

# COVER SHEET

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S.E.C. Registration Number

BHI HOLDINGS INC  
( formerly Consolidated  
Insurance Company Inc )

(Company's Full Name)

22nd Floor The Pearlbank Ctr

146 Valero St Salcedo Villi Mkt

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

Rosalie A. Esteibar

Contact Person

840-2961

Company Telephone Number

1 2 3 1

Month Day  
Calendar Year

ACGR

FORM TYPE

0 5 4 F

Month Day  
Annual Meeting

Secondary License Type, If Applicable

M R D

Dept. Requiring this Doc.

N/A

Amended Articles Number/Section

3 3 6

Total No. of Stockholders

Total Amount of Borrowings

N/A

Domestic

N/A

Foreign

To be accomplished by SEC Personnel concerned

File Number

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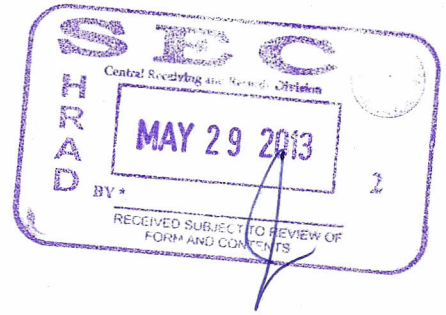
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STAMPS

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 .....BHI HOLDINGS, INC.....
3. 22/F THE PEARLBANK CENTRE 146 VALERO ST. SALCEDO VILLAGE, MAKATI CITY .....  
Address of Principal Office Postal Code
4. SEC Identification Number .....22264..... 5. [REDACTED] (SEC Use Only)  
Industry Classification Code
6. BIR Tax Identification Number ....000 446 527 000.....
7. ....(02) 840-2961.....  
Issuer's Telephone number, including area code
8. ....  
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	11
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Actual number of Directors for the year	11
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#### (a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) <sup>1</sup>	Elected when (Annual /Special Meeting)	No. of years served as director
Manuel N. Tankiansee	ED	No		2000	2012	Annual	12 yrs
Juanita U. Tan	ED	No		2000	2012	Annual	12 yrs
Rosalie A. Esteibar	ED	No		2012	2012	Annual	1 yr
Jemie U. Tan	NED	No		2000	2012	Annual	12 yrs
Marilou U. Pua	NED	No		2000	2012	Annual	12 yrs
Jalane Christie U. Tan	NED	No		2004	2012	Annual	8 yrs
Julie C.Dela Cuz	NED	No		2008	2012	Annual	4 yrs
Miguel Ocampo Tan	NED	No		2000	2012	Annual	12 yrs
Emma Keng Ocampo Tan	NED	No		2000	2012	Annual	12 yrs
Rudin Gonzales	ID	No		2001	2012 (11 YRS)	Annual	11 yrs
Felisa P. Escudero	ID	No		2008	2012 (4YRS)	Annual	4 yrs

- (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.

**BHI HOLDINGS, INC.**  
**STATEMENT OF CORPORATE GOVERNANCE**  
**(Last Updated: May 2013)**

This Statement of corporate governance has been established by the Board of Directors (the "Board") of BHI HOLDINGS, INC., (the "Company"), and is intended, together with the Company's Articles of Incorporation, Amended-By-Laws, other corporate governance documents and all applicable laws, to be a flexible framework within which the Board may conduct its business.

#### **The Board of Directors**

The Board establishes broad corporate policies for the Company, sets the strategic direction of the Company and guides management to enhance the interest of the Company and its stockholders. The Company's Amended-By-Laws contain the responsibilities of the Board and it is also responsible for the corporate governance of the Company.

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

## Ethical Standards

The Board is committed to acting with utmost integrity and expects the same of every employee at every level of the Company. It is the Company's policy to conduct its affairs in compliance with all applicable laws and regulations and observe the highest standards of business ethics. The company intends that the spirit as well as the letter of those standards is followed by all directors, officers, and employees of the Company.

## Stockholder Relations

Stockholders play an integral part of corporate governance and the Board ensures that stockholders are kept fully informed of material company information. It is the policy of the Company to facilitate communications of stockholders and other interested parties with the Board and its committees. In addition, any stockholder or other interested party wishing to communicate with the Company, its Board, any committee of the Board, may do so by submitting such communications in writing and sending it by regular mail to the attention of BHI HOLDINGS, INC. 146 Valero Street, The Pearlbank Centre, Salcedo Village, Makati City, Philippines 1200.

