

Questionnaire

Question	Description	Score	Remarks
<p><u>Part I. The Rights of Shareholders</u> <u>20%</u></p> <p>Rights Defined</p> <p>1.Does the company offer other ownership rights beyond voting?</p>	<p>DESCRIPTION: Examples of additional rights are equitable shares of the profits and/or dividends, equal treatment for share repurchases and the right to mortgage and sell , etc.</p> <p>SUGGESTION INFO SOURCE: Company Website, Annual Report, Articles of Incorporation, Information Statement</p> <p>ADEQUATE:N one BETTER:Either one of the rights BEST:All</p>	<p>Best</p>	<p>The declaration of stockholders' rights: VOTING RIGHT PRE-EMPTIVE RIGHT INSPECTION RIGHT RIGHT TO INFORMATION RIGHT TO DIVIDENDS APPRAISAL RIGHT</p> <p>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 RESPECT STOCKHOLDERS' RIGHTS" and "DUTY TO PROMOTE STOCKHOLDERS' RIGHTS" in its Corporate Governance Manual and its Corporate Governance pages in the EDC website.</p> <p>Information Sources: [EDC Website: EDC Corporate Governance Manual (full document for download)] Section 9: Stockholders' Rights and Protection, Subjects 2-7; PAGES 43-46; http://www.energy.com.ph/wp-content/uploads/2011/07/EDC-Revised-Corporate-Governance-Manual-July-2011.pdf</p> <p>[EDC Website: EDC Corporate Governance Manual (section shown on screen)]http://www.energy.com.ph/corporate-governance/cg-manual/stockholders-rights-and-protection/</p>
<p>2.Is the policy on the directors' remuneration disclosed to the shareholders?</p>	<p>DESCRIPTION: Policy and criteria for director remuneration should be presented to shareholders. Remuneration is defined as the total</p>	<p>Yes</p>	<p>The current remuneration system of the Directors was approved by the SH in its meeting in 2007. Pls see EDC's 2011 20-IS, Part 1: Information required in information statement, (Item 6, page 20)</p> <p>Information Sources: AMENDED BY-LAWS (Rev. Nov. 5, 2010); ARTICLE IV, PART 5; PAGE 36;http://www.energy.com.ph/wp-content/uploads/2010/11/Apointment-of-CFO-and-Internal-Audit-Manager_-Change-in-Corporate-</p>

Questionnaire

	<p>emoluments other than per diems. SUGGESTION ON INFO SOURCE: AGM Minutes, Agenda, Information Statement, Annual Report or SEC Form 17-A and Company Website ADEQUATE: No BETTER: - BEST : Yes</p>		<p>Name.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20- IS 2010); PART I: INFORMATION REQUIRED IN INFORMATION STATEMENT, Item 6: Compensation of Directors and Executive Officers; PAGE 20;http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20- IS 2011); Part 1: Information required in information statement, Item 6: Compensation of Directors and Executive Officers; PAGE 20; http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p>
<p>3.How is the directors remuneration disclosed to the shareholders?</p>	<p>DESCRIPTION: Directors compensation should be determined according to the company stated criteria and policy, with approval by the shareholders SUGGESTION INFO SOURCE: AGM Minutes, Agenda, Information Statement, Annual Report ADEQUATE: Directors remuneration available only as total or summation BETTER: - BEST: Details of remuneration policy available</p>	<p>Yes</p>	<p>ANSWER: BEST, Details of remuneration policy is available.</p> <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> <p>As stated in the 17-A: (Page 64) http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p> <p><i>In compliance with EDC Board Resolution No. 54, S' 2007, the members of the Board are remunerated with a compensation package as follows:</i></p> <ul style="list-style-type: none"> -Monthly director's fee: P50,000.00 -Attendance fee for Board meetings: P10,000.00 per meeting -Bonus to Directors as a group: ½ of 1% of declared cash dividend -Group Life Insurance Coverage: P4 million, at a

Questionnaire

			<p>premium per month of P2,120 wherein P 819.10 is being shouldered by the Company while the balance of P1,300.90 is being shouldered by the director. -Group Hospitalization Insurance Coverage: P1,400.24 per month</p> <p>Information Sources: 2010 ANNUAL REPORT (SEC FORM 17-A); Part IV, Executive Compensation; PAGE 64;http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2010); PART I: INFORMATION REQUIRED IN INFORMATION STATEMENT, Item 6: Compensation of Directors and Executive Officers; PAGES 20-21;http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); Part 1: Information required in information statement, Item 6: Compensation of Directors and Executive Officers; PAGE 20-21;http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p>
<p>4.Does the company allow shareholders to elect board members individually?</p>	<p>DESCRIPTION: Shareholders should have an opportunity to consider and elect each board member individually. SUGGESTION ON INFO: AGM Minutes, Agenda, Information Statement, Annual Report ADEQUATE: No BETTER: - BEST: Yes</p>	<p>Yes</p>	<p>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.</p> <p>Information Sources: AGM AGENDA; (PLS SEE THE 20-IS) PAGE 4; (2011) http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf; (2010)http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>2010 ANNUAL REPORT (SEC FORM 17-A); Part</p>

