



107012013002101



# SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines  
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

### Barcode Page

The following document has been received:

Receiving Officer/Encoder : Wendalyn Francisco  
Receiving Branch : SEC Head Office  
Receipt Date and Time : July 01, 2013 11:44:51 AM  
Received From : Head Office

Company Representative

---

Doc Source

Company Information

---

SEC Registration No. A199813754  
Company Name PUREGOLD PRICE CLUB INC.  
Industry Classification  
Company Type Stock Corporation

Document Information

---

---

Document ID 107012013002101  
Document Type LETTER/MISC  
Document Code LTR  
Period Covered June 27, 2013  
No. of Days Late 0  
Department CED/CFD/CRMD/MRD/NTD  
Remarks ACGR



June 27, 2013

**Securities and Exchange Commission**  
EDSA, Mandaluyong City

Attention: **Atty. Jocelyn Altamira**  
Corporate Governance Division

GENTLEMEN:

Submitting herewith the Annual Corporate Governance Report of Puregold Price Club, Inc. (SEC Form-ACGR) in compliance with Memorandum Circular No. 9, Series of 2013.

Thank you.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Candy H. Dacanay-Datuon".

**Atty. Candy H. Dacanay-Datuon**  
Assistant Corporate Secretary

# COVER SHEET

A 1 9 9 8 1 3 7 5 4

SEC Registration Number

PUREGOLD PRICE CLUB, INC.

(Company's Full Name)

NO. 900 ROMUALDEZ ST., PACO,  
MANILA

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

CANDY H. DACANAY-DATUON

(Contact Person)

(02) 523-3055

(Company Telephone Number)

1 2 3 1

Month

Day

A C G R

(Form Type)

0 5 1 4

Month

Day

(Secondary License Type, if Applicable)

Dept. Requiring this Doc

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowing

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

**SECURITIES AND EXCHANGE COMMISSION**

SEC FORM – ACGR

**ANNUAL CORPORATE GOVERNANCE REPORT**

Report is Filed for the Year	<b>2012</b>
Exact name of Registrant as Specified in its Charter	<b>Puregold Price Club, Inc.</b>
Address of Principal Office and Postal Code	<b>No. 900 Romualdez St., Paco, Manila 1007</b>
SEC Identification Number	<b>A199813754</b>
BIR Identification Number	<b>201-277-095</b>
Industry Classification Code (for SEC Use only)	
Issuer's Telephone Number, including area code	<b>(632) 523 3055</b>
Former name or former address, if changed from the last report	<b>None</b>

## TABLE OF CONTENTS

### **A. BOARD MATTERS**

- 1) BOARD OF DIRECTORS
  - (a) Composition of the Board
  - (b) Directorship in Other Companies
  - (c) Shareholding in the Company
- 2) CHAIRMAN AND CEO
- 3) OTHER EXECUTIVE, NON-EXECUTIVE AND INDEPENDENT DIRECTORS  
CHANGES IN THE BOARD OF DIRECTORS
- 4) ORIENTATION AND EDUCATION PROGRAM

### **B. CODE OF BUSINESS CONDUCT & ETHICS**

- 1) POLICIES
- 2) DISSEMINATION OF CODE
- 3) RELATED PARTY TRANSACTIONS
  - (a) Policies and procedures
  - (b) Conflict of Interest
- 4) ACCESS TO INFORMATION
- 5) FAMILY, COMMERCIAL AND CONTRACTUAL RELATIONS
- 6) ALTERNATIVE DISPUTE RESOLUTION

### **C. BOARD MEETINGS & ATTENDANCE**

- 1) SCHEDULE OF MEETINGS
- 2) DETAILS OF ATTENDANCE OF DIRECTORS
- 3) SEPARATE MEETING OF NON-EXECUTIVE DIRECTORS
- 4) ACCESS TO INFORMATION
- 5) EXTERNAL ADVICE
- 6) CHANGES IN EXISTING POLICIES

**D. REMUNERATION MATTERS**

- 1) REMUNERATION PROCESS
- 2) REMUNERATION POLICY
- 3) AGGREGATE REMUNERATION
- 4) STOCK RIGHTS, OPTION AND WARRANTS
- 5) REMUNERATION OF MANAGEMENT

**E. BOARD COMMITTEES**

- 1) NUMBER OF MEMBERS, FUNCTIONS AND RESPONSIBILITIES
- 2) COMMITTEE MEMBERS
- 3) CHANGES IN COMMITTEE MEMBERS
- 4) WORK DONE AND ISSUES ADDRESSED
- 5) COMMITTEE PROGRAM

**F. RISK MANAGEMENT SYSTEM**

- 1) STATEMENT ON EFFECTIVENESS OF RISK MANAGEMENT SYSTEM
- 2) RISK POLICY
- 3) CONTROL SYSTEM

**G. INTERNAL AUDIT AND CONTROL**

- 1) STATEMENT ON EFFECTIVENESS OF INTERNAL CONTROL SYSTEM
- 2) INTERNAL AUDIT
  - (a) Role, Scope and Internal Audit Function
  - (b) Appointment/Removal of Internal Auditor
  - (c) Reporting Relationship with the Audit Committee
  - (d) Resignation, Re-assignment and Reasons
  - (e) Progress against Plans, Issues, Findings and Examination Trends
  - (f) Audit Control Policies and Procedures
  - (g) Mechanisms and Safeguards

**H. RIGHTS OF STOCKHOLDERS**

- 1) RIGHT TO PARTICIPATE EFFECTIVELY IN STOCKHOLDERS' MEETING
- 2) TREATMENT OF MINORITY STOCKHOLDERS

**I. INVESTORS RELATIONS PROGRAM**

**J. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

**K. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL**

**L. INTERNAL BREACHES AND SANCTIONS**

**A. BOARD MATTERS**

**1) Board of Directors**

Number of Directors per Articles of Incorporation	7 directors inclusive of the 2 independent directors
---	--

Actual number of Directors for the year	7 directors
---	-------------

**(a) Composition of the Board**

Director's Name	Type (Executive (ED), Non-Executive (NED) or Independent Director (IDI))	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)	Elected when (Annual/ Special Meeting)	No. of years served as Director
Lucio L. Co	ED	Not nominee	Leonardo B. Dayao	September 1998	May 14*	May 14*	14 years
Susan P. Co	ED	Not nominee	Leonardo B. Dayao	September 1998	May 14*	May 14*	14 years
Leonardo B. Dayao	ED	Not nominee	Lucio L. Co	September 1998	May 14*	May 14*	14 years
Ferdinand Vincent P. Co	ED	Not nominee	Lucio L. Co	July 2003	May 14*	May 14*	10 years
Pamela Justine P. Co	NED	Not nominee	Lucio L. Co	July 2003	May 14*	May 14*	10 years
Edgardo G. Lacson	IDI	Not nominee	Lucio L. Co and Susan P. Co; No relation with the nominator	October 2011	May 14* (2 years service)	May 14*	2 years
Marilyn V. Pardo	IDI	Not nominee	Lucio L. Co and Susan P. Co; No relation with the nominator	October 2011	May 14* (2 years service)	May 14*	2 years

\*2013



**Brief summary of the corporate governance policy that the board of directors has adopted with emphasis on 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.**

On October 5, 2011, Puregold adopted the Revised Manual on Corporate Governance per SEC Circular No. 6. Quoted below are the specific provisions in the said Manual related to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities:

#### RESPONSIBILITIES, DUTIES AND FUNCTIONS OF THE BOARD

##### General Responsibility

It is the Board's responsibility to foster the long-term success of the Corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders.