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

(d) Directorship in Other Companies

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

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Juanita U. Tan	Bulk Handlers, Inc.	Executive
Jemie U. Tan	Bulk Handlers, Inc.	Non Executive

(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.
Not applicable	Not applicable	Not applicable

(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
Not applicable	Not applicable	Not applicable

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

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

	Guidelines	Maximum Number of Directorships in other companies
<b>Executive Director</b>	Not applicable	Not applicable
<b>Non-Executive Director</b>	Not applicable	Not applicable
<b>CEO</b>	Not applicable	Not applicable

(c) 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
Manuel N. Tankiansee	100	None	.0003
Juanita U. Tan	5,800	None	.0166
Rosalie A. Esteibar	6,000	None	.0171
Jemie U. Tan	100	None	.0003
Marilou U. Pua	6,100	None	.0003
Jalane Christie U. Tan	18,000	None	.0514
Julie C. Dela Cuz	6,000	None	.0171
Miguel Ocampo Tan	100	None	.0003
Emma Keng Ocampo Tan	100	None	.0003
Rudin A. Gonzales Jr.	100	None	.0003
Felisa P. Escudero	6,000	None	.0171

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	Manuel N. Tankiansee
CEO/President	Juanita U. Tan

(b) Roles, Accountabilities and Deliverables

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

	Chairman	Chief Executive Officer
Role	Ensure that the meetings of the board are held in accordance with the by-laws of the Corporation.	Have direct and active management of the business and operations of the corporation.
Accountabilities	As provided by Articles of Incorporation and by-laws	As provided by Articles of Incorporation and by-laws
Deliverables	As provided by Articles of Incorporation and by-laws	As provided by Articles of Incorporation and by-laws

3) Explain how the board of directors plans for the succession of the CEO/Managing Director/President and the top key management positions? The Company is committed to the professional and skills training of all its current employees and are provided the opportunities to fill top management roles.

4) Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the board? Please explain. The Company is committed to ensuring that its Directors come from diverse backgrounds and experiences.

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

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

	<b>Executive</b>	<b>Non-Executive</b>	<b>Independent Director</b>
Role	Responsible for designing, implementing strategic plan for the Company	Responsible for promoting the success of the Company	Providing balance towards resolving conflict areas
Accountabilities	As provided by Articles of Incorporation and by-laws	As provided by Articles of Incorporation and by-laws	As provided by Articles of Incorporation and by-laws
Deliverables	As provided by Articles of Incorporation and by-laws	As provided by Articles of Incorporation and by-laws	As provided by Articles of Incorporation and by-laws

Provide the company’s definition of "independence" and describe the company’s compliance to the definition. The Company ensures “independence” allows individuals serving the company to make unbiased judgments relating to the business of the Company.

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.

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:

<b>Name</b>	<b>Position</b>	<b>Date of Cessation</b>	<b>Reason</b>
Romulo A. Sigua	Vice President	October 2012	Death

(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:

<b>Procedure</b>	<b>Process Adopted</b>	<b>Criteria</b>
<b>a. Selection/Appointment</b>		