Questionnaire

			<p>V, Election of the Board of Directors and Composition;PAGE 73; http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p> <p>AMENDED BY-LAWS (Rev. Nov. 5, 2010); Article II, Part 8; PAGES 27-29;http://www.energy.com.ph/wp-content/uploads/2010/11/Appointment-of-CFO-and-Internal-Audit-Manager-Change-in-Corporate-Name.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2010); Item B: Control and Compensation Information; PAGE 4; http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); Item B: Control and Compensation Information;PAGE 5; http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p>
<p>Rights Disclosed</p> <p>5. Quality of Notice to call Shareholders' Meeting in the past year.</p> <p>5. 1Nomination of directors providing their names and background.</p>	<p>DESCRIPTION: Background refers to individual profile of new directors and returning directors. For returning directors, must include board meeting attendance and performance. Notice should include: Information source: Information Statement; by-laws.</p> <p>SUGGESTION</p>	<p>Best</p>	<p>Information sources show individual profiles of new and returning directors including Board Meeting Attendance record</p> <p><i>Information Sources:</i></p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2010); PART I: Information Required in Information Statement, Item 5: Directors and Executive Officers; PAGES 6-17; http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); Part 1: Information Required in Information Statement, Item 5: Directors and Executive Officers; PAGES 8-17; http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p>

Questionnaire

	<p>ON INFO SOURCE:Notice to call Shareholders Meeting, Information Statement, AGM Minutes, Agenda ADEQUATE:None BETTER:Includes individual profile of new directors and returning directors BEST:Includes individual profile of new directors and returning directors and board meeting attendance and performance</p>		
<p>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?</p>	<p>SUGGESTION ON INFO SOURCE:Information Statement, AGM Minutes, Agenda ADEQUATE:None BETTER:Inadequate information mentioned BEST:All information presented</p>	<p>Best</p>	<p>BEST. All information presented.</p> <p><i>Information Sources:</i> INFORMATION STATEMENT (SEC FORM 20- IS 2010); PART I: Information Required in Information Statement, Item 7: Independent Public Accountants; PAGE 21; http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20- IS 2011); Part 1: Information Required in Information Statement, Item 7: Independent Public Accountants; PAGE 22; http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p>
<p>5.3 Dividend</p>	<p>SUGGESTION</p>	<p>Best</p>	<p>Both amount and explanation of dividend policy of</p>

Questionnaire

<p>policy, in providing the amount and explanation.</p>	<p>ON INFO SOURCE: Notice to call Shareholders; Meeting, ;Information Statement, AGM Minutes, Agenda ADEQUATE: Both items missing BETTER:Includes only one item BEST:Includes both items</p>		<p>EDC are provided</p> <p>Information Sources: AGM AGENDA; (PLS SEE THE 20-IS); (2009) PAGES 2-3; http://s75445.gridserver.com/wp-content/uploads/2009/07/Definitive-Information-Statement-2009.pdf; (2010) PAGE 4; http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf; (2011) PAGE 4; http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2010); Management Report; Market Price of And Dividends on the Registrant's Common Equity; PAGES 83-86; http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); Management Report; Market Price of And Dividends on the Registrant's Common Equity; PAGES 72-74; http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p>
<p>5.4 Does the information statement have an executive summary?</p>	<p>DECRPTION: There should be a summary and/or a simple presentation of the companys financial, operational and legal highlights. This is to allow the ordinary shareholder or stakeholder to be fully aware of the companys status. SUGGESTION</p>	<p>Yes</p>	<p>The INFORMATION REQUIRED IN INFORMATION STATEMENT and the Management Report and the Management Discussion and Analysis of Financial Condition and Results of Operations (MD & A) indicated in the 20-IS 2008 cover the information required under an Executive Summary, giving an overview of the company's financial, operational, and legal highlights.</p> <p>Information Sources: INFORMATION STATEMENT (SEC FORM 20-IS 2010); PART I: INFORMATION REQUIRED IN INFORMATION STATEMENT; PAGES 3-22; http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p>