The Board should formulate the Corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance.

##### Duties and Functions

To ensure a high standard of best practice for the Corporation and its stockholders, the Board should conduct itself with honesty and integrity in the performance of, among others, the following duties and functions:

1. Implement a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. Appoint competent, professional, honest and highly-motivated management officers. Adopt an effective succession planning program for Management.
2. Provide sound strategic policies and guidelines to the Corporation on major capital expenditures. Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance.
3. Ensure the Corporation's faithful compliance with all applicable laws, regulations and best business practices.

4. Establish and maintain an investor relations program that will keep the stockholders informed of important developments in the Corporation. If feasible, the Corporation's CEO or chief financial officer shall exercise oversight responsibility over this program.
5. Identify the sectors in the community in which the Corporation operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them.
6. Adopt a system of check and balance within the Board. A regular review of the effectiveness of such system should be conducted to ensure the integrity of the decision-making and reporting processes at all times. There should be a continuing review of the Corporation's internal control system in order to maintain its adequacy and effectiveness.
7. Identify key risk areas and 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.
8. Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the Corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the board.
9. Constitute an Audit Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities.
10. Establish and maintain an alternative dispute resolution system in the Corporation that can amicably settle conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties, including the regulatory authorities.
11. Meet at such times or frequency as may be needed. The minutes of such meetings should be duly recorded. Independent views during Board meetings should be encouraged and given due consideration.
12. Keep the activities and decisions of the Board within its authority under the articles of incorporation and by-laws, and in accordance with existing laws, rules and regulations.
13. Appoint a Compliance Officer who shall have the rank of at least vice president. In the absence of such appointment, the Corporate Secretary, preferably a lawyer, shall act as Compliance Officer.

## STOCKHOLDERS' RIGHTS AND PROTECTION OF MINORITY STOCKHOLDERS' INTERESTS

The Board shall respect the rights of the stockholders as provided for in the Corporation Code; namely;

1. Right to vote on all matters that require their consent or approval;
2. Right to inspect corporate books and records;
3. Right to information;
4. Right to dividends; and
5. Appraisal right.

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

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

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

Although all stockholders should be treated equally or without discrimination, the Board should give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Corporation.

## DISCLOSURE AND TRANSPARENCY

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

It is therefore essential that all material information about the Corporation which could adversely affect its viability or the interests of the stockholders should be publicly and timely disclosed. Such information should include, among others, earnings results, acquisition or disposition of assets, off balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board and Management. All such information should be disclosed through the appropriate Exchange mechanisms and submissions to the Securities and Exchange Commission.

The reports or disclosures required under this Manual shall be prepared and submitted to the Commission by the responsible Committee or officer through the Corporation's Compliance Officer.

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

Once every five years.

**(c) Directorship in Other Companies**

**(i) Directorship in the Company's Group**

The following are 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)
Lucio L. Co	Kareila Management Corp. PPCI Subic, Inc.	Executive Executive
Susan P. Co	Kareila Management Corp. PPCI Subic, Inc.	Executive Executive
Ferdinand Vincent P. Co	Kareila Management Corp. PPCI Subic, Inc.	Non-Executive Non-Executive
Pamela Justine P. Co	Kareila Management Corp. PPCI Subic, Inc.	Executive Non-Executive

**(ii) Directorship in Other Listed Companies**

The following are 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)
Lucio L. Co	Cosco Capital, Inc. Da Vinci Capital Holdings	Chairman, Executive; Chairman, Executive
Leonardo B. Dayao	Cosco Capital, Inc.	President, Executive

**(iii) Relationship within the Company and its Group**

Relationship 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
Lucio L. Co	Susan P. Co Ferdinand Vincent P. Co Pamela Justine P. Co Camille Clarisse P. Co	Wife Children
Susan P. Co	Lucio L. Co Ferdinand Vincent P. Co Pamela Justine P. Co Camille Clarisse P. Co	Husband Children
Ferdinand Vincent P. Co	Lucio L. Co Susan P. Co Pamela Justine P. Co Camille Clarisse P. Co	Parents Sisters
Pamela Justine P. Co	Lucio L. Co Susan P. Co Ferdinand Vincent P. Co Camille Clarisse P. Co	Parents Brother Sister

**(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:**

None yet but the Company intends to adopt a guidelines setting limit on number of board seats in other companies.

**(d) Shareholding in the Company**

The following are 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
Lucio L. Co	851,294,568	19,644,733*	31.48
Susan P. Co	724,167,231	12,086,579*	26.61
Leonardo B. Dayao	739,925	none	0.026
Ferdinand Vincent P. Co	108,948,158	1,378,596*	3.98
Pamela Justine P. Co	108,948,158	1,378,596*	3.98
TOTAL			66%

\*All under the record name, Ansaldo Godinez.

**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 / /

Name of the Chair and the CEO:

Chairman of the Board	Lucio L. Co
President	Leonardo B. Dayao

**(b) Roles, Accountabilities and Deliverables**

Define and clarify the notes, accountabilities and deliverables of the Chairman and President.

	Chairman	President
Role	<ul style="list-style-type: none"> <li>&gt;Plans growth of the Company</li> <li>&gt;Ensure that the meetings of the Board are held in accordance with the By-Laws or as the Chair may deem necessary;</li> <li>&gt;Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the Management and the directors;</li> <li>&gt;Maintain the qualitative and timely lines of communication and information between the Board and Management.</li> </ul>	<ul style="list-style-type: none"> <li>&gt;The person in-charge of the daily operation of the business.</li> <li>&gt;Heads the management team</li> <li>&gt;Seeks approval of the board on corporate matters that affect the operation of the company</li> <li>&gt;Budgets and goals of the company are met</li> </ul>
Accountabilities	Over-all operation of the Company, execution of the short and long term plan and maintain financial soundness of the Company	<ul style="list-style-type: none"> <li>&gt;Budget or target of the company is attained</li> <li>&gt;Financial soundness of the Company</li> </ul>
Deliverables	<ul style="list-style-type: none"> <li>&gt;Execution of yearly audited financial statements and quarterly financial reports and the annual report.</li> <li>&gt; Execution of documents necessary for board meetings, minutes of the board meetings, and other documents necessary for the normal operation of the Company.</li> </ul>	<ul style="list-style-type: none"> <li>&gt;Business plan at the beginning of the year</li> <li>&gt;Audited Financial Statements</li> <li>&gt;Financial reviews</li> </ul>

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

The Board is mandating the management to continuously hire professionals and encourage them to constantly undergo training and seminars.