(i) Executive Directors	Based on professional/industry	Academic qualifications
(ii) Non-Executive Directors	Based on professional/industry	Academic qualifications
(iii) Independent Directors	Based on professional/industry	Academic qualifications
<b>b. Re-appointment</b>		
(i) Executive Directors	Based on professional/industry	Academic qualifications
(ii) Non-Executive Directors	Based on professional/industry	Academic qualifications
(iii) Independent Directors	Based on professional/industry	Academic qualifications
<b>c. Permanent Disqualification</b>		
(i) Executive Directors	As per Company's Articles, By-laws, SEC regulations and other applicable laws	As per Company's Articles, By-laws, SEC regulations and other applicable laws
(ii) Non-Executive Directors	As per Company's Articles, By-laws, SEC regulations and other applicable laws	As per Company's Articles, By-laws, SEC regulations and other applicable laws
(iii) Independent Directors	As per Company's Articles, By-laws, SEC regulations and other applicable laws	As per Company's Articles, By-laws, SEC regulations and other applicable laws
<b>d. Temporary Disqualification</b>		
(i) Executive Directors	As per Company's Articles, By-laws, SEC regulations and other applicable laws	As per Company's Articles, By-laws, SEC regulations and other applicable laws
(ii) Non-Executive Directors	As per Company's Articles, By-laws, SEC regulations and other applicable laws	As per Company's Articles, By-laws, SEC regulations and other applicable laws
(iii) Independent Directors	As per Company's Articles, By-laws, SEC regulations and other applicable laws	As per Company's Articles, By-laws, SEC regulations and other applicable laws
<b>e. Removal</b>		
(i) Executive Directors	As per Company's Articles, By-laws, SEC regulations and other applicable laws	As per Company's Articles, By-laws, SEC regulations and other applicable laws
(ii) Non-Executive Directors	As per Company's Articles, By-laws, SEC regulations and other applicable laws	As per Company's Articles, By-laws, SEC regulations and other applicable laws
(iii) Independent Directors	As per Company's Articles, By-laws, SEC regulations and other applicable laws	As per Company's Articles, By-laws, SEC regulations and other applicable laws
<b>f. Re-instatement</b>		
(i) Executive Directors	As per Company's Articles, By-laws, SEC regulations and other applicable laws	As per Company's Articles, By-laws, SEC regulations and other applicable laws
(ii) Non-Executive Directors	As per Company's Articles, By-laws, SEC regulations and other applicable laws	As per Company's Articles, By-laws, SEC regulations and other applicable laws
(iii) Independent Directors	As per Company's Articles, By-laws, SEC regulations and other applicable laws	As per Company's Articles, By-laws, SEC regulations and other applicable laws
<b>g. Suspension</b>		
(i) Executive Directors	As per Company's Articles, By-laws, SEC regulations and other applicable laws	As per Company's Articles, By-laws, SEC regulations and other applicable laws

(ii) Non-Executive Directors	As per Company's Articles, By-laws, SEC regulations and other applicable laws	As per Company's Articles, By-laws, SEC regulations and other applicable laws
(iii) Independent Directors	As per Company's Articles, By-laws, SEC regulations and other applicable laws	As per Company's Articles, By-laws, SEC regulations and other applicable laws

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

Name of Director	Votes Received
Manuel N. Tankiansee	Not applicable
Juanita U. Tan	Not applicable
Rosalie A. Esteibar	Not applicable
Jemie U. Tan	Not applicable
Marilou U. Pua	Not applicable
Jalane Christie U. Tan	Not applicable
Julie C. Dela Cuz	Not applicable
Miguel Ocampo Tan	Not applicable
Emma Keng Ocampo Tan	Not applicable
Rudin A. Gonzales Jr.	Not applicable
Felisa P. Escudero	Not applicable

#### 6) Orientation and Education Program

- (a) Disclose details of the company's orientation program for new directors, if any. None provided
- (b) State any in-house training and external courses attended by Directors and Senior Management<sup>3</sup> for the past three (3) years: Not applicable
- (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
Not applicable	Not applicable	Not applicable	Not applicable

#### 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	Disclosure required	Disclosure required	Disclosure required
(b) Conduct of Business and Fair Dealings	Disclosure required	Disclosure required	Disclosure required
(c) Receipt of gifts from third parties	Disclosure required	Disclosure required	Disclosure required

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

(d) Compliance with Laws & Regulations	Disclosure required	Disclosure required	Disclosure required
(e) Respect for Trade Secrets/Use of Non-public Information	Disclosure required	Disclosure required	Disclosure required
(f) Use of Company Funds, Assets and Information	Disclosure required	Disclosure required	Disclosure required
(g) Employment & Labor Laws & Policies	As provided by Articles of Incorporation, by-laws, and applicable laws and regulations	As provided by Articles of Incorporation, by-laws, and applicable laws and regulations	As provided by Articles of Incorporation, by-laws, and applicable laws and regulations
(h) Disciplinary action	As provided by Articles of Incorporation, by-laws, and applicable laws and regulations	As provided by Articles of Incorporation, by-laws, and applicable laws and regulations	As provided by Articles of Incorporation, by-laws, and applicable laws and regulations
(i) Whistle Blower	Not applicable	Not applicable	Not applicable
(j) Conflict Resolution	Mediation/Arbitration	Mediation/Arbitration	Mediation/Arbitration

