

COVER SHEET

A 1 9 9 8 1 8 2 6 0
S.E.C. Registration Number

F I R S T G E N C O R P O R A T I O N

(Company's Full Name)

3 F B e n p r e s B l d g ., E x c h a n g e R o a d
P a s i g C i t y

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

Rachel R. Hernandez
Contact Person

4 4 9 6 2 8 1
Company telephone Number

1 2 3 1
Month Day

Revised Manual on Corporate Governance
FORM TYPE

2nd Wed of May
Month Day

Fiscal Year

Annual Meeting

Secondary License Type, If Applicable

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Amended Articles Number/Section

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Domestic Foreign

To be accomplished by SEC Personal concerned

File Number

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Remarks = pls. use black ink for scanning purposes



March 31, 2011

SECURITIES AND EXCHANGE COMMISSION
SEC Building
EDSA, Greenhills
Mandaluyong City, Metro Manila

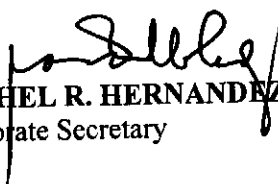
*Attention: **Justina F. Callangan***
Director
Corporation Finance Department

Gentlemen:

In compliance with your letters dated January 26 and February 24, 2011, we are hereby submitting our revised Manual on Corporate Governance.

We trust that you will find the foregoing submission in order. Thank you.

Very truly yours,


RACHEL R. HERNANDEZ
Corporate Secretary

The Board of Directors, management and employees of First Gen Corporation (hereafter the “Corporation”) hereby commit themselves to the principles and best practices contained in this Manual on Corporate Governance (hereafter the “Manual”), and acknowledge that the same will guide the attainment of the Corporation’s mission, vision and corporate goals.

This Manual is adopted pursuant to SEC Memorandum Circular No. 2 (Series of 2002), as revised by SEC Memorandum Circular No. 6 (Series of 2009).

1. Objective

This Manual intends to institutionalize the principles of good corporate governance.

The Board of Directors (hereafter the “Board”), management, employees and shareholders of the Corporation believe that corporate governance is a necessary component of what constitutes sound strategic business management to improve the economic and commercial prosperity of the Corporation and enhance shareholder value. They will therefore undertake every effort necessary to create awareness within the Corporation.

2. Compliance Officer

- 2.1 To ensure the adherence to corporate principles and best practices, the Board shall appoint a Compliance Officer who shall have the rank of at least vice president. He shall report directly to the Chairman of the Board (hereafter the “Chairman”).
- 2.2 The Compliance Officer shall have the following duties and responsibilities:
- a. Monitor compliance by the Corporation with this Manual and the rules and regulations of regulatory agencies and, if any violations are found, report the matter to the Board and recommend the imposition of appropriate disciplinary actions on the responsible parties and the adoption of measures to prevent a repetition of the violation;
 - b. Appear before the Securities and Exchange Commission (hereafter the “Commission”) when summoned on matters relating to this Manual;
 - c. Issue a certification no later than January 30 of each year on the extent of the Corporation’s compliance with this Manual for the immediately preceding year and, if any deviations are found, explain the reasons for such deviations; and
 - d. Recommend to the Board the review of this Manual.
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3. Board of Directors

3.1 Composition of the Board of Directors

The Board shall be composed of at least five (5) but not more than fifteen (15) members who are elected by the stockholders.

As a publicly-listed company, the Corporation shall comply with the requirement to have at least two (2) Independent Directors or such number of Independent Directors as shall constitute at least twenty per cent (20%) of its board size, whichever is lesser.

The non-executive directors should possess such qualifications and stature that would enable them to effectively participate in the deliberations of the Board.

3.2 Duties and Responsibilities of the Board of Directors

3.2.1 General Duties and Responsibilities of the Board of Directors

The Board shall have the principal responsibility of ensuring the Corporation's compliance with the principles of good corporate governance. Corollary to setting the policies for the accomplishment of corporate objectives, the Board shall provide an independent check on management. It shall be the Board's duty and responsibility to foster the long-term success of the Corporation and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Corporation, and in proper cases, its shareholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.