**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?**

No definite policy yet but Company is seriously considering to adopt guidelines to ensure diversity of experience and background of directors in the board.

**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 Manual on Corporate Governance requires that a Director must have practical understanding the business of the Company. However, although we have no written policy that atleast one non-executive director has an experience in the sector or industry the company belongs to, we have at present one director in the name of Marilyn V. Pardo that is engaged in a similar business activity.

The family of Ms. Pardo used to be involved in Wenphil Corporation, former operator of Wendy's food chain.

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

The Company will establish clear policy on the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent Directors.

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

The Company adopts the definition of "independence" consistent with the SEC regulations as *"one person, who apart from his fees and shareholdings, is independent of management and free from any business or other relationship which would, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director"*.

The Company complies with the said definition as can be proven by the fact that its current independent directors, Mr. Edgardo G. Lacson and Mrs. Marilyn V. Pardo, are indeed independent from the management and free from any business or other relationship which would, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out their responsibilities as independent directors.



Does the company have a term limit of five consecutive years for independent directors? If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

The Company has not adopted yet any policy relative to this matter.

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

**(a) Resignation/Death/Removal**

None.

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

Stated below are the procedures and the processes for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors.

A. Selection Appointment B. Re-appointment C. Reinstatement	Executive Director Non Executive Director Independent Directors
Procedure/Process Adopted	Executive Directors are selected by the Nomination Committee.  The Nomination Committee usually receives nominations of candidates for directorship and screened them against the qualifications and disqualifications as stated in the Company's Revised Manual on Corporate Governance
Criteria	In addition to the qualifications for membership in the Board provided by the Corporation Code, Securities Regulation Code and other relevant laws, the Board may provide for additional qualifications, which include, among others, the following:  >College education or equivalent academic degree; >Practical understanding of the business of the Corporation; >Membership in good standing in relevant industry, business or professional organizations; >Previous experience; >Integrity;

	<p>&gt;Probity; and, &gt;Assiduousness.</p>
D. Permanent Disqualification	<p>Executive Director Non Executive Director Independent Directors</p>
Procedure/Process Adopted	<p>The Board acting as a collegial body shall act on any ground for disqualification that may come to its knowledge.</p>
Criteria	<p>The following shall be grounds for the permanent disqualification of a director:</p> <p>&gt;Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;</p> <p>&gt;Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.</p> <p>&gt;The disqualification shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;</p> <p>&gt;Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other</p>

	<p>fraudulent acts;</p> <p>&gt;Any person who has been adjudged by final judgment or order of the Commission, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation code or any other law administered by the Commission or BSP, or any of its rule, regulation or order;</p> <p>&gt;Any person earlier elected as independent director who becomes an officer, employee or consultant of the same corporation;</p> <p>&gt;Any person judicially declared as insolvent;</p> <p>&gt;Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in sub-paragraphs 4.5.1.1 to 4.5.1.5 above;</p> <p>&gt;Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.</p>
E. Temporary Disqualifications F. Suspensions	<p>Executive Director Non Executive Director Independent Directors</p>
Procedure/Process Adopted	<p>The Board acting as a collegial body shall act on any ground for temporary disqualification/suspensions that may come to its knowledge.</p>
Criteria	<p>The Board may provide for the temporary disqualification of a director for any of the following reasons:</p> <p>&gt;Refusal to comply with the disclosure requirements of the Securities Regulation Code and its implementing Rules Regulations. The disqualification shall be in effect as long as the refusal persists.</p> <p>&gt;Employment as a Director, officer, consultant, lawyer, adviser or employee of the competitor or any of its affiliates or subsidiaries including the employee, staff, confidant, lawyer, adviser or consultant of its major stockholders or key officers and/or anyone who held similar position within the period of five (5) years before the election and assumption of office.</p> <p>&gt;Absence in more than fifty (50) percent of all regular and special meetings of the Board</p>

	<p>during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election.</p> <p>&gt;Dismissal or termination for cause as director, and that the disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination.</p> <p>&gt;If the beneficial equity ownership of an independent director in the Corporation or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with.</p> <p>&gt;If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.</p> <p>&gt;A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.</p>
E. Removal	<p>Executive Director Non Executive Director Independent Directors</p>
Procedure/Process Adopted	Removal process will be conducted by the Board of Directors.
Criteria	If a director fails to pass the qualification and/or subject to disqualifications as stated in table above, he may be removed from office.

### Voting Result of the 2013 Annual General Meeting

Name of Director	Votes Received
Lucio L. Co	2,433,770,300 or 88%
Susan P. Co	2,434,170,900 or 88%
Leonardo B. Dayao	2,329,015,178 or 84%
Ferdinand Vincent P. Co	2,484,891,500 or 90%
Pamela Justine P. Co	2,484,930,000 or 90%
Marilyn V. Pardo	2,489,424,501 or 90%
Edgardo G. Lacson	2,488,364,501 or 90%

6) **Orientation and Education Program**

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

The Company has not yet come up with such orientation program for the new directors.

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

Directors and Senior Management of the Company attended seminars re Corporate Governance conducted by the Philippine Securities Consultancy Corporation held on December 14, 2011 at Dusit Hotel, Makati City.

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

For the year 2012, there was none.

**B. CODE OF BUSINESS CONDUCT & ETHICS**

1) Stated below are the company's policies on the business conduct or ethics affecting directors, senior management and employees:

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	Transactions causing conflict of interests are prohibited.	Transactions with members of the senior management causing conflict of interest are prohibited.	Transactions with employees causing conflict of interest are prohibited.
(b) Conduct of Business and Fair Dealings	All dealings with directors are at arms-length basis.	Business and Dealings between the Company and the Senior Management are not encouraged.	Business and Dealings between the Company and the employees are not encouraged.
(c) Receipt of gifts from third parties	Prohibited.	Prohibited.	Prohibited.
(d) Compliance with Laws & Regulations	Full compliance is required.	Full compliance is required.	Full compliance is required.
(e) Respect for Trade Secrets/Use of Non-public information	Required.	Required.	Required.
(f) Use of Company Funds, Assets and Information	Strictly in accordance with the rules of the company.	Strictly in accordance with the rules of the company.	Strictly in accordance with the rules of the company.

(g) Employment & Labor Laws & Policies	Full compliance.	Full compliance.	Full compliance.
(h) Disciplinary action	Strictly observed.	Strictly observed.	Strictly observed.
(i) Whistle Blower	The Company is yet to adopt policy regarding whistle blower.	The Company is yet to adopt policy regarding whistle blower.	The Company is yet to adopt policy regarding whistle blower.
(j) Conflict Resolution	The Company is yet to adopt policy regarding conflict resolution.	The Company is yet to adopt policy regarding conflict resolution.	The Company is yet to adopt policy regarding conflict resolution.

