

2009 Corporate Governance Scorecard for Publicly-listed Companies

RESPONSE FORM

IMPORTANT NOTE: For validation purposes, please submit a copy of all documents used in the Self Assessment.

ENERGY DEVELOPMENT (EDC) CORPORATION's NOTES:

- a. Copies of documents for validation are submitted in binders, with pages tagged and worded according to the Survey Questions on this Response Form. This arrangement makes it easier for the Evaluators to locate the right and complete information source.
- b. For website concerns for the Scorecard, the record date the website was examined: **OCTOBER 14, 2009**. See printed web pages in the annexes binders

Part I THE RIGHT OF SHAREHOLDERS						
ITEM	SURVEY QUESTION	SELF-ASSESSMENT			INFORMATION SOURCE	REMARKS
		ADEQUATE	BETTER	BEST		
1	Does the company offer other ownership rights beyond voting?			✓	<ul style="list-style-type: none"> EDC Corporate Governance Manual, Section 7, Subjects 2-7 EDC Website URL: www.energy.com.ph URL of information source: http://www.energy.com.ph/corporate-governance/cg-manual/stockholders-rights-and-protection/ 	The declaration of stockholders' rights embody EDC's commitment to good corporate governance; as such, in addition to the rights granted by the law, EDC expressly declares its commitment to Promote Stockholders' Rights in its Corporate Governance Manual and its website.
2	Is the policy on the directors' remuneration disclosed to the shareholders?			✓	<ul style="list-style-type: none"> By-Laws, Article IV, Par. 5 INFORMATION STATEMENT (20-IS 2009): Pages 17 and 18, of Information Statement, Item 6, Compensation of Directors and Executive Officers. The 2009 Information Statement can also be downloaded from the EDC website at Investor Relations, PSE/SEC Structured Reports. URL or the page: http://s75445.gridserver.com/wp-content/uploads/2009/07/Definitive-Information-Statement-2009.pdf 	The current remuneration system of the Directors was approved by the SH in its meeting in 2007. Pls see EDC's 2009 20-IS, Part 1: Information required in information statement, (Item 6, page 17)

ITEM	SURVEY QUESTION	SELF-ASSESSMENT			INFORMATION SOURCE	REMARKS
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3	How is the directors' remuneration presented to the shareholders?			✓	<ul style="list-style-type: none"> Annual Report, page 111, item d, Remuneration of Key Management Personnel (including Directors) 20-IS 2009, Part 1: Information required in information statement, (Item 6, pages 16-17) The 2009 Information Statement can also be downloaded from the EDC website at Investor Relations, PSE/SEC Structured Reports. URL or the page: http://s75445.gridserver.com/wp-content/uploads/2009/07/Definitive-Information-Statement-2009.pdf 	<p>The director's remuneration has been presented on a 3-year matrix together with those of other members of key management personnel by benefit type (short-term employee benefits and post-employment benefits)</p> <p>Re the AGM Minutes, since the director's remuneration policy was approved in 2007, there has been no change in the same up to the present. That resolution of the Board and stockholders was disclosed to the SEC and PSE in EDC's disclosure in July 2007.</p>
4	Does the company allow shareholders to elect board members individually?			✓	<ul style="list-style-type: none"> AGM Agenda Annual Report Company By-Laws 20-IS 2009: Item B, Control and Compensation Information, page 6 The 2009 Information Statement can also be downloaded from the EDC website at Investor Relations, PSE/SEC Structured Reports. URL or the page: http://s75445.gridserver.com/wp-content/uploads/2009/07/Definitive-Information-Statement-2009.pdf 	Shareholders are given the option to vote such number of shares for as many persons as there are directors to be elected or he may cumulate his shares and give one (1) candidate as many votes as the number of directors to be elected, provided that the total number of vote cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected.
5	Quality of Notice to call Shareholders' Meeting in the past year.	Notice of Annual Meeting of Stockholders and Information Statement for June 10, 2008 (Past Year) Annual SH Meeting				
5.1	Nomination of directors providing their names and background.			✓	<ul style="list-style-type: none"> 20-IS 2008, Part 1: Information required in information statement, Item 5, pages 8-10 & 14 The 2008 Information Statement can also be downloaded from the EDC website at Investor Relations, PSE/SEC Structured Reports. URL or the page: http://www.energy.com.ph/wp-content/uploads/2009/07/Definitive-Info-Statement-May-14-2008-Final-PSE.pdf 	Information sources show individual profiles of new and returning directors including Board Meeting Attendance record