3.2.2 Specific Duties and Responsibilities of the Board of Directors

The Board has the following specific duties and functions to implement corporate governance principles:

- a. Establish a process for the selection of qualified and competent directors and officers and adopt an effective succession planning program for management;
- b. Determine the Corporation's purpose, vision and mission, and strategies to carry out its objectives;
- c. Provide sound strategic policies and guidelines to the Corporation on major capital expenditures;

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- d. Ensure that the Corporation complies with all relevant laws, regulations and best business practices;
 - e. Identify the Corporation's major and other stakeholders and formulate a clear policy of accurate, timely and effective communication with them;
 - f. Establish and maintain an investor relations program that will keep the Corporation's stockholders informed of important developments in the Corporation;
 - g. Adopt a system of internal checks and balances and conduct a regular review of the effectiveness of such a system to ensure the integrity of the decision-making and reporting processes;
 - h. Identify key risk areas and key performance indicators and monitor these factors with due diligence to enable the Corporation to anticipate and prepare for possible threats to its operational and financial viability;
 - i. Properly discharge Board functions by meeting regularly; independent views during Board meetings shall be given due consideration and all such meetings shall be duly minuted;
 - j. Keep Board authority within the powers of the Corporation as prescribed in its Articles of Incorporation and By-Laws, and in existing laws, rules and regulations; and
 - k. As may be deemed proper by the Board, establish and maintain an alternative dispute resolution system in the Corporation to allow for the amicable settlement of conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties.

3.3 Board Meetings

Directors shall attend Board meetings in person, via teleconference or videoconference, or by any other technological means as may be allowed by law, except when a justifiable reason prevents his attendance. Independent Directors should endeavor to be present at each Board meeting; their absence shall not affect the quorum requirement.

The Corporation shall submit to the Commission, on or before January 30 of each year, a sworn certification on the Directors' record of attendance in Board meetings for the immediately preceding year.

3.4 Duties and Responsibilities of a Director

3.4.1 General Responsibilities of a Director

A Director's office is one of trust and confidence. A Director should act in a manner characterized by transparency, accountability and fairness. He should also exercise leadership, prudence and integrity in directing the Corporation towards sustained progress.

3.4.2 Specific Duties and Responsibilities of a Director

A director should observe the following norms of conduct:

- a. Conduct fair business transactions with the Corporation and ensure that his personal interest does not conflict with the interest of the Corporation;
- b. Devote time and attention necessary to properly and effectively perform his duties and responsibilities;
- c. Act judiciously;
- d. Exercise independent judgment;
- e. Have a working knowledge of the statutory and regulatory requirements affecting the Corporation, including its Articles of Incorporation and By-Laws, the rules and regulation of the Commission and, where applicable, the requirements of relevant regulatory agencies; and
- f. Observe confidentiality.

4. **Board Committees**

To ensure the Corporation's compliance with the principles of good corporate governance, the Board shall constitute the following Committees:

4.1 Nomination and Governance Committee

4.1.1 Composition

The Nomination and Governance Committee shall be composed of at least three (3) members, one of whom shall be an Independent Director.

4.1.2 Duties and Responsibilities

The Nomination and Governance Committee shall have the following duties and responsibilities:

- a. Review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval;
- b. Ensure, through a managed and effective system consistent with the Corporation's By-Laws, that each Board election shall result in a mix of proficient Directors, each of whom shall be able to add value and bring prudent judgment to the Board;
- c. Assess the effectiveness of the Board's processes and procedures in the election or replacement of Directors;
- d. Review the recommendations of the Compliance Officer in relation to this Manual as well as other corporate governance rules and regulations and endorse the same to the Board for its approval;
- e. Review, as may be necessary, the charters of all Board committees and recommend any changes to the Board for its approval; and
- f. Such other tasks or duties as may be requested or delegated by the Board.

4.1.3 Qualifications of a Director

A Director shall have the following qualifications at the time he is duly elected and qualified and throughout his term of office:

- a. Holder of at least one (1) share of stock of the Corporation;
- b. Possesses personal integrity;
- c. Has the ability to appreciate and understand financial statements and other pertinent corporate documents; and

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- d. Understands the need to prevent conflict of interest with the Corporation (subject to the discretion of the Board).

4.1.4 Independent Director

An Independent Director is 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.

4.1.5 Disqualifications of a Director

The following shall be grounds for the permanent disqualification of a Director:

- a. Conviction by final judgment or order by a competent judicial or administrative body of any crime that: [i] involves the purchase or sale of securities as defined in the Securities Regulation Code (hereafter the "SRC"); [ii] 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 [iii] arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;
- b. After hearing, being permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from: [i] acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; [ii] acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; [iii] engaging in or continuing any conduct or practice in any of the capacities mentioned in [i] and [ii], or willfully violating the laws that govern securities and banking activities;

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, SRC or any other law administered by the Commission or the Bangko Sentral ng Pilipinas ("hereafter the "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.