**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.**

Any person may file any complaint of misconduct against any employee or any violation with the code of ethics or conduct to the Office of the Chairman or the Human Resource Department (HR). The HR will serve notice to the employee concerned and give him chance to explain himself why he should not be given a disciplinary action. Thereafter, the HR in coordination with the Legal Department and Office the Chairman, will resolve whether or not to cite the employee for disciplinary action.

**4) Related Party Transactions**

**(a) Policies and Procedures**

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 are as follows:

Related Party Transactions	Policies and Procedures
(1) Parent Company	All related party transaction are at arms-length basis duly approved by the Audit Committee, and passed during the meeting of the Board of Directors that is duly attended by independent directors.
(2) Joint Venture	Same
(3) Subsidiaries	Same
(4) Entities Under Common Control	Same

(5) Substantial Stockholders	Same
(6) Officers including spouse/children/siblings/parents	Same
(7) Directors including spouse/children/siblings/parents	Same
(8) Interlocking director relationship of Board of Directors	Same

**(b) Conflict of Interest**

**(i) Directors/Officers and 5% or more Shareholders**

Actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	None
Name of Officer/s	None
Name of Significant Shareholders	None

**(ii) Mechanism**

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 and significant shareholders.

	Directors/Officers/Significant Shareholders
Company	Full disclosure of transaction with the Company is required.
Group	Full disclosure of transaction within the Group is required.

**5) Family, Commercial and Contractual Relations**

**(a) Relationship of a family, commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:**

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
Lucio L. Co	Affinity	Husband of Susan P. Co
Susan P. Co	Affinity	Wife of Lucio L. Co

(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:

Some family members of the Co Family are lessors of the Company.

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

None

#### 6) Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

The Company has yet to establish an Alternative Dispute Resolution System.

#### C. BOARD MEETINGS & ATTENDANCE

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

Regular board meetings are scheduled at the beginning of the year.  
Special meeting are scheduled atleast 3 days before the intended meeting.

##### 2) Attendance of Directors for the year 2012

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Lucio L. Co	May 8, 2012	10 board meetings; 6 executive committee meeting and 5 committee meetings	21 meetings	100%
Member	Susan P. Co	May 8, 2012	10 board meetings; 6 executive committee meeting and 5 committee	17 meetings	81%



			meetings		
Member	Leonardo B. Dayao	May 8, 2012	10 board meetings; 6 executive committee meeting and 5 committee meetings	21 meetings	100%
Member	Ferdinand Vincent P. Co	May 8, 2012	10 board meetings; 6 executive committee meeting	16 meetings	100%
Member	Pamela Justine P. Co	May 8, 2012	10 board meetings	9 meetings	90%
Independent	Marilyn V. Pardo	May 8, 2012	10 board meetings	8 meetings	80%
Independent	Edgardo G. Lacson	May 8, 2012	14 board and committee meetings	12 meetings	86%

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

No, non-executive directors do not have separate meeting during the year without the presence of any executive.

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

No, simple majority is required to have a quorum.

**5) Access to Information**

Every stockholder has access to corporate records.

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

Atleast 3 days in advance.

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

Yes.

**(c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc?**

Yes, The Corporate Secretary, who should be a Filipino citizen and a resident of the Philippines, is an officer of the Corporation. He should be:

1. Be responsible for the safekeeping and preservation of the integrity of the minutes records of the Corporation;
2. Be loyal to the mission, vision and objectives of the Corporation;
3. Work fairly and objectively with the Board, Management and stockholders;
4. Have appropriate administrative and interpersonal skills;
5. 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;
6. Have a working knowledge of the operations of the Corporation;
7. Inform the members of the Board, in accordance with the by-laws, of the agenda of their meetings and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
8. Attend all Board meetings, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent him from doing so;
9. Ensure that all Board procedures, rules and regulations are strictly followed by the members;
10. And if he is also the Compliance Officer, perform all the duties and responsibilities of the said officer as provided for in this Code.

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

The company secretary, although not formally trained in legal, accountancy and company secretarial services, is always consulting officers of the company who are either legal practitioners or certified public accountants.

**(d) Committee Procedures**

Directors can avail or get information necessary to be able to prepare them in advance for the meetings of different committees:

Committee	Details of the procedure
Executive	Directors are given board meeting materials atleast 3 days before the meeting
Audit	Same
Nomination	Same
Remuneration	Same
Others (specify)	

#### 6) External Advice

Directors can receive external advice in order to equip themselves with appropriate information or advise on a specific matters that ask for their approval.

#### 7) Change/s in existing policies

No material changes in the policy that have the effect on the business of the company.

### D. REMUNERATION MATTERS

#### 1) Remuneration Process

The salaries of the Chairman and the four (4) most highly compensated management officers are as follows:

Process	Chairman	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	6,000,000.00.00	Susan P. Co – Vice Chairman Leonardo B. Dayao – President Bong Balcos – Senior Manger, IT Aida De Guzman – Senior Vice-President
(2) Variable remuneration	None	
(3) Per diem allowance	30,000.00 per board meeting	

(4) Bonus	None	
(5) Stock Options and other financial instruments	None	
(6) Others (specify)	None	

The salaries are fixed and being reviewed atleast every two years.

## 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.**

The salaries of the directors are fixed.

**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.**

We have not yet adopted any mechanism where stockholders approve the decision on total remuneration of the board of directors but the Company is open to stockholders' recommendation, if there is any.

## 3) Aggregate Remuneration

The table below present the aggregate remuneration accrued during the year 2012.

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	12,030,000	None	None
(b) Variable Remuneration	None	None	None
(c) Per Diem Allowance	Php1,500,000.00	None	Php600,000.00
(d) Bonuses	None	None	None
(e) Stock Options and/or other financial instruments	None	None	None
(f) Others (Specify)	None	None	None

Other Benefits	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Advances	None	None	None
(b) Credit granted	None	None	None
(c) Pension Plan/s Contributions	None	None	None
(d) Pension Plans, Obligations	None	None	None
(e) Life Insurance Premium	None	None	None
(f) Hospitalization Plan	None	None	None
(g) Car Plan	There are car services provided to the executive directors	None	None
(h) Others (Specify)	None	None	None

#### 4) Stock Rights, Options and Warrants

##### (a) Board of Directors

The Company has not yet implemented its Stock Option Plan. The same has already been approved, however, by the Board of Directors but it will still undergo regulatory approvals.