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5.2	Is there adequate information on the external auditor? Are their name(s), profile, detail of fees and other engagements with the company (tax, consulting, etc.) provided?			✓	<ul style="list-style-type: none"> 20-IS 2008, Part 1: Information required in information statement (Item 7 PAGE 20 "Independent Public Accountants") The 2008 Information Statement can also be downloaded from the EDC website at Investor Relations, PSE/SEC Structured Reports. URL or the page: http://www.energy.com.ph/wp-content/uploads/2009/07/Definitive-Info-Statement-May-14-2008-Final-PSE.pdf 	
5.3	Dividend policy, in providing the amount and explanation.			✓	<ul style="list-style-type: none"> AGM Minutes, pages are properly tagged in submitted documents AGM Agenda, with tagged pages 20-IS 2008, Management Report, Item "F. Market Price of And Dividends on the Registrant's Common Equity" page 43-45 The 2008 Information Statement can also be downloaded from the EDC website at Investor Relations, PSE/SEC Structured Reports. URL or the page: http://www.energy.com.ph/wp-content/uploads/2009/07/Definitive-Info-Statement-May-14-2008-Final-PSE.pdf. The information is in pages 68-70 of 177 of the electronic file 	Both amount and explanation of dividend policy of EDC are provided
5.4	Does the information statement have an executive summary?			✓	<ul style="list-style-type: none"> 20-IS 2008, Management Report The 2008 Information Statement can also be downloaded from the EDC website at Investor Relations, PSE/SEC Structured Reports. URL or the page: http://www.energy.com.ph/wp-content/uploads/2009/07/Definitive-Info-Statement-May-14-2008-Final-PSE.pdf. The information is in the Management Report Section 	The Management Report and the Management Discussion and Analysis of Financial Condition and Results of Operations (MD & A) indicated in the 20-IS 2008 covers the information required under an Executive Summary, giving an overview of the company's financial, operational, and legal highlights.
6	Quality of Minutes of Shareholders' Meeting	<p style="text-align: center;"><u>The Minutes of the 2009 Annual Stockholders Meeting is still not available, as it is still subject for approval by the shareholders on the next meeting of June, 2010. We are, however, making available the 2007 and 2008 Minutes of AGM</u></p>				

ITEM	SURVEY QUESTION	SELF-ASSESSMENT			INFORMATION SOURCE	REMARKS
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6.1	Voting method and vote counting system			✓	<ul style="list-style-type: none"> AGM Minutes Notice to call Shareholders' Meeting Company By-Laws 20-IS 2009, Part 1: Information required in information statement, (Page 6, Item 4. "Voting Securities and Principal Holders Thereof") The 2009 Information Statement can also be downloaded from the EDC website at Investor Relations, PSE/SEC Structured Reports. URL or the page: http://s75445.gridserver.com/wp-content/uploads/2009/07/Definitive-Information-Statement-2009.pdf 	As indicated in the submitted documents, voting method and vote counting system are declared before the official start of the meeting
6.2	Issues and Motions			✓	<ul style="list-style-type: none"> 2008 AGM Minutes 	The Approved 2008 AGM Minutes indicate all the issues and motions raised during the meeting.
6.3	Agreements arrived at during the meeting;			✓	<ul style="list-style-type: none"> 2008 AGM Minutes 	The approved 2008 AGM Minutes show agreements arrived at, i.e.; Approval of Previous Minutes, Annual Report, etc.
6.4	Corporate acts which were approved or disapproved by the stockholders.			✓	<ul style="list-style-type: none"> 2008 AGM Minutes 	The approved 2008 AGM Minutes indicates the Ratification of Corporate Acts starting from page 2
7	Did the Chairman of the Board attend the last two AGMs?			✓	<ul style="list-style-type: none"> AGM Minutes of 2007 and 2008 SEC & PSE Disclosure under SEC Form 17-C on matters decided in the 2009 AGM Certificate of Directors' Attendance in Board Meetings for 2007 and 2008 	During the 2007 AGM, then chairman of the Board A.M. Cailao attended the meeting. For the 2008 and 2009 AGM, Chairman O.M. Lopez was present during the meetings.
8	Did the CEO/Managing Director attend at least one of the last two AGMs?			✓	<ul style="list-style-type: none"> AGM Minutes of 2007 and 2008 SEC & PSE Disclosure under SEC Form 17-C on matters decided in the 2009 AGM Certificate of Directors' Attendance in Board Meetings for 2007 and 2008 	President/CEO Paul A. Aquino attended the last two (2) AGMs
9	Is a name list of board members attending the AGM available?			✓	<ul style="list-style-type: none"> AGM Minutes of 2008 Reports to the SEC & PSE 	

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10	Do AGM minutes record that there was an opportunity allowing shareholders to ask questions/raise issues in the past year?				The 2008 AGM Minutes are provided as information source. The 2009 AGM Minutes are still for stockholder's approval in the next AGM	
10.1	Is there a record of answers and questions?			✓	<ul style="list-style-type: none"> AGM Minutes of 2008 	
10.2	Is there a record of resolutions in the minutes?			✓	<ul style="list-style-type: none"> AGM Minutes of 2008 	
11	Attendance of the Board Committee Chairs					
11.1	Did the Chairman of the Audit Committee attend the last two AGMs?			✓	<ul style="list-style-type: none"> AGM Minutes of 2007 and 2008 Certificate of attendance of Committee members EDC Website: URL: http://www.energy.com.ph/corporate-governance/board-committees/ 	The Audit Committee Chairman V.S. Perez, Jr. attended the last two (2) AGMs
11.2	Did the Chairman of the Compensation / Remuneration / Governance Committee attend the last two AGMs?			✓	<ul style="list-style-type: none"> AGM Minutes of 2007 and 2008 Certificate of attendance of Committee members EDC Website: URL: http://www.energy.com.ph/corporate-governance/board-committees/ 	The Compensation function has been merged with that of Nomination in EDC, and as such, it is called the Nomination & Compensation Committee. Thus, the two successive year's attendance of the NCC Chairman in the AGM must also be credited for item 11.3 in the 2009 CG Scorecard
11.3	Did the Chairman of the Nomination Committee attend the last two AGMs?			✓	<ul style="list-style-type: none"> AGM Minutes of 2007 and 2008 Certificate of attendance of Committee members EDC Website: URL: http://www.energy.com.ph/corporate-governance/board-committees/ 	The Compensation function has been merged with that of Nomination in EDC, and as such, it is called the Nomination & Compensation Committee. Thus, the two successive year's attendance of the NCC Chairman in the AGM must also be credited for item 11.3 in the 2009 CG Scorecard