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- c. Conviction by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;
 - d. Being 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, SRC or any other law administered by the Commission or the BSP, or any of its rule, regulation or order;
 - e. Becoming an officer, employee or consultant of the Corporation where he serves as an Independent Director;
 - f. Being judicially declared insolvent;
 - g. Being found guilty by final judgment by order of a foreign court or equivalent financial regulatory authority with competent jurisdiction of acts, violations or misconduct similar to any of the acts, violations or misconduct listed (a) to (e) above; or
 - h. Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.

The Board may consider any of the following as a ground for the temporary disqualification of a director:

- a. Refusal to comply with the disclosure requirements of the SRC and its Implementing Rules and Regulations; the disqualification shall be in effect as long as the refusal persists;
- b. Absence in more than fifty percent (50%) of all Board meetings during his incumbency or any twelve (12)-month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident; the disqualification shall apply for purposes of the succeeding election;
- c. Dismissal or termination for cause from directorship in any corporation covered by the SRC; the disqualification shall be in effect until the person has cleared himself from any involvement in the cause that gave rise to his dismissal or termination;
- d. If the beneficial equity ownership of an Independent Director in the Corporation or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock; the disqualification shall be lifted if the limit is later complied with; or

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- e. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.

A temporarily disqualified Director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.

The Board shall have the final decision to determine the qualification or disqualification of a Director.

4.2 Compensation and Remuneration Committee

4.2.1. Composition

The Compensation and Remuneration Committee (hereafter "CRC") shall be composed of at least three (3) members, namely: the Chairman who shall be the chairman of the CSC, and two (2) directors, one of whom shall be an Independent Director.

4.2.2. Duties and Responsibilities

The CRC shall have powers and functions over the compensation and remuneration of the corporate officers other than the Chairman, whose compensation and remuneration shall be determined by the Vice-Chairman or President and two (2) directors, one of whom shall be an Independent Director. The CRC should establish a policy on remuneration of directors and officers to ensure that their compensation is consistent with the Corporation's culture, strategy, and the business environment in which it operates. The CRC may call on the officers of the Corporation to assist it in performing its functions.

The CRC shall have the following duties and responsibilities:

- a. Designate the amount of remuneration which shall be in a level sufficient to attract and retain Directors and officers who are needed to run the Corporation successfully;
- b. Review the Corporation's human resources development or personnel handbook to strengthen provisions on conflict of interest, policies on salaries and benefits, and directives on promotion and career advancement; and
- c. Such other tasks or duties as may be requested or delegated by the Board.

4.3 Audit Committee

4.3.1. Composition

The Audit Committee shall be composed of at least three (3) Directors, one of whom shall be an Independent Director, and another with audit experience. The chairman of the Audit Committee shall be an Independent Director. The members of the Audit Committee should preferably have accounting and finance backgrounds, The Chairman shall designate the chairman of the Audit Committee.

4.3.2. Duties and Responsibilities

The Audit Committee shall have the following powers and functions:

- 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 Corporation;
- c. Review the annual internal audit plan to ensure its conformity with the objectives of the Corporation;
- d. Prior to the commencement of the audit, discuss 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;
- e. Organize an internal audit department and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;
- f. Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, including financial reporting control and information technology security;
- g. Review the reports submitted by the internal and external auditors;
- h. Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:

- 1) Any change/s in accounting policies and practices;
 - 2) Major judgmental areas;
 - 3) Significant adjustments resulting from the audit;
 - 4) Going concern assumptions;
 - 5) Compliance with accounting standards; and
 - 6) Compliance with tax, legal and regulatory requirements.
- i. Coordinate, monitor, and facilitate compliance with laws, rules and regulations;
 - j. 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; the Audit Committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Corporation's annual report;
 - k. 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. 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;
 - l. Check all financial reports of the Corporation against its compliance with both the internal financial management handbook and pertinent accounting standards, including regulatory requirements;
 - m. Perform interface functions with the internal and external auditors; and
 - n. Ensure the establishment of a transparent financial management controls system that aims to ensure the integrity of the system.

The Audit Committee may request information, data and clarification from the officers of the Corporation in the performance of their duties and responsibilities.

4.4 Risk Management Committee

4.4.1 Composition

The Risk Management Committee shall be composed of at least three (3) members. The Chairman shall designate the chairman of the Risk Management Committee.

4.4.2 Duties and Responsibilities

The Risk Management Committee shall have the following power and functions:

- a. Oversee the formulation, establishment and implementation of an enterprise risk management (hereafter “ERM”) system;
- b. Review and assess the Corporation’s ERM policy, processes, strategies, methods and activities and recommend revisions thereto for approval by the Board;
- c. Understand and set clear directions for the management of the Corporation’s strategic and critical risks; and
- d. Provide management the support and resources necessary to manage the risks to the Corporation.