##### (b) Amendments of Incentive Programs

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

Incentive Program	Amendments	Date of Stockholders' Approval
None	None	None

#### 5) Remuneration of Management

Identification of 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
Bong Balcos, Senior Manager for IT Department	812,500.00
Iraida De Guzman, Vice President	780,000.00
Denise Maria Carolino, Vice President	650,000.00
Erlinda Orro, Comptroller	598,000.00
Elvira Gutierrez, Senior Manager for HR Department	585,000.00

## E. BOARD COMMITTEES

### 1) Number of Members, Functions and Responsibilities

Details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

#### *Executive Committee*

Number of Executive Director	4 members
Number of Non Executive Director	None
Number of Independent Director	None
Committee Charter	None
Functions	It may act on such specific matters which are within the competence of the Board to approve, pass or act upon
Key Responsibilities	To regularly convene and approve business matters within its authority

#### *Audit Committee*

Number of Executive Director	3 members
Number of Non Executive Director	None
Number of Independent Director	1 member
Committee Charter	Yes
Functions	>Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and

	<p>monitoring of compliance with applicable laws, rules and regulations.</p> <ul style="list-style-type: none"> <li>&gt;Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Corporation.</li> <li>&gt;Perform oversight functions over the Corporation's internal and external auditors;</li> <li>&gt;Review the annual internal audit plan to ensure its conformity with the objectives of the Corporation;</li> <li>&gt;Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;</li> <li>&gt;Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, including financial reporting control and information technology security;</li> <li>&gt;Review and reports submitted by the internal and external auditors;</li> <li>&gt;Review and quarterly, half-year and annual financial statements before their submission to the Board; .</li> <li>&gt;Coordinate, monitor and facilitate compliance with laws, rules and regulations;</li> <li>&gt;Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Corporation's overall consultancy expenses.</li> <li>&gt;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.</li> </ul>
--	---

	>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.
Key Responsibilities	To 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 and perform oversight functions over the Corporation's internal and external auditors.

*Nomination Committee*

Number of Executive Director	3 members
Number of Non Executive Director	None
Number of Independent Director	One
Committee Charter	None
Functions	Assess the effectiveness of the Board's processes and procedures in the election or replacement of directors
Key Responsibilities	To receive nomination of directors, qualify or disqualify nominated directors before bringing to the Board

*Remuneration or Compensation Committee*

Number of Executive Director	2 members
Number of Non Executive Director	None
Number of Independent Director	1 member
Committee Charter	None
Functions	To establish a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the Corporation's culture, strategy and the business environment in which it operates.
Key Responsibilities	To assess the compensation package of the officers



**2) Committee Members for the year 2012**

**(a) Executive Committee**

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Lucio L. Co	October 2011	6	6	100%	2 years
Member (ED)	Susan P. Co	October 2011	6	5	83%	2 years
Member (NED)	None					
Member (ID)	None					
Member	Leonardo B. Dayao	October 2011	6	6	100%	2 years
Member	Ferdinand Vincent P. Co	October 2011	6	6	100%	2 years

**(b) Audit Committee**

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Edgardo G. Lacson (ID)	October 2011	4	4	100%	2 years
Member (ED)	Lucio L. Co	October 2011	4	4	100%	2 years
Member (NED)	None					
Member (ID)	None					
Member	Leonardo B. Dayao	October 2011	4	4	100%	2 years

**Disclose the profile or qualifications of the Audit Committee members.**

All Audit Committee members have accounting and financial backgrounds.

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

In compliance with role of the Audit Committee in assisting the Board in overseeing the financial reporting process, internal control, audit process, and monitoring compliance with applicable laws and regulations, the Audit Committee performs oversight function over the work of the external auditor. Specifically, the Audit Committee, under its Charter, is obliged to:

1. Recommend the appointment of the Independent Auditors and their remuneration to the Board.
2. Review and pre-approval of Independent Auditor's plan to understand the basis for their risk assessment and financial statement materiality, including the scope and frequency of the audit.
3. Monitoring of the coordination of efforts between the external and internal auditors.
4. Review of the reports of the Independent Auditors and the regulatory agencies, where applicable, and ensure that management is taking appropriate corrective actions in a timely manner, including addressing control and compliance issues.
5. On an annual basis, review the audit and non-audit fees and services provided by the independent accountant. Approve the Company's proxy disclosure with the respect to such fees and approve for the coming year fees to be paid to the independent accountant including non-audit services.
6. Conduct private review sessions with the Independent Auditors at least annually and as otherwise deemed appropriate by the Committee.
7. Assess the effectiveness of the conduct and performance of independent audit. Review the annual audit report which subsequently produced.

(c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held in 2012	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Susan P. Co	October 2011	1	1	100%	2 years
Member (ED)	Lucio L. Co	October 2011	1	1	100%	2 years
Member (NED)	None					
Member (ID)	Marilyn V. Pardo	October 2011	1	1	100%	2 years
Member	Leonardo B. Dayao	October 2011	1	1	100%	2 years

(d) Remuneration Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Lucio L. Co	May 2011	No meeting	No meeting	0	2 years
Member (ED)	Leonardo B. Dayao	May 2011	No meeting	No meeting	0	2 years
Member (NED)	None					
Member (ID)	Marilyn V. Pardo	May 2011	No meeting	No meeting	0	2 years

(e) Others (Specify)

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

No other committee is constituted by the Board of Directors.

3) Changes in Committee Members.

There is no changes in Committee Members.

4) Work Done and Issues Addressed

Work done by each committee and the significant issues addressed during the year.

Name of Committee	Work Done	Issues Addressed
Executive	The approval of lease and acquisition transactions for the continued expansion of the Company.	No major issues.
Audit	The passage of annual audited financial statements, quarterly financial statements and transactions with related parties.	No major issues.
Nomination	Nomination of candidates for Board of Directors	No major issues.
Remuneration	None	
Others (specify)	None	

#### 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.**

The Company is still coming up with committee plans to undertake and address relevant issues in the improvement or enforcement of effective governance for the coming year.

### **F. RISK MANAGEMENT SYSTEM**

The Company's risk management policies and systems are still yet to be formally established. Risks inherent to the business and those specific risks identified to operations are currently being managed through its various functional departments, by setting-up appropriate controls and by devising mitigating strategies and procedures. The management committee seeks approval from the executive committee and board of directors for major decisions and actions.

#### 6) Control System Set Up

Risk Management Committee is yet to be established to formally develop the Enterprise Risk Management (ERM). The Company ensures that the ERM will be in accordance with internationally accepted frameworks.

##### (a) 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:**

No existing Committee of Corporate Governance but the Company is considering to establish one body to be in charged of laying down and supervising various control mechanisms, and give details of its functions:

### **G. INTERNAL AUDIT AND CONTROL**

#### 1) Internal Control System

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

- (a) Explain how the internal control system is defined for the company;
- (b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;
- (c) Period covered by the review;
- (d) How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and
- (e) Where no review was conducted during the year, an explanation why not.

The Company's internal controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of Companies resources, reliability of operating and financial information, and compliance with policies and regulations.

It recognizes the need for uncompromising integrity, good business judgment, and a culture of good control practices, while it acknowledges that the achievement of effective and efficient business processes, the accuracy of financial reports, the compliance with relevant laws and regulations are the management's responsibility.

Management and employees are responsible for compliance with Puregold policies and procedures. Each member of upper management is specifically responsible to establish the proper environment for internal control compliance. Departmental management is responsible for detecting improprieties. Each store has an identified Key Personnel for Procedure Implementation (from the Store Management) and auditor that are both familiar with the process and possible improprieties which might occur in his/her area. The auditors are tasked to perform periodic compliance review and determine deficiencies and areas for improvements. Each process-owner is also accountable for the functioning of the internal control system in their area.