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12	Does the company have anti-takeover defenses?				In addition to the matters covered by 12.1 and 12.2, EDC has several other anti-takeover defenses, such as, but not limited to the preferred share structure of the Company (Articles of Incorporation, SEVENTH Article) and By-Laws (Article IV, Section 2)	
12.1	Do Board members collectively own more than 25% of outstanding shares?			✓	<ul style="list-style-type: none"> 20-IS, Part 1: Information required in information statement (page 14, "Nominees for Directors") SEC and PSE Report on beneficial ownership of shares EDC Website, Disclosures pages PSE Website, EDC Disclosure pages 	
12.2	What is the proportion of outstanding shares that are considered "free float"?			✓	<ul style="list-style-type: none"> PSE Website: http://www.pse.com.ph/ (on EDC) 20-IS 2009, Part 1: Information required in information statement (page 14, "Nominees for Directors") EDC Website, Disclosures pages 	EDC's free float is 9 billion shares which is 40% of the 22.5 billion outstanding preferred and common shares, and 60% of the 15 billion outstanding common shares listed in the PSE.
Part II. EQUITABLE TREATMENT OF SHAREHOLDERS						
13	For the same class of shares, does the principle of one share one vote apply?			✓	<ul style="list-style-type: none"> 20-IS 2009, Part 1: Information required in information statement (page 6, Item 4, "Voting Securities and Principal Holders thereof") Articles of Incorporation Company By-Laws Information Statement 	The principle of one share, one vote applies to both existing classes of EDC shares – common and preferred – regardless of the value of each class of shares.
14	Does the company have any mechanism that allows minority shareholders to influence board composition?			✓	<ul style="list-style-type: none"> Annual Report 20-IS 2009 AGM Notice to Call Shareholders' Meeting EDC Corporate Governance Manual Articles of Incorporation Company By-Laws (Article II, par. 6) 	Cumulative voting is allowed for the election of Directors. With such scheme, minority shareholders may combine their votes in favor of one director, or distribute them to their directors of choice.

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15	Has there been any case of insider trading involving company directors and management in the past two years?			✓	<ul style="list-style-type: none"> SEC & PSE Records 	There is no such case involving company directors and management, based on the SEC & PSE Records.
16	Has the company established a system to prevent the use of material inside information and inform all employees, management, and board members of this system?			✓	<ul style="list-style-type: none"> EDC Website: http://www.energy.com.ph/corporate-governance/cg-related-policies/ 	The Company's policies on Trading Rules and Restrictions strictly adhere to the requirements of the PSE and the SEC
17	Has there been any complaint/dispute/problem regarding related-party transaction in the past two years?			✓	<ul style="list-style-type: none"> SEC & PSE Records 	There is no such complaint / dispute / problem concerning related party transactions in the past two years
18	Does the company have a policy that requires management to disclose related-party transaction?			✓	<ul style="list-style-type: none"> 20-IS 2009, Part 1: Information required in information statement, pages 15-16 Annual Report 	EDC strictly adheres to the requirements set forth under the SRC and the Disclosure Rules of the PSE, as well as the Accounting and auditing rules concerning disclosure of related party-transactions
19	Are the nature and extent of transactions with affiliated and related parties communicated to shareholders annually?			✓	<ul style="list-style-type: none"> 20-IS 2009, Part 1: Information required in information statement, pages 15-16 "<i>Certain Relationships and Related Transactions</i>" 2008 Annual Report, page 109 	These are all clearly indicated
20	Is the company a part of an economic group where the parent / controlling shareholder also controls key suppliers, customers, and/or similar businesses?			✓	<ul style="list-style-type: none"> EDC Procurement Guidelines Related customers, suppliers, are published in the Annual Report and SEC Form 17-A. Notes to the Audited Financial Statement of the Annual Report 	EDC's controlling shareholder is in a similar business but it does not control key suppliers and customers. Also the selection of key suppliers is subject to the Company's Procurement guidelines, and mainly, bidding.
21	Does the company facilitate voting by proxy?			✓	<ul style="list-style-type: none"> Notice to Call Shareholders' Meeting 20-IS Proxy Forms 	Shareholders are properly advised they could submit their proxies. Proxy forms are indicated in the Information Statement, and can be downloaded from the company website
22	Does the notice to shareholders specify the documents required to give proxy?			✓	<ul style="list-style-type: none"> Notice to Call Shareholders' Meeting 20-IS 2009 	