- 2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees? Yes
- 3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.  
The Company implements and monitors compliance with the code of ethics or conduct with an annual review.
- 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 Corporation does report and disclose all RPTs, regardless of its significance.
(2) Joint Ventures	Not applicable
(3) Subsidiaries	Not applicable
(4) Entities Under Common Control	The Corporation does report and disclose all RPTs, regardless of its significance.
(5) Substantial Stockholders	Not applicable
(6) Officers including spouse/children/siblings/parents	The Corporation does report and disclose all RPTs, regardless of its significance.
(7) Directors including spouse/children/siblings/parents	The Corporation does report and disclose all RPTs, regardless of its significance.
(8) Interlocking director relationship of Board of Directors	Not applicable

(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.

	<b>Details of Conflict of Interest (Actual or Probable)</b>
Name of Director/s	Not applicable
Name of Officer/s	Not applicable
Name of Significant Shareholders	Not applicable

(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.

	<b>Directors/Officers/Significant Shareholders</b>
Company	Not applicable
Group	Not applicable

5) Family, Commercial and Contractual Relations

(a) Indicate, if applicable, any relation of a family,<sup>4</sup> commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

<b>Names of Related Significant Shareholders</b>	<b>Type of Relationship</b>	<b>Brief Description of the Relationship</b>
Not applicable	Not applicable	Not applicable

(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:

<b>Names of Related Significant Shareholders</b>	<b>Type of Relationship</b>	<b>Brief Description</b>
Not applicable	Not applicable	Not applicable

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

<b>Name of Shareholders</b>	<b>% of Capital Stock affected (Parties)</b>	<b>Brief Description of the Transaction</b>
Not applicable	Not applicable	Not applicable

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.

	<b>Alternative Dispute Resolution System</b>
<b>Corporation &amp; Stockholders</b>	Not applicable
<b>Corporation &amp; Third Parties</b>	Not applicable
<b>Corporation &amp; Regulatory Authorities</b>	Not applicable

**C. BOARD MEETINGS & ATTENDANCE**

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

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

2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Manuel N. Tankiansee	2012	4	4	100
Member	Juanita U. Tan	2012	4	4	100
Member	Rosalie A. Esteibar	2012	4	1	100
Member	Jemie U. Tan	2012	4	4	100
Member	Marilou U. Pua	2012	4	4	100
Member	Jalane Christie U. Tan	2012	4	4	100
Member	Julie C. Dela Cruz	2012	4	4	100
Member	Miguel Ocampo Tan	2012	4	4	100
Member	Emma Keng Ocampo Tan	2012	4	4	100
Independent	Rudin A. Gonzales Jr.	2012	4	4	100
Independent	Felisa P. Escudero	2012	4	4	100

3) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times? No

4) Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain.  
No. Majority of the Board of Directors

5) Access to Information

(a) How many days in advance are board papers<sup>5</sup> for board of directors meetings provided to the board? At least 15 days.

(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? The Corporate Secretary performs responsibilities provided for in the Company's Articles of Incorporation and by-laws.

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

(e) Committee Procedures

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes  No

Committee	Details of the procedures
Executive	Requests are to be made in writing and addresses to the Company's offices.
Audit	Requests are to be made in writing and addresses to the Company's offices.
Nomination	Requests are to be made in writing and addresses to the Company's offices.

<sup>5</sup> 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.

Remuneration	Requests are to be made in writing and addresses to the Company's offices.
Others (specify)	Requests are to be made in writing and addresses to the Company's offices.

6) External Advice

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

Procedures	Details
External advice requires board approval	Not applicable

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
Not applicable	Not applicable	Not applicable

#### D. REMUNERATION MATTERS

1) Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	Yes	Yes
(2) Variable remuneration	Not applicable	Not applicable
(3) Per diem allowance	Not applicable	Not applicable
(4) Bonus	Not applicable	Not applicable
(5) Stock Options and other financial instruments	Not applicable	Not applicable
(6) Others (specify)	Not applicable	Not applicable

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	Not applicable	Not applicable	Not applicable
Non-Executive Directors	Not applicable	Not applicable	Not applicable

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.