The management is continuously refining the internal control frameworks to ensure fair business activity in compliance with the related laws and regulations.

The directors and management are well-informed of the review and enhancements of the internal control system. Based on the covered areas, stores, scope of transactions and processes reviewed by the Internal Audit Department for 2012, the internal control systems are fairly effective and adequate.

## **2) Internal audit**

### **(a) Role, Scope and Internal Audit Function**

Puregold's Internal Audit Department's (IAD) objective is to determine whether the Company's system of risk management, governance, internal controls, policies and procedures are adequate and functioning in a manner to help ensure, among others:

1. Risks are appropriately identified and managed.
2. Significant financial, managerial and operational information is accurate, reliable and timely.
3. Employees' action are in compliance with the policies;
4. Resources are acquired economically, used efficiently, and protected adequately.
5. Quality and continuous improvements are fostered in the Company's procedures and control process.
6. Programs, plans, and objectives are defined, communicated and achieved.

The IAD employs both Risk-Based Audit methodology and transactional audit. The scope of internal audit functions is divided into three, as follows:

(1) Financial Audit

- Aim to assess whether controls over record keeping and reporting are adequate and effective. Major scope is the sales audit in the stores, for the timely checking and assurance of completeness, timeliness and adequate loading to financial modules.

(2) Store Operations Audit

- To evaluate compliance with policies, procedures, methods and standards.
- To determine control weaknesses and provide guidelines for procedure documentation or enhancement
- To evaluate if controls are in place that eliminates opportunity for damage, loss, fraud or irregularities.
- To appraise units or functions effectiveness and efficiency.

(3) Computer Information System Audit

- To evaluate internal controls in the computerized systems and identify control weaknesses, risks and deviations.
- To identify the nature and extent of risks to financial reporting posed by the use of information technology
- To review new systems/software development and ensure coordinated and proper implementation
- To identify risks of fraud, errors, irregularities, accidental and deliberate damage.

Role	Scope	Indicate whether in-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
------	-------	--	--	-------------------

See paragraph above	See paragraph above	In house	Abel Kahiwat	The Audit Manager reports to the Audit Committee and the Executive Committee and to the Chairman and President. The internal auditors have direct and unfettered access to the Board of Directors, the Audit Committee, and store management and access to all records, properties and personnel.
---------------------	---------------------	----------	--------------	---

**(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 access to the board of directors and the audit committee?**

Yes. The Internal Auditor has direct reporting relationship with the Audit Committee and Board of Directors.

**(d) Resignation, Re-assignment and Reasons**

No resignation or re-assignment of internal audit staff.

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.

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

The IAD performed Risk-Based audit in 2012 to review 3 major areas, under certain scope and coverage.

1. Store Operations: (a) Inventory Management; (b) Quality Assurance; (c) Process, Functions and Plantilla
2. Financial Process: (a) Payment process; (b) Invoice Deduction Process
3. Information Systems: (a) Access and Security

Progress Against Plans:

There could have been more scope that we aimed to cover from the initiation of transaction through financial reporting, but later became limited only to certain scope, process and samples due to various factors such as volume of transactions, diverted manpower due to various store launching and on-going development of Oracle Financial System and certain in-house programs.

Nevertheless, the audit activities are considered substantial to determine the effectiveness of the system and compliance in the procedures, especially when we focused on the process stated above. The audited activities have further provided new and enhanced insights on improvements of procedures and controls, and development of new systems.

Issues and Findings:

The fast expansions and launching of new stores also mean increase in manpower and extensive retraining of procedures. Certain issues are raised on how immediate that the organization (and stores) must adapt to these changes and the challenge of aligning the process, people and the functions (procedures). Audit findings include existence of various non-value processes, unreviewed plantilla based on current functions, and non-compliance on certain procedures that rendered lag in the process. These are gradually being resolved by each unit or department's efforts to restructure and improve. IAD is also working with Systems and Development Department for the continuous assessment and improvements.

Examination Trends

The current challenges to adapt to changes, to keep up with the ongoing expansion, while doing implementation of new systems, are very much expected by everyone in the management. The issues and findings are pervasive as expected, but the management is committed to keep abreast and be on top of these changes by doing incessant evaluation and finding solutions to the demands of these challenges.

**(f) Audit Control Policies and Procedures**

Internal Audit Controls, policies and procedures

Audit assessments have resulted to various major and minor updates and enhancements in controls and policies, and streamlining of store procedures. The following are the most recent and significant policies and procedures already implemented, among others:

Policies and Procedures	Implemented
Travel and Accommodation Policy	Yes
Identification of KPPI - Key Personnel for Procedures Implementation	Yes
System Development and Enhancement	Yes
Systems Access, Restriction and Security	Yes



Internal Control Manual for Information Technology (IT)	Yes
RTV Process and monitoring of Shipped and Released RTV items	Yes
Charged Sales, COD and Credit Lines	Yes
Realignment of Procedures for new store formats (Pg-Extra and PG-JR)	Yes
Realignment of Procedures for acquired companies	Yes
Inventory Management Controls (Receiving Area)	Yes
Check-out Department's Controls	Yes

**(g) Mechanism and Safeguards**

Audit Department have been regarded ever since as an independent body and department. The internal auditors, although substantially based at the stores, are functionally reporting to the Audit Officers and Managers.

The scope of the audit works and activities are directed and supervised by the department and not by the store management. Any Store's requests for audit investigation, analysis or store-related auditing are approved first with the Audit Officers. Performance of the internal auditors is rated solely by the Audit Managers and not by Store Managers.

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

**Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.**

The Chairman hereby attests that the Company, under his chairmanship, always strives to be in full compliance with the SEC Code of Corporate Governance, and 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.

**H. ROLE OF STAKEHOLDERS**

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

	Policy	Activities
Customer's welfare	Total satisfaction for our customers from the kind of service to the prices of our	It can be shown in the daily operation in all of the Company's stores

	merchandise	
Supplier/contractor selection practice	Supplier must be accredited, we make sure that their goods are safe, genuine and registered with government bodies regulating them	Consistently practiced by the vendors in the merchandising department
Environmentally friendly value-chain	All our stores have sufficient environment compliance certificate and continuously observing environmental laws	From the construction of the stores up to its opening, the Company ensures to have all the environmental permits required
Community interaction	Supportive of educational foundations and small enterprise	The Company is in coordination with LCCK Foundations granting scholarships to well deserving students and the Aling Puring program is reaching out to sari sari store owners to enhance their business.
Anti-corruption programmes and procedures?	Strictly no bribery to any agency and no bribery within the Company.	Gifts or any form of consideration from any party with dealings in the Company are prohibited and this policy is widely known especially among suppliers.
Safeguarding creditors' gifts	The policy of not accepting gifts or any form of consideration from any party with dealings in the Company are widely known to all the employees.	Any complaint for such is strictly monitored by the Company.

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

This is jointly administered by the Office of the Vice-President for Administration and Human Resource Department.