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23	Is there any requirement for a proxy appointment to be notarized?			✓	<ul style="list-style-type: none"> • Notice to Call Shareholders' Meeting • Company Bylaws • 20-IS 	Notarization is NOT required.
24	How many days in advance does the company send out notice of general shareholder meetings?			✓	<ul style="list-style-type: none"> • Notice to Call Shareholders' Meeting • AGM Minutes • EDC Website • Articles of Incorporation • Company Bylaws • 20-IS 2009 	Notice is given four (4) weeks in advance. Please refer to our response in the scorecard question nos. 24.1 and 24.2
24.1	Date of Notice		(dd/mm/yy) 01 / 06 / 2009		<ul style="list-style-type: none"> • Notice to call Shareholders' Meeting • 20-IS 2009 	
24.2	Date of Actual Meeting		(dd/mm/yy) 30 / 06 / 2009		<ul style="list-style-type: none"> • Notice to call Shareholders' Meeting • 20-IS 2009 	
Part III. THE ROLE OF STAKEHOLDERS IN CORPORATE GOVERNANCE						
25	Does the company explicitly mention the safety and welfare of its employees?			✓	<ul style="list-style-type: none"> • 2008 Annual Report, pages 48, 49, 50 • EDC Corporate Governance Manual, • Code of Conduct and Business Ethics • SEC Form 17-A (2009) • Management Report accompanying the Information Statement • Department of Energy Revised Geothermal Safety and Health Rules and Regulations and Code of Practice • EDC Safety Manual 	The Safety and welfare program in the company is well defined, specific, and properly disseminated to all employees. This can be easily accessed by shareholders in the company website and Annual Reports
26	Does the company provide an ESOP (Employee Share Option Program), or other long-term employee incentive plan linked to shareholder value creation, to employees?			✓	<ul style="list-style-type: none"> • EDC Website: http://s75445.gridserver.com/wp-content/uploads/2009/01/Amendment-to-Share-Buy-Back-Program.pdf • 20-IS 2009, Part 1: Information required in information statement (page 18, Item 10 "Amendment of the SEVENTH Article of the Articles of Incorporation to Allow the Issuance and/or Reissuance of Common Shares Pursuant to the Company's Executive/Employee Ownership Plan") 	

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27	Does the company provide a retirement plan/fund or its equivalent for its employees?			✓	<ul style="list-style-type: none"> • EDC Personnel Manual, Section 5, Subject 26 • 2008 Annual Report pp. 114-116 • Code of Conduct and Business Ethics • 20-IS 2009 	
28	Does the company provide a continuing training program for its employees?			✓	<ul style="list-style-type: none"> • Code of Conduct and Business Ethics • Annual Report • EDC Personnel Manual, Section 7, Subjects 1 to 3 	Employees develop experience, technical proficiency, and professional advancement through training modules at EDC, traditional classroom study at the worlds leading geothermal institutions, and other international and local training providers
29	Does the company explicitly mention the role of customers?			✓	<ul style="list-style-type: none"> • Code of Conduct and Business Ethics • Sustainable Development Report • SEC Form 17-A, • 20-IS 2009 	
30	Does the company explicitly mention the role of suppliers/business partners?			✓	<ul style="list-style-type: none"> • Code of Conduct and Business Ethics • Sustainable Development Report • SEC Form 17-A, • 20-IS 2009 	
31	Does the company explicitly mention its obligations to shareholders?			✓	<ul style="list-style-type: none"> • 2008 Annual Report • Code of Conduct and Business Ethics • 20-IS 2009 • EDC Corporate Governance Manual 	
32	Does the company explicitly mention its obligations to creditors?			✓	<ul style="list-style-type: none"> • 2008 Annual Report • Code of Conduct and Business Ethics • 20-IS 2009 	
33	Does the company explicitly mention environmental issues in its public communication?			✓	<ul style="list-style-type: none"> • 2008 Annual Report • Code of Conduct and Business Ethics • SEC Form 20-IS 	Environmental concern is a major strength of EDC, as can be gleaned from the Company's Annual Report, the Message from the Chairman of the Board, and the President/ceo
34	Does the company explicitly mention its broader obligations to society and / or the community?			✓	<ul style="list-style-type: none"> • 2008 Annual Report, pp. 53-58 • Code of Conduct and Business Ethics • SEC Form 20-IS 	
35	Does the company disclose pending legal and tax proceedings, tax assessment notices and voluntary assessment program availments that it considers to be potentially material to its business?			✓	<ul style="list-style-type: none"> • 20-IS 2009, Part 1: Information required in information statement (page 15, "Involvement in Certain Legal Proceedings") • 2008 Annual Report, p. 102 (Claims for VAT Refund & Arbitral Issues with NPC) 	

ITEM	SURVEY QUESTION	SELF-ASSESSMENT			INFORMATION SOURCE	REMARKS
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Part IV. DISCLOSURE AND TRANSPARENCY						
36	Does the company have a transparent ownership structure					
36.1	Breakdown of shareholdings			✓	<ul style="list-style-type: none"> 20-IS 2009, Part 1: Information required in information statement (pages 6-7, "Security Ownership of Certain Record & Beneficial Owners and Management") Annual Report Company Website: http://www.energy.com.ph/investor-relations/disclosures/ 	Please refer to the attached List of Top 100 Stockholders (Common Shares) and the Public Ownership Report that EDC submits to the PSE quarterly. These reports are also posted in the EDC website under "Investor Relations: SEC/PSE Structured Reports".
36.2	Is it easy to identify beneficial ownership?			✓	<ul style="list-style-type: none"> 20-IS 2009, Part 1: Information required in information statement (pages 6-7, "Security Ownership of Certain Record & Beneficial Owners and Management") 2008 Annual Report Company Website: http://www.energy.com.ph/investor-relations/disclosures/ SEC Forms 23-A and 23-B List of Top 100 Stockholders filed with the PSE & SEC 	Yes. The List of Top 100 Stockholders (Common Shares) also includes a list of the beneficial owners of the PCD Nominee accounts.
36.3	Are directors' shareholdings disclosed?			✓	<ul style="list-style-type: none"> 20-IS 2009, Part 1: Information required in information statement (pages 6-7, "Security Ownership of Certain Record & Beneficial Owners and Management") 2008 Annual Report Company Website: http://www.energy.com.ph/investor-relations/disclosures/ SEC Forms 23-A and 23-B 	
36.4	Are management's shareholdings disclosed?			✓	<ul style="list-style-type: none"> 20-IS 2009, Part 1: Information required in information statement (pages 6-7, "Security Ownership of Certain Record & Beneficial Owners and Management") 2008 Annual Report Company Website: http://www.energy.com.ph/investor-relations/disclosures/ SEC Forms 23-A and 23-B 	

