. XX5410336	29 January 2015	DFA-Manila



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Series of 2013.

NOTARY PUBLIC

ATTY. JOSEELINA PAULA A. GABRIEL
Notary Public
Until December 31, 2013
Roll of Attorneys No. 60663
IBI Lifetime Member No. 010647
PTR No. 3680876/01-11-13/Makati City
Notarial Commission No. M-523
TIN 276-796-846
MCLE Compliance No. IV-0011446/01-15-13