5. **Accountability and Audit**

The Board is primarily accountable to the Corporation, and as may be applicable, to the stockholders. It should provide them a balanced and comprehensive assessment of the Corporation’s performance, position and prospects. It is essential that management provide the members of the Board adequate information that will enable the Board to comply with its responsibilities to the stockholders.

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:

- a. The extent of its responsibility in the preparation of the financial statements of the Corporation, with the corresponding delineation of the responsibilities that pertain to the external auditor, should be clearly explained;
- b. An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the Corporation should be maintained;
- c. 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 Corporation’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; and

- d. The Corporation should consistently comply with the financial reporting requirements of the Commission.

6. Corporate Officers

6.1 The Board shall appoint corporate officers such as the Chairman, Chief Executive Officer, President, Chief Operating Officer, one or more Vice Presidents, Corporate Secretary, Assistant Corporate Secretary, Treasurer, and such other officers as shall from time to time be provided by the Board. The officers shall perform their duties as enjoined by the By-Laws and the Board. To ensure checks and balances as well as increased accountability and independent decision-making, the corporate officers shall perform their duties in accordance with best practices.

6.2 The Chairman of the Board

The Chairman, or in his absence, the Vice Chairman or President, shall preside at all meetings of the stockholders and the Board. Among other duties, the Chairman shall:

- a. Ensure that the meetings of the Board are held in accordance with the By-Laws or as the Chairman may deem necessary;
- b. In coordination with the Corporate Secretary, and taking into consideration the suggestions of the President, management, and other Directors, supervise the preparation of the agenda of the meetings;
- c. Assist in ensuring compliance with the Manual;
- d. Maintain lines of communication and information between the Board and management; and
- e. Exercise such powers as may be conferred on him by the Board.

The roles of the Chairman and Chief Executive Officer may be separate. The Corporation shall disclose the relationship between the Chairman and the Chief Executive Officer, if any, in its annual report to the Commission or such other regulatory agency as may be required by law.

6.3 The Chief Executive Officer

The Chief Executive Officer shall be in charge of the general management and administration of the Corporation. He shall provide information on the performance of the Corporation. If one (1) person occupies the positions of Chairman and Chief Executive Officer, the Corporation will take steps to ensure that proper checks and

balances are laid down to ensure that the Board gets the benefit of independent views and perspectives.

6.4 The Corporate Secretary/Assistant Corporate Secretary

The Corporate Secretary and Assistant Corporate Secretary shall be Filipino citizens and residents of the Philippines. The Corporate Secretary shall assist the Board in the preparation of the agenda of meetings, and management in the preparation and gathering of materials to be presented to the Board or the shareholders. The Corporate Secretary or Assistant Corporate Secretary shall attend and take down the minutes of special and regular meetings of the Board and shareholders.

The Corporate Secretary should:

- a. Be responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board;
- b. Be loyal to the mission, vision and objectives of the Corporation;
- c. Work fairly and objectively with the Board, management and stockholders;
- d. Have appropriate administrative and interpersonal skills;
- e. If he is not at the same time the Corporation's legal counsel, be aware of the laws, rules and regulations necessary in the performance of his duties and responsibilities;
- f. Have a working knowledge of the operations of the Corporation;
- g. Inform the members of the Board, in accordance with the By-Laws, of the agenda of their meetings and ensure that the Directors have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
- h. Issue a certification on or before January 30 of each year on the Directors' record of attendance in Board meetings for the immediately preceding year, which certification shall be countersigned by the Chairman;
- i. Attend all Board meetings, except when justifiable causes such as illness, death in the immediate family, and serious accidents, prevent him from doing so; and
- j. Ensure that all Board procedures, rules and regulations are strictly followed by the Directors.

7. External Auditor

The external auditor shall help provide an environment of good corporate governance that may be reflected in the financial records and reports of the company. The external auditor shall be selected and appointed by the stockholders upon the recommendation of the Audit Committee.

The external auditor, or the external auditor's handling partner, should be rotated or changed every five (5) years or earlier.

The Board, after consultation with the Audit Committee, shall recommend to the stockholders an external auditor duly accredited by the Commission and who shall undertake an independent audit of the Corporation and provide an objective assurance on the manner by which the financial statements will be prepared and presented to the stockholders. The external auditor shall not at the same time provide internal audit services to the Corporation. 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 Corporation's annual and current reports. The report shall include a discussion of any disagreement between him and the Corporation on accounting principles or practices, financial disclosures or audit procedures which the former auditor and the Corporation failed to resolve satisfactorily. A preliminary copy of the report shall be given by the Corporation to the external auditor before its submission.