Questionnaire

	<p>ON INFO SOURCE:AGM Minutes, Agenda, Information Statement ADEQUATE: No BETTER: - BEST: Yes</p>		<p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); INFORMATION REQUIRED IN INFORMATION STATEMENT; Management Report; PAGES 5-23 http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p>
<p>6. Quality of Minutes of Shareholders' Meeting 6.1 Voting method and vote counting system</p>	<p>DESCRIPTION: Voting method and vote counting system should be declared before the meeting begins. SUGGESTION ON INFO SOURCE:AGM Minutes, SEC Form 17-C, Notice to call Shareholders Meeting, By-Laws, Information Statement Company ADEQUATE:N ot included BETTER:- BEST:Included</p>	<p>Yes</p>	<p><u>BEST. THE VOTING METHOD AND VOTE COUNTING SYSTEM ARE INCLUDED</u></p> <p>As indicated in the submitted documents, voting method and vote counting system are declared before the official start of the meeting.</p> <p><i>Information Sources:</i> AGM MINUTES 2009 (Document uploaded as Attachment A) 2010 (Document uploaded as Attachment B) 2010 AGM Minutes has been approved by the stockholders last July 2011 Annual Stockholders' Meeting. We shall forward the signed copies as soon as we received them.</p> <p>NOTICE TO CALL SHAREHOLDERS' MEETING, 20-IS 2010, PAGE 2, http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>AMENDED BY-LAWS (REV. NOV. 5, 2010) PAGES 27-28 http://www.energy.com.ph/wp-content/uploads/2010/11/Appointment-of-CFO-and-Internal-Audit-Manager -Change-in-Corporate-Name.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2010); Part 1: Information required in information statement, (PAGE 4, Item 4. "Voting Securities and Principal Holders Thereof");http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); Part 1: Information required in information statement, (PAGE 6, Item 4. "Voting Securities and</p>

Questionnaire

			<p><i>Principal Holders Thereof"), http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</i></p>
6.2 Issues and Motions	<p>DESCRIPTION: The minutes should indicate the issues and motions raised during the meeting.</p> <p>SUGGESTION ON INFO SOURCE: Minutes of Shareholders Meeting</p> <p>ADEQUATE: Not included</p> <p>BETTER: -</p> <p>BEST: Included</p>	Yes	<p><u>BEST. YES, THE ISSUES AND MOTIONS ARE INCLUDED.</u></p> <p>The Approved 2010 AGM Minutes indicate all the issues and motions raised during the meeting.</p> <p><i>Information Source:</i> 2010 AGM MINUTES (Document uploaded as Attachment A) 2010 AGM Minutes has been approved by the stockholders last July 2011 Annual Stockholders' Meeting. We shall forward the signed copies as soon as we received them.</p>
6.3 Agreements arrived at during the meeting;	<p>DESCRIPTION: The minutes should indicate the agreements arrived at during the meeting;</p> <p>SUGGESTION ON INFO SOURCE: Minutes of Shareholders Meeting</p> <p>ADEQUATE: Not included</p> <p>BETTER: --</p> <p>BEST: Included</p>	Yes	<p><u>BEST. YES, THE AGREEMENTS ARRIVED AT DURING THE MEETING ARE INCLUDED.</u></p> <p>The approved 2010 AGM Minutes show agreements arrived at, i.e.; Approval of Previous Minutes, Annual Report, etc.</p> <p><i>Information Source:</i> 2010 AGM MINUTES (Document uploaded as Attachment A) 2010 AGM Minutes has been approved by the stockholders last July 2011 Annual Stockholders' Meeting. We shall forward the signed copies as soon as we received them.</p>
6.4 Corporate acts which were approved or disapproved by the stockholders.	<p>DESCRIPTION: The minutes should indicate Corporate acts which were approved or disapproved by the stockholders.</p>	Yes	<p><u>BEST. YES, THE CORPORATE ACTS WHICH WERE APPROVED/DISAPPROVED BY THE STOCKHOLDERS ARE INCLUDED.</u></p> <p>The approved 2010 AGM Minutes indicates the Ratification of Corporate Acts starting from page 3.</p> <p><i>Information Source:</i></p>