Remuneration Scheme	Date of Stockholders' Approval
Not applicable	Not applicable
Not applicable	Not applicable
Not applicable	Not applicable

### 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	1,428,000.00	Not applicable	Not applicable
(b) Variable Remuneration	Not applicable	Not applicable	Not applicable
(c) Per diem Allowance	Not applicable	Not applicable	Not applicable
(d) Bonuses	Not applicable	Not applicable	Not applicable
(e) Stock Options and/or other financial instruments	Not applicable	Not applicable	Not applicable
(f) Others (Specify)	Not applicable	Not applicable	Not applicable
<b>Total</b>	1,428,000.00	Not applicable	Not applicable

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	Not applicable	Not applicable	Not applicable
2) Credit granted	Not applicable	Not applicable	Not applicable
3) Pension Plan/s Contributions	Not applicable	Not applicable	Not applicable
(d) Pension Plans, Obligations incurred	Not applicable	Not applicable	Not applicable
(e) Life Insurance Premium	Not applicable	Not applicable	Not applicable
(f) Hospitalization Plan	Not applicable	Not applicable	Not applicable
(g) Car Plan	Not applicable	Not applicable	Not applicable
(h) Others (Specify)	Not applicable	Not applicable	Not applicable
<b>Total</b>	Not applicable	Not applicable	Not applicable

### 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
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

(b) Amendments of Incentive Programs

Indicate any amendments and discontinuation of any incentive programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:

Incentive Program	Amendments	Date of Stockholders' Approval
Not applicable	Not applicable	Not applicable

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
Not applicable	Not applicable
Not applicable	
Not applicable	
Not applicable	
Not applicable	

**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	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Audit	2		1			Responsible for reviewing annual and interim reports.	
Nomination	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Remuneration	Not	Not	Not	Not	Not	Not	Not



	applicable	applicable	applicable	applicable	applicable	applicable	applicable
Others (specify)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Member (ED)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Member (NED)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Member (ID)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Member	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	RUDIN A. GONZALES JR.	2001				11 YRS
Member (ED)	JUANITA U. TAN	2001				11 YRS
Member (ED)	ROSALIE A. ESTEIBAR	2012				1 YR
Member (ID)						
Member						

Disclose the profile or qualifications of the Audit Committee members. The Audit Committee shall consist of at least three (3) members of the Board, and its members shall be appointed by and serve at the discretion of the Board. Each member shall be able to understand fundamental financial statements and have proper experiences in financial aspect. The audit committee members have relevant financial experiences.

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

The audit committee is responsible for reviewing the annual and interim reports prior to submission to the board for approval.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Rudin A. Gonzales Jr.	2001				11 YRS
Member	Mary Jean Beira	2001				11 YRS
Member	Manuel Palaje	2001				11 YRS

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Member (ED)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Member (NED)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Member (ID)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Member	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

(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	Not applicable	Not applicable	Not applicable	Not applicable		Not applicable
Member (ED)	Not applicable	Not applicable	Not applicable	Not applicable		Not applicable
Member (NED)	Not applicable	Not applicable	Not applicable	Not applicable		Not applicable
Member (ID)	Not applicable	Not applicable	Not applicable	Not applicable		Not applicable
Member	Not applicable	Not applicable	Not applicable	Not applicable		Not applicable

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	Not applicable	Not applicable
Audit	Romulo A. Sigua	Death
Nomination	Not applicable	Not applicable
Remuneration	Not applicable	Not applicable
Others (specify)	Not applicable	Not applicable

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	Not applicable	Not applicable
Audit	Not applicable	Not applicable
Nomination	Not applicable	Not applicable
Remuneration	Not applicable	Not applicable
Others (specify)	Not applicable	Not applicable

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	Not applicable	Not applicable
Audit	Not applicable	Not applicable
Nomination	Not applicable	Not applicable
Remuneration	Not applicable	Not applicable
Others (specify)	Not applicable	Not applicable

**F. RISK MANAGEMENT SYSTEM**

1) Disclose the following:

- (a) Overall risk management philosophy of the company;

**BHI HOLDINGS, INC.  
RISK MANAGEMENT STATEMENT  
(Last updated: May 2013)**

This statement of risk management has been established by the Board of Directors (the “Board”) of BHI HOLDINGS, INC., (the “Company”), and is intended, together with the Company’s Articles of Incorporation, Amended-By-Laws, other corporate governance documents and all applicable laws, to be a flexible framework within which the Board may conduct its business.