**3) Performance-enhancing mechanisms for employee participation.**

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

The company complies with safety policies mandated by the Department of Labor and Employment (DOLE). Company policies and rules on STD/HIV/AIDS are also in place. The company also submits annual report on Safety Organization and Medial Report and Accident/Illness Report. Policies on Tuberculosis and Hepatitis B are currently being reviewed.

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

To date, the company has 123 accredited First Aiders. Human Resource Department (HRD) is already coordinating on the schedule of First Aid and Basic Life Support training which is conducted by the Philippine National Red Cross – Manila Chapter to increase number of accredited and trained first aiders.

There are 1,070 employees-members enrolled in health maintenance program under Maxicare. Total claims amounted to P4.4M.

There are 4,041 enrollees on Group Personal Accident Insurance Plan and total claims for the past coverage period is P77,000.00.

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

1. Training Course for Management Trainees (TCMT) –is a continuing training program provided to newly hired store operations supervisors and employees tapped as candidates for promotion. TCMT aims to develop the skills of participants in store management as well as ensuring the implementation of standard operating procedures. Last year, there are 280 participants on this course.
2. Refresher Course for Section Supervisors – the course aims to revisit the basic policies on each unit of selling operations composing of modules on Shift Management, Basic Supervisory Skills and Retail Skills. There are 645 participants for this program.
3. Customer Service, The Puregold Way (CSP) – meeting its vision of becoming the most customer-oriented hypermart, the company intensified its customer service modules and rolled this out to all service providers. After the initial implementation, the CSP is now a fundamental workshop cascaded to all new hires of the company.
4. Safety and Security Training - is an orientation program specifically designed to the security workforce of the organization. There are 294 participants of the program composed of Officer-In-Charge and Team Leaders of uniformed and civilian guards.
5. Puregold holds its 7<sup>th</sup> Annual Teambuilding Workshop on March 26 and 27, 2012 with theme: "Building and Winning Public Trust".The two – day event started with a Learning Session on March 26, 2012 held at the Aqua Bay Lagoon Ballroom of the Hotel H2O, Manila. Mr. Francis J. Kong, key note speaker, started the day with his topic "Level Up Leadership" followed by Atty. Marc-Fabian B. Castrodes with his topic "Effective Leadership in Difficult Times" and Ms. Lois Ann Yasay with her topic "Start with WHY: How to Engage Passionate Employees and Build a Community on Trust".After the learning session, everyone proceeded to the Rizal Memorial Sports Complex – Track Oval Company-wide Sportsfest. This event which was participated by 400 personnel coming from the head office and stores from Regions I – V.

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

The Company will establish company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.

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

Any person may file any complaint of misconduct against any employee or any violation of illegal and unethical behavior to the Office of the Chairman or the Human Resource Department (HR). The HR will serve notice to the employee concerned and give him chance to explain himself why he should not be given a disciplinary action. Thereafter, the HR in coordination with the Legal Department and Office the Chairman, will resolve whether or not to cite the employee for disciplinary action.

The Management respects the wish of the complainant if he prefers that his identity be kept confidential. In this case, the management will conduct its own investigation and gather evidence on its own.

**I. DISCLOSURE AND TRANSPARENCY**

**1) Ownership Structure**

(a) Holding 5% shareholding or more

Shareholder	Number of Shares	Percent	Beneficial Owner
Lucio L. Co	870,939,301	31.48%	None
Susan P. Co	736,253,810	26.61%	None
Total	1,607,193,111	58.09%	

(b) Member of Senior Management

Name of Senior Management	Number of Direct Shares	Number of Indirect Shares/Through (name of record owner)	% of Capital Stock
Leonardo B. Dayao	739,925	None	0.026%
Total	739,925	None	0.026%

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

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	Yes
Dividend policy	Yes
Details of whistle-blowing policy	No, as there is yet no concrete policy on whistle-blowing
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorship of listed companies) of directors/commissioners	Yes
Training and/or continuing education program 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

**3) External Auditor's fee**

Name of Auditor	Audit Fee	Non-audit Fee
Manabat & Sanagustin, KPMG	Php 3,619,500.00	Php 3,835,598.78

**4) Medium of Communication**

The following are the modes of communication that the company is using for disseminating information.

For Corporate events for stockholders - the Company website and PSE website.

For store promos and store openings – all forms of media, print, television, radio and text blast.

**5) Date of release of audited financial report**

For the year 2012, we released as early as February 18, 2013.

#### 6) Company Website

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

Business operations	Yes
Financial statements/reports (current and prior years)	Yes
Materials provided in briefings to analysts and media	Yes
Shareholding structure	Yes
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

#### Disclosure of RPT

**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?**

The Company's related party transactions, its nature and value are itemized in the financial statements.

When RPTs are involved, the Company ensures that transactions are objective and are on an arm's length basis in a manner similar to transactions with non-related parties. A RPTs are reviewed as to its business purpose, its terms and its benefits, and it requires approval process to safeguard the interest of the Company and shareholders.

#### J. RIGHTS OF STOCKHOLDERS

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

###### (a) Quorum

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

Quorum Required	Majority except those specified under the Corporate Code that requires 2/3 approval
-----------------	---

**(b) System Used to Approve Corporate Acts**

Explain the system used to approve corporate acts.

System Used	During board meetings where directors personally attend and approve corporate acts
Description	Personal meetings; corporate acts are approved by majority decision

**(c) Stockholders' Rights**

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

Stockholders rights are those laid down in the Corporation Code.

Dividends declared in 2012

Declaration Date	Record Date	Payment Date
May 8, 2012	May 22, 2012	June 5, 2012
December 27, 2012	January 14, 2013	February 7, 2013

**(d) Stockholders' Participation**

1. State, if any, the measures adopted to promote stockholder participation in the Annual/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 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.

Before every annual meeting of the Company's stockholders, the Company issues an information statement to the stockholders where the all the matters for approval to the stockholders are fully discussed.

In case they cannot attend in person, stockholders are given proxy forms where they can manifest their approval or disapproval to any matter on the agenda.

During the stockholders meeting, any stockholder can directly raise question to the Chairman or any member of the Board. The Chairman is open as well to discussions so requested by any investor or stockholder.

**2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:**

- a. Amendments to the company's constitution
- b. Authorization of additional shares
- c. Transfer of all or substantially assets, which in effect results in the sale of the company

The Company is in full compliance with the provisions of the Corporation Code specially on the rights of the stockholders to appraisal rights, and any amendment of the Company's articles of incorporation where stockholders representing at least 2/3 of the capital stock must vote in the affirmative.