ITEM	SURVEY QUESTION	SELF-ASSESSMENT			INFORMATION SOURCE	REMARKS
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37	Does the company have a dispersed ownership structure?			✓	<ul style="list-style-type: none"> Public Ownership Report 2008 and 2009 Top 100 SH for 2008-2009 	Majority of the common stocks are owned by funds representing a big number of investors
38	Assess the quality of the Annual Report, in particular, the following:					
38.1	Financial performance			✓	<ul style="list-style-type: none"> 2008 Annual Report in Management Discussion & Analysis Section SEC Form 17-A, on the Audited Financial Statement 20-IS 2009 on the Audited Financial Statement 	Reports are clear, comprehensive, and informative
38.2	Business operations, competitive position, and other non-financial matters			✓	<ul style="list-style-type: none"> 2008 Annual Report, Audited Financial Statements 20-IS 2009, Audited Financial Statements SEC Form 17-A, on the Audited Financial Statement SEC Form 17-C 	Reports are clear, comprehensive and include mention of market shares
38.3	Basis of the Board compensation			✓	<ul style="list-style-type: none"> SEC Form 20-IS 2009 2008 Annual Report SEC Form 17-A, on the Audited Financial Statement 	<p>The EDC Board of Directors are not given compensation in the technical sense, but rather, they are being given per diems for their attendance during Board and Committee Meetings.</p> <p>As such, the basis of their <i>per diems</i> are disclosed in the Annual Report, Information Statement and the Minutes of the Annual General Meeting.</p>
38.4	Operating risks			✓	<ul style="list-style-type: none"> 20-IS 2009 2008 Annual Report, pp. 119-133 SEC Form 17-A 	EDC has an existing and operational Enterprise-Wide Risk Management (EWRM) in place
38.5	Identification of Independent Directors			✓	<ul style="list-style-type: none"> 20-IS 2009 2008 Annual Report, pp. 38-44 SEC Form 17-A, on the Audited Financial Statement 	Independent directors are identified and their qualifications are well-stated
38.6	Board meeting attendance of individual directors			✓	<ul style="list-style-type: none"> 20-IS 2009 SEC Form 17-A 2008 Annual Report, pp. 35-36 	

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38.7	Does the company have a policy requiring full disclosure of details of related-party transactions in public communications?			✓	<ul style="list-style-type: none"> • 20-IS 2009 • SEC Form 17-A, on the Audited Financial Statement • 2008 Annual Report, p. 109 	
38.8	Does the company have a policy requiring full disclosure of details of related-party transactions in public communications?			✓	<ul style="list-style-type: none"> • 20-IS 2009 • 2008 Annual Report 	
39	Is there any statement requesting directors to report their transactions of the company shares?			✓	<ul style="list-style-type: none"> • Full business interest disclosure Statement • SEC Form 23-A / 23-B • EDC Website: http://www.energy.com.ph/corporate-governance/cq-related-policies/ 	
40	Does the company have an internal audit operation established as a separate unit in the company?			✓	<ul style="list-style-type: none"> • EDC Corporate Governance Manual • The internal Audit Charter • EDC Website>AGC Charter (http://s75445.gridserver.com/wp-content/uploads/2009/09/1-Charter.pdf) 	<p>The Compliance Officer's Report on Corporate Governance for EDC shown on the website elucidates further the independence of Audit Group as a separate unit from Management of the company.</p> <p><u>NOTE: For items 40 to 45, as in all the other Survey Question items, the information sources are tagged in the specific pages where they are located in the submitted documents.</u></p>
41	Does the internal auditor report to the board audit committee?			✓	<ul style="list-style-type: none"> • Charter of the Audit and Governance Committee • EDC Website: • EDC Corporate Governance Manual • Quarterly and Annual Reports to the Audit and Governance Committee 	<p>The Compliance Officer's Report on Corporate Governance for EDC shown on the website elucidates further the independence of Audit Group as a separate unit from Management of the company.</p> <p><u>NOTE: For items 40 to 45, as in all the other Survey Question items, the information sources are tagged in the specific pages where they are located in the submitted documents.</u></p>
42	Does the internal audit function provide an independent evaluation of the internal control processes of the company?			✓	<ul style="list-style-type: none"> • 2008 EDC Annual Report • Annual Report of the Internal Audit Department to the AGC • EDC Corporate Governance Manual • Code of Conduct and Business Ethics 	<p><u>NOTE: For items 40 to 45, as in all the other Survey Question items, the information sources are tagged in the specific pages where they are located in the submitted documents.</u></p>