Questionnaire

	<p>SUGGESTION ON INFO SOURCE: Minutes of Shareholders Meeting ADEQUATE: Not included BETTER:- BEST: Included</p>		<p>2010 AGM MINUTES (Document uploaded as Attachment A) 2010 AGM Minutes has been approved by the stockholders last July 2011 Annual Stockholders' Meeting. We shall forward the signed copies as soon as we received them.</p>
<p><u>Participation in AGM</u></p> <p>7. Did the Chairman of the Board attend the last two AGMs?</p>	<p>DESCRIPTION: Shareholders should have an opportunity to address the Chairman of the Board. SUGGESTION ON INFO SOURCE: AGM Minutes, Reports to PSE/SEC/BSP, Certification of Attendance ADEQUATE: Failure to attend both AGMs due to justifiable reasons BETTER: One absent due to justifiable reasons BEST: Two; attended both of the last two AGMs</p>	<p>Best</p>	<p>During the 2009 and 2010 AGM, then Chairman of the Board OSCAR M. LOPEZ attended the meetings.</p> <p>In the 2010 AGM, incoming Chairman FEDERICO R. LOPEZ attended the meeting.</p> <p>Information Sources: AGM MINUTES 2009 (Document uploaded as Attachment A) 2010 (Document uploaded as Attachment B) 2010 AGM Minutes has been approved by the stockholders last July 2011 Annual Stockholders' Meeting. We shall forward the signed copies as soon as we received them.</p> <p>SEC & PSE DISCLOSURES UNDER SEC FORM 17-C ON MATTERS DECIDED IN THE 2010 AND 2009 AGM: (2010) http://www.energy.com.ph/wp-content/uploads/2010/07/July-29-2010-ASM-Approved-Resolutions-PSE4.pdf; (2009) http://s75445.gridserver.com/wp-content/uploads/2009/08/Meeting.pdf http://s75445.gridserver.com/wp-content/uploads/2009/08/Meeting.pdf</p> <p>CERTIFICATE OF DIRECTORS' ATTENDANCE IN MEETINGS FOR 2009 AND 2010, (2009) http://www.energy.com.ph/wp-content/uploads/2010/01/Certificate-of-Board-Attendance-for-2009-PSE.pdf ; (2010) http://www.energy.com.ph/wp-content/uploads/2011/01/Certification-on-EDC-BOD-Attendance-for-2010.pdf</p>

Questionnaire

<p>8. Did the CEO/Managing Director attend at least one of the last two AGMs?</p>	<p>DESCRIPTION: Shareholders should have an opportunity to address the CEO and MD. SUGGESTION ON INFO SOURCE: Zero; did not attend either of the two AGMs ADEQUATE: Zero; did not attend either of the two AGMs BETTER: One; attended one AGM BEST: Two; attended both of the last two AGMs</p>	<p>Best</p>	<p>Then-President/CEO Paul A. Aquino attended the 2009 AGM.</p> <p>In the 2010 AGM, then-Vice-Chairman/CEO Paul A. Aquino and the President/COO Richard B. Tantoco, attended the AGM.</p> <p>Information Sources: AGM Minutes 2009 (Document uploaded as Attachment A) 2010 (Document uploaded as Attachment B) The 2010 AGM Minutes has been approved by the stockholders last July 2011 Annual Stockholders' Meeting. We shall forward the signed copies as soon as we received them.</p> <p>SEC & PSE DISCLOSURE UNDER SEC FORM 17-C ON MATTERS DECIDED IN THE 2010 AND 2009 AGM: (2010) http://www.energy.com.ph/wp-content/uploads/2010/07/July-29-2010-ASM-Approved-Resolutions-PSE4.pdf; (2009) http://s75445.gridserver.com/wp-content/uploads/2009/08/Meeting.pdf</p> <p>ATTENDANCE IN BOARD MEETING FOR 2009 AND 2010: (2009) http://www.energy.com.ph/wp-content/uploads/2010/01/Certificate-of-Board-Attendance-for-2009-PSE.pdf ; (2010) http://www.energy.com.ph/wp-content/uploads/2011/01/Certification-on-EDC-BOD-Attendance-for-2010.pdf</p>
<p>9. Is a name list of board members attending the AGM available?</p>	<p>DESCRIPTION: Name list of board and committee members in attendance should be recorded in the minutes. SUGGESTION ON INFO SOURCE: AGM Minutes, Reports to</p>	<p>Yes</p>	<p><u>BEST, THE NAME LIST OF BOARD MEMBERS ATTENDING THE AGM IS AVAILABLE</u></p> <p>Information Sources: AGM Minutes of 2010. The 2010 AGM Minutes has been approved by the stockholders last July 2011 Annual Stockholders' Meeting. We shall forward the signed copies as soon as we received them.</p> <p>Reports to the SEC & PSE www.sec.gov.ph and www.pse.com.ph</p> <p>ATTENDANCE IN BOARD MEETINGS FOR</p>