**3. Does the company observe a minimum of 21 business days for giving out of notices to the AM where items to be resolved by shareholders are taken up? No, only 15 days.**

- a. Date of sending out notices – April 26, 2013
- b. Date of the Annual/Special Stockholders' Meeting – May 14, 2013

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

No significant question raised during Annual/Special Stockholders' Meeting

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

Resolution	Approving	Dissenting	Abstaining
Ratification of Corporate Acts made by the Board of Directors and minutes of the previous meetings	2,484,902,300	5,200,000	1,322,201
Approval of the Presidents Report and Audited Financial Statements	2,118,859,792	2,000,000	310,444,457
Election of Directors			
Lucio L. Co	2,433,770,300	42,418,000	15,236,201



Susan P. Co	2,434,170,900	39,172,400	18,081,201
Leonardo B. Dayao	2,329,015,178	5,901,000	154,403,423
Ferdinand Vincent P. Co	2,484,891,500	4,110,000	393,201
Pamela Justine P. Co	2,484,930,000	4,110,000	1,384,501
Marilyn V. Pardo	2,489,424,501	2,000,000	0
Edgardo G. Lacson	2,488,364,501	3,060,000	0
Appointment of External Auditor	2,489,424,501	2,000,000	0

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

Result is not published.

**(e) Modifications**

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

None

**(f) Stockholders' Attendance**

**(i) Attendance in the Annual/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	% of SH attendance
Annual	All present - Lucio Co, Susan Co, Leonardo Dayao, Ferdinand Vincent Co, Pamela Justine Co, Marilyn Pardo and Edgardo Lacson	May 14, 2013	By ballot, however, the same was waived considering that substantial votes were already made and casted in favor of the matters approved by the major stockholders and by proxy.	67%	19%	86%

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

We appoint BDO stock transfer agent to count and/or validate the votes at the ASM.

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

Yes.

**(g) Proxy Voting Policies**

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

	Company's Policies
Execution and acceptance of proxies	Stockholders are fully informed
Notary	Not required, but for corporations, the authority of the representative must be stated in a board resolution under oath by the Corporate Secretary
Submission of Proxy	Liberal implementation
Several Proxies	Allowed
Validity of Proxy	Done through the stock transfer agent
Proxies executed abroad	Allowed
Invalidated Proxy	Not counted
Validation of Proxy	Done through the stock transfer agent
Violation of Proxy	Not counted

**(h) Sending of Notices**

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

In accordance with the Company's by laws or atleast 2 weeks prior to the meeting.

**(i) Definitive Information Statements and Management Report**

Number of Stockholders entitled to receive Definitive Information Statements	All stockholders as of record date
--	------------------------------------

and Management Report and Other Materials	
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	15 days before the Stockholders Meeting
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	15 days before the Stockholders Meeting
State whether CD format or hard copies were distributed	CD Format
If yes, indicate whether requesting stockholders were provided hard copies	Yes

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

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

**2) Treatment of Minority Stockholders**

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

Please see below provisions in the Revised Manual on Corporate Governance:

"The Board shall respect the rights of the stockholders as provided for in the Corporation Code; namely;

Right 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 right.

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

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

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

Although all stockholders should be treated equally or without discrimination, the Board should give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Corporation.

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

#### **K. INVESTORS RELATIONS PROGRAM**

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

The Company adheres to the principle of transparency. It makes sure that the external and internal communication processes reflect such guiding principle.

Company announcements are handled by the offices of the Corporate Secretary and Investor Relations Officer.

- 2) **Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.**

Investor Relations Officer is Mr. Jimmy Perez with telephone no. 523-3055 and email address [jimmy.perez@puregold.com.ph](mailto:jimmy.perez@puregold.com.ph).

The Company always participate in investors education program and conduct regular briefings to adequately inform the investors and stockholders of the status and developments in the Company.

It is also the strategy of the office to constantly update the website of the Company and reflect thereon all projects and disclosures made to the Philippine Stock Exchange.

**3) What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets?**

Opportunistic approach, as long as beneficial and consistent with the Company's expansion plan, and made after compliance with all regulatory approvals required by the Securities and Exchange Commission and Philippine Stock Exchange.

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

Punongbayan and Araullo were designated to evaluate the fairness of the transaction price during the acquisition of Kareila Management Corporation in 2012.

**L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

Initiative undertaken by the Company.

Initiative	Beneficiary
Educational scholarships	Deserving students in state universities and Dela Salle universities
Effective Solid Waste Management by re-using throw-away fax paper core tube into an office tray or pencil holders	Preserving the environment for us and for the next generation to come.
Use of biodegradable plastic shopping bags, paper bags, and re-usable eco-bags	Preserving the environment for us and for the next generation to come.
Use of light emitting diode (LED) instead of neon or flourescent lightings.	Preserving the environment for us and for the next generation to come.

**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.**

Assessment is yet to be done. We will inform the Commission of such assessment once made.

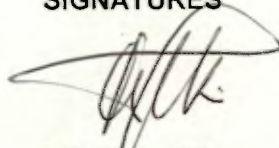
**N. INTERNAL BREACHES AND SANCTIONS**

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

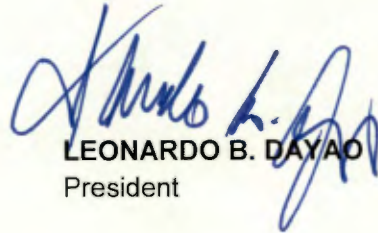
No such violation has yet been found but the policy is to immediately act and resolve on such violation. The end goal being to fully comply with corporate governance manual.

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 Manila on May 30, 2013.

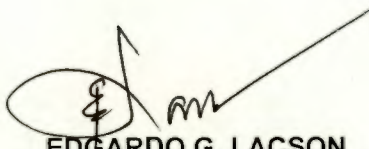
**SIGNATURES**




**LUCIO L. CO**  
Chairman and CEO



**LEONARDO B. DAYAO**  
President



**EDGARDO G. LACSON**  
Independent Director



**MARILYN V. PARDO**  
Independent Director




**ATTY. CANDY H. DACANAY-DATUON**  
Compliance Officer

12 JUN 2013

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_ 2013, affiant(s) exhibiting to me their Tax Identification Number and Passport Number as follows:

<u>Name</u>	<u>TIN No.</u>	<u>Passport No.</u>
LUCIO L. CO	108-975-971	EB 1321171 issued on 11-08-10
LEONARDO B. DAYAO	135-546-815	XX 4412442 issued on 08-22-09
MARILYN V. PARDO	116-078-201	
EDGARDO G. LACSON	127-418-020	
ATTY. CANDY H. DACANAY-DATUON	233-200-394	EB 7601184 issued on 03-10-13

DOC No. 263  
 PAGE No. 47  
 BOOK No. 6  
 SERIES of 2013

  
**ATTY. RICHARD L. ANOLIN**  
 NOTARY PUBLIC UNTIL DECEMBER 31, 2013  
 FOR THE CITY OF MANILA, PHILIPPINES  
 IBP LIFETIME NO. 05179 / 02-12-05 / MLA  
 PTR NO. 14 / 01/04/13 / MLA  
 ROLL NO. 33596  
 MCLF COMPLIANT NO. 01-0008222 / 2-05-10  
 RODULFO ANOLIN & ASSOCIATES LAW OFFICE  
 G/F YMCA OF MANILA BLDG.  
 # 350 ANTONIO VILLEGAS ST.  
 ERMITA, MANILA TEL. 525-05-66  
 EMAIL ADD: atty.richardianolin@yahoo.com