The Board has reviewed the effectiveness of the risk management system and deems it to be sufficiently adequate. The Board shall review the risk management system and assess its effectiveness annually.

The Board is responsible for overseeing the risk management activities of the Company. With the management of risk being necessary for the protection of the Company’s personnel, assets and reputation, the Board shall implement risk management controls, such as internal policies and procedures and, external policies such as the engagement of external auditors to achieve an appropriate level of risk management and for the proper monitoring of development resulting to potential risks. The various policies implemented by the Board shall include mechanisms to ensure compliance, identification, and regular reporting to the Board of significant and material business risks and the management of those risks.

The Company aims to mitigate exposures to any potential risk and ensure that systems are in place for the prevention of risk occurrences. Nonetheless, the systems in place are intended to provide reasonable but not absolute assurance against the occurrence of any risks.

- (b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof;
- (c) Period covered by the review; Year 2012
- (d) How often the risk management system is reviewed and the directors’ criteria for assessing its effectiveness; The Board shall review the risk management system and assess its effectiveness annually.
- (e) Where no review was conducted during the year, an explanation why not. – Not applicable

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:

<b>Risk Exposure</b>	<b>Risk Management Policy</b>	<b>Objective</b>
Not applicable	Not applicable	Not applicable

(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:

<b>Risk Exposure</b>	<b>Risk Management Policy</b>	<b>Objective</b>
Not applicable	Not applicable	Not applicable

(c) Minority Shareholders

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

<b>Risk to Minority Shareholders</b>
None to the knowledge of the company

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:

<b>Risk Exposure</b>	<b>Risk Assessment (Monitoring and Measurement Process)</b>	<b>Risk Management and Control (Structures, Procedures, Actions Taken)</b>
Not applicable	Not applicable	Not applicable

(b) Group

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

<b>Risk Exposure</b>	<b>Risk Assessment (Monitoring and Measurement Process)</b>	<b>Risk Management and Control (Structures, Procedures, Actions Taken)</b>
Not applicable	Not applicable	Not applicable

(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:

<b>Committee/Unit</b>	<b>Control Mechanism</b>	<b>Details of its Functions</b>
Not applicable	Not applicable	Not applicable

## G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

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

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

The Board is responsible for establishing and monitoring internal control system of the Company and reviewing their effectiveness. It recognizes that rigorous systems of internal control are critical to the Company's achievement of its business objectives.

- (b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate; The system are designed to manage rather than eliminate risk and that they can only provide reasonable and not absolute assurance against material misstatements. The Board has reviewed the effectiveness of the internal control system and deem it to be sufficiently adequate.
- (c) Period covered by the review; December 2012
- (d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; The board shall review the internal control system and assess its effectiveness annually.
- (e) Where no review was conducted during the year, an explanation why not. – Not applicable

2) Internal Audit

(a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

- (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 Head of internal audit shall have access to the chair of the Audit Committee and discuss any major findings in relation to the reports with Audit Committee.
- (d) Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them.

Name of Audit Staff	Reason
Not applicable	Not applicable

(e) Progress against Plans, Issues, Findings and Examination Trends

State the internal audit's progress against plans, significant issues, significant findings and examination trends.

<b>Progress Against Plans</b>	<b>Not applicable</b>
<b>Issues<sup>6</sup></b>	Not applicable
<b>Findings<sup>7</sup></b>	Not applicable
<b>Examination Trends</b>	Not applicable

[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;

<sup>6</sup> "Issues" are compliance matters that arise from adopting different interpretations.

<sup>7</sup> "Findings" are those with concrete basis under the company's policies and rules.

- 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
Not applicable	Not applicable
Not applicable	Not applicable

(g) Mechanism and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (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
Not applicable	Not applicable	Not applicable	Not applicable
Not applicable	Not applicable	Not applicable	Not applicable

(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.