Questionnaire

	PSE/BSP ADEQUATE: No BETTER: - BEST: Yes		2009 AND 2010, (2009) http://www.energy.com.ph/wp-content/uploads/2010/01/Certificate-of-Board-Attendance-for-2009-PSE.pdf ; (2010) http://www.energy.com.ph/wp-content/uploads/2011/01/Certification-on-EDC-BOD-Attendance-for-2010.pdf
10. Do AGM minutes record that there was an opportunity allowing shareholders to ask questions/raise issues in the past year? 10.1 Is there a record of answers and questions?	DESCRIPTION: Shareholder participation is guaranteed if the logistics of meetings allow this. Agenda time should be allocated for questions. Firms which record shareholder questions and the corresponding answers from directors/managers earn a "good" score, while firms with no record are judged "poor" SUGGESTION ON INFO SOURCE: AGM Minutes, Reports to PSE/BSP ;AGM Minutes ADEQUATE: No BETTER: - BEST: Yes	Yes	<u>BEST. YES, THERE IS A RECORD OF QUESTIONS AND ANSWERS.</u> <i>Information Sources:</i> 2009 AGM MINUTES (Document uploaded as Attachment A) 2010 AGM MINUTES (Document uploaded as Attachment B) 2010 AGM Minutes has been approved by the stockholders last July 2011 Annual Stockholders' Meeting. We shall forward the signed copies as soon as we received them.
10.2 Is there a record of resolutions in the minutes?	DESCRIPTION Firms which note any resolution earned a "good" score, while firms with no	Yes	<u>BEST. YES, THERE IS A RECORD OF RESOLUTIONS IN THE MINUTES.</u> <i>Information Sources:</i> 2009 AGM MINUTES (Document uploaded as Attachment A) 2010 AGM MINUTES (Document uploaded as

Questionnaire

	<p>record are judged as "poor". SUGGESTION ON INFO SOURCE:AGM Minutes, Information Statement, Agenda ADEQUATE: No BETTER: - BEST:Yes</p>		<p>Attachment B) 2010 AGM Minutes has been approved by the stockholders last July 2011 Annual Stockholders' Meeting. We shall forward the signed copies as soon as we received them.</p>
<p>11 Attendance of the Board Committee Chairs Shareholders should have an opportunity to address the Chairs of each Sub-Committee. 11.1 Did the Chairman of the Audit Committee attend the last two AGMs?</p>	<p>DESCRIPTION: Shareholders should have an opportunity to address the Chairman of the Audit Committee. SUGGESTION ON INFO SOURCE:AGM Minutes, Annual Report, Reports to PSE/SEC/BSP ADEQUATE:Zero; did not attend either of the two AGMs BETTER: One; attended one AGM- BEST:Two; attended both of the last two AGMs</p>	<p>Best</p>	<p><u>BEST. YES, THE CHAIRMAN OF EDC'S AUDIT AND GOVERNANCE COMMITTEE (AGC) ATTENDED THE LAST 2 AGMs.</u></p> <p>The 2009 Audit and Governance Committee Chairman C.V. Purisima and 2010 Audit and Governance Committee Chairman Edgar O. Chua attended the AGMs during their incumbency.</p> <p><i>Information Sources:</i> AGM Minutes 2009 (Document uploaded as Attachment A) 2010 (Document uploaded as Attachment B) 2010 AGM Minutes has been approved by the stockholders last July 2011 Annual Stockholders' Meeting. We shall forward the signed copies as soon as we received them.</p> <p>REPORT ON COMMITTEE ATTENDANCE http://www.energy.com.ph/corporate-governance/board-committees/</p> <p>ATTENDANCE IN BOARD MEETINGS FOR 2009 AND 2010, (2009) http://www.energy.com.ph/wp-content/uploads/2010/01/Certificate-of-Board-Attendance-for-2009-PSE.pdf ; (2010) http://www.energy.com.ph/wp-content/uploads/2011/01/Certification-on-EDC-BOD-Attendance-for-2010.pdf</p>