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43	Does the company perform an annual audit using SEC accredited external auditors?			✓	<ul style="list-style-type: none"> 2008 EDC Annual Report SEC Form 17-A Disclosures to the SEC and PSE 	
44	Is the financial report disclosed in a timely manner during the past year?			✓	<ul style="list-style-type: none"> Annual Report EDC Website: http://www.energy.com.ph/investor-relations/psesec-structured-reports/ SEC Form 17-A Sec Form 17-Q SEC Form 20-IS 	Very timely submission NOTE: For items 40 to 45, as in all the other Survey Question items, the information sources are tagged in the specific pages where they are located in the submitted documents.
45	Are there any accounting qualifications in the audited financial statements apart from the Qualification on Uncertainty of Situation?			✓	<ul style="list-style-type: none"> Annual Report: Auditor's Report (Financial Statement Section) No qualified or adverse opinion SEC Form 17-A SEC Form 20-IS 	NOTE: For items 40 to 45, as in all the other Survey Question items, the information sources are tagged in the specific pages where they are located in the submitted documents.
46	Does the company website disclose up-to-date information on:	Record date the website was examined: OCTOBER 14, 2009. See printed web pages in the annexes folder			EDC Website: www.energy.com.ph	
46.1	Business operation			✓	Company website: URL <ul style="list-style-type: none"> http://www.energy.com.ph/our-expertise/exploration/ http://www.energy.com.ph/our-expertise/drilling/ http://www.energy.com.ph/our-expertise/reservoir-management/ http://www.energy.com.ph/our-expertise/frcs/ http://www.energy.com.ph/our-expertise/environmental-management/ http://www.energy.com.ph/our-expertise/energy-research-and-development/ http://www.energy.com.ph/our-expertise/project-planning-and-construction/ http://www.energy.com.ph/our-expertise/engineering-design-construction/ http://www.energy.com.ph/our-projects/geothermal/ http://www.energy.com.ph/our-projects/hydro/ http://www.energy.com.ph/our-projects/wind/ 	

ITEM	SURVEY QUESTION	SELF-ASSESSMENT			INFORMATION SOURCE	REMARKS
		ADEQUATE	BETTER	BEST		
46.2	Financial statements			✓	Company Website: URL • http://www.energy.com.ph/investor-relations/financial-reports/	
46.3	Press release			✓	Company Website: URL • http://www.energy.com.ph/c/news/	
46.4	Shareholding structure			✓	Company Website: URL • http://www.energy.com.ph/investor-relations/psesec-structured-reports/	
46.5	Organization structure			✓	Company Website: URL http://www.energy.com.ph	
46.6	Corporate group structure (N/A for a company that does not belong to corporate grouping)			✓	Company Website: URL http://www.energy.com.ph/about-edc/milestones/	
46.7	Downloadable annual report			✓	Company Website: URL • http://s75445.gridserver.com/wp-content/uploads/2009/07/2008-EDC-AR.pdf	
46.8	Notice to call shareholders' meeting			✓	• SEC Form 20-IS (Pages 2 and 3) Company Website: URL • http://s75445.gridserver.com/wp-content/uploads/2009/04/PSE-Postponement-of-Annual-Stockholders-Meeting.pdf • http://s75445.gridserver.com/wp-content/uploads/2009/07/Definitive-Information-Statement-2009.pdf	
47	Does the company provide contact details for a specific Investor Relations person or unit that is easily accessible to outside investors?			✓	• Company Website: http://www.energy.com.ph/investor-relations/disclosures/ • Annual Reports	EDC has a very active Investor Relations Officer who communicates directly with shareholders/investors, and conducts regular Analyst Briefings.
48	Does the company offer multiple channels of access to information? Multiple channels include:					

ITEM	SURVEY QUESTION	SELF-ASSESSMENT			INFORMATION SOURCE	REMARKS
		ADEQUATE	BETTER	BEST		
48.1	Annual report			✓	<ul style="list-style-type: none"> Annual report Company Website http://s75445.gridserver.com/wp-content/uploads/2009/07/2008-EDC-AR.pdf 	
48.2	Company website			✓	<ul style="list-style-type: none"> Company Website: http://www.energy.com.ph 	
48.3	Analyst briefing(s)			✓	Company Website: URL <ul style="list-style-type: none"> http://www.energy.com.ph/investor-relations/stock-watch/ 	This is also the material used in the media briefing. This material is posted in the EDC website under "Investor Relations: Presentations".
48.4	Press conference(s) / press briefing(s)			✓	Company Website: <ul style="list-style-type: none"> http://www.energy.com.ph/investor-relations/stock-watch/ http://www.energy.com.ph/investor-relations/presentations/ 	Please see remarks in previous number
49	Does the company have its own written Corporate Governance Manual that clearly describes its value system and board responsibilities?			✓	<ul style="list-style-type: none"> EDC Corporate Governance Manual EDC Website: http://www.energy.com.ph/corporate-governance/cg-manual/introduction/general-provisions/ 	
50	Does the Board of Directors provide code of ethics or statement of business conduct for all directors and employees?			✓	<ul style="list-style-type: none"> EDC Code of Conduct and Business Ethics (CCBE) EDC Website: http://www.energy.com.ph/corporate-governance/cg-related-policies/ 	
51	Does the company have corporate vision/mission/values?			✓	<ul style="list-style-type: none"> EDC Code of Conduct and Business Ethics EDC Website: http://www.energy.com.ph 	
52	Does the PSE have any evidence of non-compliance of the company with PSE rules and regulations in the last year?			✓	<ul style="list-style-type: none"> PSE Records 	