**Compliance Statement**

The Board of directors of BHI HOLDINGS INC. are committed to ensuring that the Company works towards compliance with the main principles of the Corporate Governance Code. Throughout the year reported on the Company has been in compliance with the main principles of the Corporate Governance Code.

**H. ROLE OF STAKEHOLDERS**

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

	Policy	Activities
Customers' welfare	Not applicable	Not applicable
Supplier/contractor selection practice	Not applicable	Not applicable
Environmentally friendly value-chain	Not applicable	Not applicable
Community interaction	Not applicable	Not applicable
Anti-corruption programmes and procedures?	Not applicable	Not applicable
Safeguarding creditors' rights	Not applicable	Not applicable

- 2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?  
Not applicable
- 3) Performance-enhancing mechanisms for employee participation.
- (a) What are the company's policy for its employees' safety, health, and welfare? - Not applicable
- (b) Show data relating to health, safety and welfare of its employees. – Not applicable
- (c) State the company's training and development programmes for its employees. Show the data. – Not applicable
- (d) State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures – Not applicable
- 4) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behaviour? Explain how employees are protected from retaliation. – Not applicable

## I. DISCLOSURE AND TRANSPARENCY

### 1) Ownership Structure

- (a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
<b>Bulk Handlers, Inc.</b>	<b>449,424</b>	<b>89.89%</b>	<b>Bulk handlers, Inc.</b>

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Manuel N. Tankiansee	1 share	none	.0003
Juanita U. Tan	58 share	none	.0166
Rosalie A. Esteibar	60 share	none	.0171
<b>TOTAL</b>			

### 2) Does the Annual Report disclose the following:

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	Yes
Dividend policy	Yes
Details of whistle-blowing policy	Yes
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Yes
Training and/or continuing education programme attended by each director/commissioner	Yes
Number of board of directors/commissioners meetings held during the year	Yes
Attendance details of each director/commissioner in respect of meetings held	Yes
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.

3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
PUNONGBAYAN AND ARAULLO	95,000.00	None

4) Medium of Communication

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

- Personal Communication
- Telephone Communication

5) Date of release of audited financial report: April 14, 2013

6) Company Website: www.bhi\_holdings.com

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
Group 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
Not applicable	Not applicable	Not applicable	Not applicable

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?

**J. RIGHTS OF STOCKHOLDERS**

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

(a) Quorum

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

<b>Quorum Required</b>	A majority of the directors shall be necessary at all meetings to constitute a quorum.
------------------------	--



(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

<b>System Used</b>	Board approval
<b>Description</b>	Elections of the Board of Directors

(c) Stockholders' Rights

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

<b>Stockholders' Rights under The Corporation Code</b>	<b>Stockholders' Rights <u>not</u> in The Corporation Code</b>
Voting right	Not applicable
Pre-emptive right	Not applicable
Inspection right	Not applicable

Dividends

<b>Declaration Date</b>	<b>Record Date</b>	<b>Payment Date</b>
Not applicable	Not applicable	Not applicable

(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.

<b>2. Measures Adopted</b>	<b>3. Communication Procedure</b>
4. By mail	5. Communications may be sent to company offices
6.	7.

8. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
  - a. Amendments to the company's constitution – As provided for by the Company's Articles of Incorporation and By-Laws
  - b. Authorization of additional shares - As provided for by the Company's Articles of Incorporation and By-Laws
  - c. Transfer of all or substantially all assets, which in effect results in the sale of the company - As provided for by the Company's Articles of Incorporation and By-Laws
9. 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.
  - a. Date of sending out notices: November 26, 2012
  - b. Date of the Annual/Special Stockholders' Meeting: December 18, 2012
10. State, if any, questions and answers during the Annual/Special Stockholders' Meeting.

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

12. Resolution	13. Approving	14. Dissenting	15. Abstaining
16. Extension of Corporate life	17. Approved by all	18. None	19. None
20.	21.	22.	23.

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

December 18, 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:

Modifications	Reason for Modification
Not applicable	Not applicable

(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	Manuel N. Tankiansee Juanita U. Tan Rosalie A. Esteibar Jemie U. Tan Marilou U. Pua Jalane Christie U. Tan Julie C. Dela Cruz Emma Keng Tan Miguel Ocampo Tan Felisa P. Escudero Rudin A. Gonzales Jr.	DECEMBER 18, 2012	Show of hands	100%	0%	
Special	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

(ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs? No.