Questionnaire

<p>11.2 Did the Chairman of the Compensation / Remuneration / Governance Committee attend the last two AGMs?</p>	<p>DESCRIPTION: Shareholders should have an opportunity to address the Chairman of the Compensation / Remuneration / Governance Committee. SUGGESTION ON INFO SOURCE: AGM Minutes, Reports to PSE/BSP ADEQUATE : Zero; did not attend either of the two AGMs BETTER:One; attended one AGM BEST: Two; attended both of the last two AGMs</p>	<p>Best</p>	<p>The Compensation function has been merged with that of Nomination in EDC, and as such, it is called the Nomination & Compensation Committee.</p> <p>Thus, the two successive year's attendance of the incumbent NCC Chairman (2009- Francis G. Estrada; 2010- Federico R. Lopez) in the AGM must also be credited for item 11.3 in the 2011 CG Scorecard.</p> <p>Information Sources: AGM Minutes 2009 (Document uploaded as Attachment A) 2010 (Document uploaded as Attachment B) 2010 AGM Minutes has been approved by the stockholders last July 2011 Annual Stockholders' Meeting. We shall forward the signed copies as soon as we received them.</p> <p>REPORT ON COMMITTEE ATTENDANCE http://www.energy.com.ph/corporate-governance/board-committees/http://www.energy.com.ph/corporate-governance/board-committees/</p> <p>ATTENDANCE IN BOARD MEETINGS FOR 2009 AND 2010, (2009) http://www.energy.com.ph/wp-content/uploads/2010/01/Certificate-of-Board-Attendance-for-2009-PSE.pdf (2010) http://www.energy.com.ph/wp-content/uploads/2011/01/Certification-on-EDC-BOD-Attendance-for-2010.pdf</p>
<p>11.3 Did the Chairman of the Nomination Committee attend the last two AGMs?</p>	<p>DESCRIPTION: Shareholders should have an opportunity to address the Chairman of the Nomination Committee. Suggested Info Source:AGM Minutes, Reports to PSE/BSP</p>	<p>Best</p>	<p>The Compensation function has been merged with that of Nomination in EDC, and as such, it is called the Nomination & Compensation Committee.</p> <p>Thus, the two successive year's attendance of the incumbent NCC Chairman (2009 – Francis G. Estrada; 2010-Federico R. Lopez) in the AGM must also be credited for item 11.2 in the 2011 CG Scorecard.</p> <p>Information Sources: AGM Minutes 2009 (Document uploaded as Attachment A)</p>

Questionnaire

	<p>ADEQUATE:Zero; did not attend either of the two AGMs BETTER: One; attended one AGM BEST: Two; attended both of the last two AGMs</p>		<p>2010 (Document uploaded as Attachment B) 2010 AGM Minutes has been approved by the stockholders last July 2011 Annual Stockholders' Meeting. We shall forward the signed copies as soon as we received them.</p> <p>REPORT ON COMMITTEE ATTENDANCE http://www.energy.com.ph/corporate-governance/board-committees/http://www.energy.com.ph/corporate-governance/board-committees/</p> <p>ATTENDANCE IN BOARD MEETINGS FOR 2009 AND 2010, (2009) http://www.energy.com.ph/wp-content/uploads/2010/01/Certificate-of-Board-Attendance-for-2009-PSE.pdf (2010) http://www.energy.com.ph/wp-content/uploads/2011/01/Certification-on-EDC-BOD-Attendance-for-2010.pdf</p>
<p><u>Take over Rules</u></p> <p>12. Does the company have anti-takeover defenses?</p> <p>12.1 Do Board members collectively own more than 25% of outstanding shares?</p>	<p>DESCRIPTION: A commonly observed takeover defense is the significant size of the board members shareholdings in the company. Other observed defenses are cross-shareholding and pyramid holdings. The fewer defenses, the better.</p> <p>SUGGESTION ON INFO SOURCE: Information Statement, Company Website, SEC Forms 17-A, 18-A, 23-A, 23-B</p> <p>ADEQUATE: Yes BETTER: -</p>	<p>No</p>	<p>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).</p> <p>As stated in the Information Statement (SEC FORM 20-IS) (2010) AS OF MAY 7, 2010, THE TOTAL NUMBER OF SHARES OWNED BY THE DIRECTORS AND KEY EXECUTIVE OFFICERS IS 16,917,887 OR 0.090% OF TOTAL OUTSTANDING COMMON SHARES. (2011) AS OF MAY 23, 2011, THE TOTAL NUMBER OF SHARES OWNED BY THE DIRECTORS AND KEY EXECUTIVE OFFICERS IS 30,212,635 OR 0.161% OF TOTAL COMMON SHARES.</p> <p><i>Information Sources:</i> INFORMATION STATEMENT (SEC FORM 201-IS 2010); PART 1: INFORMATION REQUIRED IN INFORMATION STATEMENT, Security Ownership of Certain Record and Beneficial Owners Management; PAGES 4-6; http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p>