ITEM	SURVEY QUESTION	SELF-ASSESSMENT			INFORMATION SOURCE	REMARKS
		ADEQUATE	BETTER	BEST		
53	Assess the quality of the Audit Committee Report in the Annual Report:					
53.1	Attendance			✓	<ul style="list-style-type: none"> Annual Report, page 68 of 152 EDC Website: http://s75445.gridserver.com/wp-content/uploads/2009/07/2008-EDC-AR.pdf . 	
53.2	Internal control			✓	<ul style="list-style-type: none"> Annual Report, page 68 of 152 EDC Website: http://s75445.gridserver.com/wp-content/uploads/2009/07/2008-EDC-AR.pdf . 	
53.3	Proposed auditors			✓	<ul style="list-style-type: none"> Annual Report, page 68 of 152 EDC Website: http://s75445.gridserver.com/wp-content/uploads/2009/07/2008-EDC-AR.pdf . 	
53.4	Financial report review			✓	<ul style="list-style-type: none"> Annual Report, page 68 of 152 EDC Website: http://s75445.gridserver.com/wp-content/uploads/2009/07/2008-EDC-AR.pdf . 	
53.5	Legal compliance			✓	<ul style="list-style-type: none"> Annual Report, page 68 of 152 EDC Website: http://s75445.gridserver.com/wp-content/uploads/2009/07/2008-EDC-AR.pdf . 	
54	Have board members participated in the training on Corporate Governance?			✓	<ul style="list-style-type: none"> EDC Website: http://www.energy.com.ph/corporate-governance/measures-to-comply/sec-reports-on-corporate-governance/ ICD Records Certificates of Attendance issued by recognized Institutions 	As of date, EDC has accomplished 100% Board attendance in a CG Training Program.
55	Have senior management executives attended training on Corporate Governance?			✓	<ul style="list-style-type: none"> EDC Website: http://www.energy.com.ph/corporate-governance/measures-to-comply/sec-reports-on-corporate-governance/ ICD Records Certificates of Attendance 	Majority of Management executives have attended the one-day CG seminar conducted by the IFC last July 2, 2007 at the Hotel Intercontinental, Makati, as well as the in-house seminar conducted by EDC's HR Organizational Devt. Department in 2007.

ITEM	SURVEY QUESTION	SELF-ASSESSMENT			INFORMATION SOURCE	REMARKS
		ADEQUATE	BETTER	BEST		
56	What is the attendance performance of the board members during the past 12 months?			✓	<ul style="list-style-type: none"> EDC Website: http://s75445.gridserver.com/wp-content/uploads/2009/07/2008-EDC-AR.pdf Certificate of Board Attendance 2008 Annual Report, page 38 of 152 SEC and PSE Records 	Excellent record of Attendance. More than 80%.
57	Does the company provide a risk management policy?			✓	<ul style="list-style-type: none"> EDC Website: Corporate Governance pages: Risk Management Committee Charter Risk Management Manual 	
58	Does the company clearly distinguish the roles and responsibilities of the board and management?			✓	<ul style="list-style-type: none"> EDC Website: CG Manual: http://www.energy.com.ph/corporate-governance/cg-manual/executive-officers/specific-duties-and-functions/ Edc Website: CG Manual: http://www.energy.com.ph/corporate-governance/cg-manual/board-of-directors/general-responsibilities-specific-duties-and-responsibilities-of-a-director-board-meetings-trainingorientation-process/ Company By-Laws 	Both Board and Management's roles are clear
59	Does the board conduct an annual self-assessment?			✓	<ul style="list-style-type: none"> 2008 Annual Report EDC Website: http://www.energy.com.ph/corporate-governance/measures-to-comply/evaluation-system/ 	The EDC Board's self-assessment has been practiced for two years running since its institution in 2008.
60	Does the company conduct an annual performance assessment of the CEO/President?			✓	<ul style="list-style-type: none"> 2008 Annual Report EDC Website: http://www.energy.com.ph/corporate-governance/measures-to-comply/evaluation-system/ 	The EDC Board has conducted an annual performance assessment of the President/CEO for two consecutive years since its institution in 2008
61	How many board meetings are held per year?	13 Board Meetings for 2008 including the Organizational Meeting				
61.1	Does the firm report board meeting attendance of individual directors?			✓	<ul style="list-style-type: none"> Certificate of Board Attendance 2008 Company Website: SEC Form 17-A: http://www.energy.com.ph/investor-relations/psesec-structured-reports/# Annual Report (page 38 of 152) 	
62	Is the Chairman a non-executive director?			✓	<ul style="list-style-type: none"> Company Website: http://www.energy.com.ph/bod/oscar-m-lopez/ Company By-Laws 	