If the external auditor believes that any statement 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.

8. Internal Auditor

The Corporation shall have in place an independent internal audit system which shall be performed or supervised by an internal auditor or a group of internal auditors, either from within the Corporation or through its parent company, through which the Board, senior management, and shareholders will be provided reasonable assurance that key organizational and procedural controls are effective, appropriate, and complied with.

The internal auditor shall report to the Audit Committee on matters specified herein.

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.

The Audit Committee, guided by best practices, shall regularly review organizational and procedural controls. The minimum internal control mechanisms for management's operational responsibility shall center on the Chief Executive Officer, he being ultimately accountable for the Corporation's organizational and procedural controls.

The scope and particulars of a system of effective organizational and procedural controls shall be based on the nature and complexity of business and the business culture; the volume, size and complexity of transactions; the degree of risk; the degree of centralization and delegation of authority; the extent and effectiveness of information technology; and the extent of regulatory compliance.

9. Communication Process

This Manual shall be available for inspection by any stockholder or employee of the Corporation at reasonable hours on business days.

Individual members of the Board may, from time to time, at the request of management, meet or communicate with various persons or entities involved with the Corporation.

Should there be a need for the Board to issue statements or comments on behalf of the Corporation, the Chairman or the Director designated as spokesman for the Corporation shall be responsible for issuing such statements or comments.

A copy of this Manual shall be provided to each department of the Corporation.

10. Training / Orientation Process

The Board may require a newly-elected Director to attend a seminar on corporate governance conducted by any duly-recognized private or government institution. Newly-elected Directors should familiarize themselves with the Corporation's operations, senior management, and business environment. They should be inducted

in terms of their fiduciary duties and responsibilities as well as in respect of the Board's expectations. Appropriate training opportunities for both existing and potential directors may from time to time be identified and undertaken.

11. Reportorial or Disclosure System of Corporate Governance Policies

The reports or disclosures required under this Manual shall be prepared and submitted to the Commission by the responsible committee or corporate officer, as the case may be.

The Board shall commit at all times to fully disclose material information dealings of the Corporation as required by applicable laws.

12. Shareholders' Benefit – Investors' Rights and Protection

The Board recognizes and shall respect the rights of the stockholders under the law, the Articles of Incorporation and By-Laws, specifically the stockholders' rights to vote on all matters that require their consent or approval, right to inspect corporate books and records; right to information; right to dividends, and appraisal rights. The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the Corporation.

It is the duty of the Board to promote the rights of 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 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 arrive at a sound judgment pertaining to matters brought to their attention for consideration or approval.

Although all stockholders should be treated equally and without discrimination, the Board should consider granting minority stockholders the right to propose the holding of meetings as may be proper under the circumstances and the items for discussion in the agenda that relate directly to the business of the Corporation.

13. **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 the dominant stockholders to mismanage the Corporation or misappropriate its assets.

It is essential that all material information about the Corporation which could adversely affect its viability or the interests of its stockholders as a whole 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 remuneration of members of the Board and management. All such information should be disclosed through the appropriate exchange mechanisms and submissions to the Commission.

14. **Monitoring and Assessment**

The committees shall report to the Board in such manner as the Board may require.

This Manual shall be subject to an annual review or at such frequency as may be determined by the Board.

15. **Sanctions for Non-Compliance with the Manual**

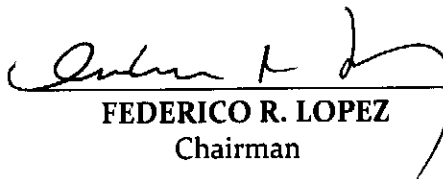
To strictly observe and implement the provisions of this Manual, the Board may impose appropriate sanctions or corrective actions, after notice and hearing. Sanctions may include censure, suspension and removal from office depending on the gravity of the offense and frequency of the violation.

Violation of any provision of this Manual by any member of the Board shall be a sufficient cause for removal from directorship.

16. **Effectivity**

The Corporation shall submit this revised Manual to the Commission for its evaluation. The Commission shall determine the Manual's compliance with the Revised Code of Corporate Governance, taking into consideration the nature, size and scope of the business of the Corporation.

This amended Manual shall take effect upon approval by the Commission.



FEDERICO R. LOPEZ
Chairman