Questionnaire

	BEST: No		<p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); Part 1: Information Required in Information Statement, Nominees for Directors; PAGES 6-8; http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p> <p>EDC WEBSITE: SEC AND PSE REPORTS ON BENEFICIAL OWNERSHIP OF SHARES; (MARCH 2010) http://www.energy.com.ph/wp-content/uploads/2010/03/Public-Ownership-Report-March-31-2010-PSE.pdf (JUNE 2010) http://www.energy.com.ph/wp-content/uploads/2010/03/Public-Ownership-Report-June-30-2010-PSE.pdf (SEPTEMBER 2010) http://www.energy.com.ph/wp-content/uploads/2010/03/Public-Ownership-Report-September-30-2010-PSE.pdf (DECEMBER 2010) http://www.energy.com.ph/wp-content/uploads/2010/03/Public-Ownership-Report-December-31-2010-PSE.pdf</p>
12.2 What is the proportion of outstanding shares that are considered "free float"?	<p>DESCRIPTION: The bigger the float, the better.</p> <p>SUGGESTION ON INFO SOURCE: Annual Report, Information Statement, company website, Quarterly Disclosures to PSE/BSP (re: computation)</p> <p>ADEQUATE: 0 - 20%</p> <p>BETTER: 20 - 30%</p> <p>BEST: over 30%</p>	Best	<p>THE 54.3% IS THE RESULT OF THE RECOMPUTED FLOAT AS OF DECEMBER 31, 2010, PURSUANT TO THE PSE EMAIL/MEMO DATED JULY 6, 2011 TO ALL LISTED COMPANIES ON REMINDERS IN COMPLETING THE PUBLIC OWNERSHIP REPORTS. IT STATES:</p> <p><i>"ONLY COMMON SHARES ARE CONSIDERED IN THE COMPUTATION OF PUBLIC FLOAT. PREFERRED SHARES, VOTING OR NON-VOTING, ARE CONSIDERED NON-PUBLIC BY THEIR CHARACTERISTICS THAT FUNCTION SIMILAR TO A DEBT SECURITY, AND BY THEIR NATURE OF BEING TRADED LESS ACTIVELY COMPARED TO COMMON SHARES."</i></p> <p><i>Information Sources:</i></p> <p>EDC WEBSITE: PUBLIC OWNERSHIP REPORT: http://www.energy.com.ph/wp-content/uploads/2010/03/Public-Ownership-Report-December-31-2010-PSE.pdf</p> <p>PSE WEBSITE: http://www.pse.com.ph/ (on EDC)</p>

Questionnaire

<p>Part II. <u>EQUITABLE TREATMENT OF SHAREHOLDER</u> S 20% Voting Rights for Shareholders</p> <p>13. For the same class of shares, does the principle of one share one vote apply?</p>	<p>SUGGESTION ON INFORMATION SOURCE: Annual Report, Information Statement, Articles of Incorporation ADEQUATE: No BETTER: - BEST: Yes</p>	<p>Yes</p>	<p>As stated in our SEC Form 20-IS: A COMMON OR PREFERRED SHARE IS ENTITLED TO ONE (1) VOTE EACH.</p> <p><i>Information Sources:</i> INFORMATION STATEMENT (SEC FORM 20-IS 2010); PART 1: INFORMATION REQUIRED IN INFORMATION STATEMENT, Item 4: Voting Securities and Principal Holders Thereof; PAGE 4; http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); Part 1: Information Required in Information Statement, Item 4: Voting Securities and Principal Holders thereof; PAGE 6; http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p> <p>AMENDED ARTICLES OF INCORPORATION AND BY-LAWS; PAGE 11; http://www.energy.com.ph/wp-content/uploads/2010/11/Apointment-of-CFO-and-Internal-Audit-Manager_-Change-in-Corporate-Name.pdf</p>
<p>14. Does the company have any mechanism that allows minority shareholders to influence board composition?</p>	<p>DESCRIPTION: The company should describe the process in its annual report. Some examples are 1) cumulative voting, and 2) explicitly allowing minority shareholders to influence the nomination of independent</p>	<p>Yes</p>	<p><u>BEST, THERE IS MECHANISM TO ALLOW MINORITY SHAREHOLDER TO INFLUENCE BOARD COMPOSITION</u></p> <p>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.</p> <p>THE 20-IS STATES (PAGE 6): THE ELECTION OF DIRECTORS FOR THE CURRENT YEAR WILL BE TAKEN UP AND ALL STOCKHOLDERS HAVE THE RIGHT TO CUMULATE THEIR VOTES IN FAVOR OF THEIR CHOSEN NOMINEES FOR DIRECTOR</p>