ITEM	SURVEY QUESTION	SELF-ASSESSMENT			INFORMATION SOURCE	REMARKS
		ADEQUATE	BETTER	BEST		
63	Does the board appoint committees with independent members to carry out various critical responsibilities such as:					
63.1	Audit. If yes, are the following items disclosed?			✓	EDC has an Audit and Governance Committee	
63.1.1	Charter/ Role and responsibilities			✓	<ul style="list-style-type: none"> • EDC Corporate Governance Manual • Annual Report • SEC Form 17-A • EDC Website: Corporate Governance Pages: Charter of Board Committees: http://www.energy.com.ph/corporate-governance/board-committees/charters/ 	
63.1.2	Profile / Qualifications			✓	<ul style="list-style-type: none"> • EDC Corporate Governance Manual • Annual Report • SEC Form 17-A • EDC Website: Corporate Governance Pages: Charter of Board Committees: http://www.energy.com.ph/corporate-governance/board-committees/charters/ 	
63.1.3	Independence			✓	<ul style="list-style-type: none"> • EDC Corporate Governance Manual • Annual Report • SEC Form 17-A • EDC Website: Corporate Governance Pages: Charter of Board Committees: http://www.energy.com.ph/corporate-governance/board-committees/charters/ 	
63.1.4	Is the Chairman of the Committee an independent director?			✓	<ul style="list-style-type: none"> • EDC Corporate Governance Manual • Annual Report • SEC Form 17-A • EDC Website: Corporate Governance Pages: Charter of Board Committees: http://www.energy.com.ph/corporate-governance/board-committees/charters/ 	

ITEM	SURVEY QUESTION	SELF-ASSESSMENT			INFORMATION SOURCE	REMARKS
		ADEQUATE	BETTER	BEST		
63.1.5	Performance / Meeting Attendance			✓	<ul style="list-style-type: none"> Annual Report SEC Form 17-A EDC Website: Corporate Governance Pages: Charter of Board Committees: http://www.energy.com.ph/corporate-governance/board-committees/charters/ EDC Website: Corporate Governance: http://www.energy.com.ph/corporate-governance/board-committees/ 	
63.2	Compensation/ Remuneration Committee. If yes, are the following items disclosed?			✓	EDC has a Nomination and Compensation Committee, which has jurisdiction over Compensation/Remuneration functions required in this question.	
63.2.1	Charter/Role and Responsibilities			✓	<ul style="list-style-type: none"> EDC Corporate Governance Manual Annual Report SEC Form 17-A EDC Website: Corporate Governance Pages: Charter of Board Committees: http://www.energy.com.ph/corporate-governance/board-committees/charters/ 	
63.2.2	Is the Committee composed of a majority of independent directors?			✓	<ul style="list-style-type: none"> EDC Corporate Governance Manual Annual Report SEC Form 17-A EDC Website: Corporate Governance Pages: Charter of Board Committees: http://www.energy.com.ph/corporate-governance/board-committees/charters/ 	
63.2.3	Performance / Meeting Attendance			✓	<ul style="list-style-type: none"> Annual Report SEC Form 17-A EDC Website: Corporate Governance Pages: Charter of Board Committees: http://www.energy.com.ph/corporate-governance/board-committees/charters/ EDC Website: Corporate Governance: http://www.energy.com.ph/corporate-governance/board-committees/ 	

ITEM	SURVEY QUESTION	SELF-ASSESSMENT			INFORMATION SOURCE	REMARKS
		ADEQUATE	BETTER	BEST		
63.3	Nomination Committee. If yes, are the following items disclosed?			✓	EDC has a Nomination and Compensation Committee, which has jurisdiction over Nomination functions required in this question.	
63.3.1	Charter/Role and Responsibilities			✓	<ul style="list-style-type: none"> • EDC Corporate Governance Manual • Annual Report • SEC Form 17-A • EDC Website: Corporate Governance Pages: Charter of Board Committees: http://www.energy.com.ph/corporate-governance/board-committees/charters/ 	
63.3.2	Is the Committee composed of a majority of independent directors?			✓	<ul style="list-style-type: none"> • EDC Corporate Governance Manual • Annual Report • SEC Form 17-A • EDC Website: Corporate Governance Pages: Charter of Board Committees: http://www.energy.com.ph/corporate-governance/board-committees/charters/ 	
63.3.3	Performance / Meeting Attendance			✓	<ul style="list-style-type: none"> • Annual Report • SEC Form 17-A • EDC Website: Corporate Governance Pages: Charter of Board Committees: http://www.energy.com.ph/corporate-governance/board-committees/charters/ • EDC Website: Corporate Governance: http://www.energy.com.ph/corporate-governance/board-committees/ 	
64	How many board members are independent directors?			✓	<ul style="list-style-type: none"> • Articles of Incorporation • EDC Website: Corporate Governance Pages: http://www.energy.com.ph/corporate-governance/board-of-directors/ • EDC 2008 Annual Report • SEC Form 17-A • 20-IS 2009 	
65	Does company state in its Annual Report the definition of "independence" for identifying independent directors in public communications?			✓	<ul style="list-style-type: none"> • 2008 Annual Report (page 37 of 152) • SEC Form 17-A • EDC Website: Corporate Governance pages: http://www.energy.com.ph/corporate-governance/cg-manual/board-of-directors/composition/ 	The definition of Independence is further mentioned in the Compliance Officers Report on the Website

ITEM	SURVEY QUESTION	SELF-ASSESSMENT			INFORMATION SOURCE	REMARKS
		ADEQUATE	BETTER	BEST		
66	Does the board conduct assessment of what skills and trainings the directors need?			✓	<ul style="list-style-type: none"> Company Website: Nomination and Compensation Committee charter: http://www.energy.com.ph/corporate-governance/board-committees/charters/ EDC Corporate Governance Manual 	
67	Does the Company have a separate statement the Board of Directors describing their responsibilities in reviewing the firm's financial statement?			✓	<ul style="list-style-type: none"> Annual Report, "Statement of Management's responsibility" which accompanies the Audited Financial Statement 	