(iii) Do the company's common shares carry one vote for one share? If not, disclose and give reasons for any divergence 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.

	<b>Company's Policies</b>
Execution and acceptance of proxies	Not applicable
Notary	Not applicable
Submission of Proxy	Not applicable
Several Proxies	Not applicable
Validity of Proxy	Not applicable
Proxies executed abroad	Not applicable
Invalidated Proxy	Not applicable
Validation of Proxy	Not applicable
Violation of Proxy	Not applicable

(h) Sending of Notices

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

<b>Policies</b>	<b>Procedure</b>
SRC Rule 20	Notice of a stockholders meeting be sent to all stockholders of record 15 days prior to the scheduled meeting.

(i) Definitive Information Statements and Management Report

<b>Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials</b>	349 Stockholders
<b>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners</b>	November 16, 2012
<b>Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders</b>	November 26, 2012
<b>State whether CD format or hard copies were distributed</b>	Hard copies were distributed
<b>If yes, indicate whether requesting stockholders were provided hard copies</b>	Hard copies were provided

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

Each resolution to be taken up deals with only one item.	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	Yes
The auditors to be appointed or re-appointed.	Yes

An explanation of the dividend policy, if any dividend is to be declared.	Yes
The amount payable for final dividends.	Yes
Documents required for proxy vote.	Yes

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

2) Treatment of Minority Stockholders

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

Policies	Implementation
One share one vote	As provided by Articles of Incorporation and by-laws.
Provide all shareholders with the notice and agenda of the annual general meeting SRC Rule 20	As provided by Articles of Incorporation and by-laws

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

**K. INVESTORS RELATIONS PROGRAM**

- 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.
- 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	Not applicable
(2) Principles	Not applicable
(3) Modes of Communications	Not applicable
(4) Investors Relations Officer	Not applicable

- 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?  
-Not Applicable

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

-Not applicable

**L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

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

Initiative	Beneficiary
Not applicable	Not applicable

**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	Not applicable	Not applicable
Board Committees	Not applicable	Not applicable
Individual Directors	Not applicable	Not applicable
CEO/President	Not applicable	Not applicable

**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

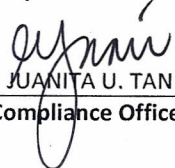
Violations	Sanctions
First Violation	Reprimanded
Second Violation	Suspension
Third Violation	Removal from the office

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 \_\_\_\_\_ on \_\_\_\_\_, 20\_\_.

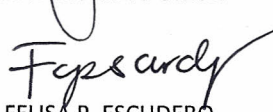
**SIGNATURES**

  
 \_\_\_\_\_  
 MANUEL N. TANKIANSEE  
 Chairman of the Board

  
 \_\_\_\_\_  
 RUDIN A. GONZALES JR  
 Independent Director

  
 \_\_\_\_\_  
 JUANITA U. TAN  
 Compliance Officer

  
 \_\_\_\_\_  
 JUANITA U. TAN  
 Chief Executive Officer

  
 \_\_\_\_\_  
 FELISA P. ESCUDERO  
 Independent Director

29 MAY 2013

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_, affiant(s) exhibiting to me their \_\_\_\_\_, as follows:

NAME/NO.	DATE OF ISSUE	PLACE OF ISSUE
MANUEL N. TANKIANSEE / CTC NO. 08932738	01/14/13	MANILA
JUANITA U. TAN / CTC NO. 00054918	01/15/13	MAKATI
RUDIN A. GONZALES JR. / CTC NO. 17616468	01/13/13	MANILA
FELISA P. ESCUDERO / CTC NO. 17616438	01/13/13	MANILA

*Delvin R. Acasoli, Jr.*  
ATTY DELVIN R. ACASOLI, JR.  
NOTARY PUBLIC  
UNTIL DECEMBER 31, 2013  
PTR NO. 0285334 / 2012-2013 MLA.  
IBP NO. 673692 / 2013 MLA.  
ROLL NO. 24655 / TIN -144-619-066  
MCLE III - 0013521  
Com. No. 2013 - 023

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Book No. 380  
Series of 2011