Questionnaire

	<p>directors. Suggested Info Source:Annual Report, AGM Notice to Shareholders, Company Governance Guidelines and/or Articles of Incorporation, Information Statement ADEQUATE: No BETTER: - BEST:Has mechanism to allow minority shareholder to influence board composition</p>	<p>IN ACCORDANCE WITH SECTION 24 OF THE CORPORATION CODE. SECTION 24 PROVIDES THAT A STOCKHOLDER, MAY VOTE SUCH NUMBER OF SHARES REGISTERED IN HIS NAME AS OF THE RECORD DATE FOR AS MANY PERSONS AS THERE ARE DIRECTORS TO BE ELECTED OR HE MAY CUMULATE SAID SHARES AND GIVE ONE CANDIDATE AS MANY VOTES AS THE NUMBER OF DIRECTORS TO BE ELECTED MULTIPLIED BY THE NUMBER OF SHARES SHALL EQUAL, OR HE MAY DISTRIBUTE THEM ON THE SAME PRINCIPLE AMONG AS MANY CANDIDATES AS HE SHALL SEE FIT. THE TOTAL NUMBER OF VOTES CAST BY SUCH STOCKHOLDER SHOULD NOT EXCEED THE NUMBER OF SHARES OWNED BY HIM AS SHOWN IN THE BOOKS OF THE CORPORATION MULTIPLIED BY THE WHOLE NUMBER OF DIRECTORS TO BE ELECTED.</p> <p><i>Information Sources:</i> INFORMATION STATEMENT (SEC FORM 20-IS 2010); PART 1: INFORMATION REQUIRED IN INFORMATION STATEMENT, Item 4: Voting Securities and Principal Holders Thereof; PAGE 4;http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); Part 1: Information Required in Information Statement, Item 4: Voting Securities and Principal Holders thereof; PAGE 6; http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p> <p>2010 ANNUAL REPORT (SEC FORM 17-A); Part V, Election of the Board of Directors and Composition;PAGE 73; http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-FinalI.pdf</p> <p>EDC CORPORATE GOVERNANCE MANUAL; http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-Corporate-Governance-Manual.pdf</p>
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Questionnaire

			<p>content/uploads/2011/07/EDC-Revised-Corporate-Governance-Manual-July-2011.pdf</p> <p>AMENDED ARTICLES OF INCORPORATION AND BY-LAWS; http://www.energy.com.ph/wp-content/uploads/2010/11/Appointment-of-CFO-and-Internal-Audit-Manager-Change-in-Corporate-Name.pdf</p>
<p>Shareholders Conflict</p> <p>15. Has there been any case of insider trading involving company directors and management in the past two years?</p>	<p>DESCRIPTION: Directors and management should act in the best interest of shareholders and thus should not be involved in any case of insider trading.</p> <p>SUGGESTION ON INFO SOURCE: Annual Report, Information Statement, SEC and/or PSE records</p> <p>ADEQUATE: Yes BETTER: - BEST: No</p>	No	<p>There is no such case involving company directors and management, based on the SEC & PSE Records.</p> <p><i>Information Sources:</i> SEC & PSE RECORDS SEC website: http://www.sec.gov.ph PSE website: http://www.pse.com.ph</p>
<p>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?</p>	<p>DESCRIPTION: The company should establish a policy regarding the use of material inside information and make sure that all parties concerned are aware of the policy.</p> <p>SUGGESTION ON INFO SOURCE: Information</p>	Yes	<p>The Company's policies on Trading Rules and Restrictions strictly adhere to the requirements of the PSE and the SEC</p> <p><i>Information Source:</i> EDC WEBSITE: GUIDELINES ON TRADING RULES AND RESTRICTIONS;http://www.energy.com.ph/corporate-governance/cg-related-policies/</p>

Questionnaire

	Statement, Annual Report, CG Policy, Company Website ADEQUATE: No o Better: - Best: Yes		
17. Has there been any complaint/dispute/problem regarding related-party transaction in the past two years?	DESCRIPTION: Existence of complaints may be an evidence of conflict of interest. SUGGESTION ON INFO SOURCE: SEC and/or PSE Records, SEC Form 17-A, Information Statement ADEQUATE: Yes BETTER: - BEST: No	No	There is no such complaint / dispute / problem concerning related party transactions in the past two years Information Sources: SEC & PSE RECORDS SEC website: http://www.sec.gov.ph PSE website: http://www.pse.com.ph
18. Does the company have a policy that requires management to disclose related-party transaction?	DESCRIPTION: Applicable when the company is involved in related-party transactions that require shareholders approval SUGGESTION ON INFO SOURCE: Annual Report, CG Manual, Code of Ethics, Company Website, Information Statement ADEQUATE: No BETTER: -	Yes	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 Information Sources: INFORMATION STATEMENT (SEC FORM 20-IS 2010); PART 1: INFORMATION REQUIRED IN INFORMATION STATEMENT, Certain Relationships and Related Transactions; PAGES 18-20; http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf INFORMATION STATEMENT (SEC FORM 20-IS 2011); Part 1: Information Required in Information Statement, Certain Relationships and Related Transactions; PAGES 18-20; http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf

Questionnaire

	BEST: Yes		2010 ANNUAL REPORT (SEC FORM 17-A) ; http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf
19. Are the nature and extent of transactions with affiliated and related parties communicated to shareholders annually?	<p>DESCRIPTION: There might be cases where company may be involved in related party transactions, but it should adequately articulate the rationale for such transactions.</p> <p>SUGGESTED INFO SOURCE: Annual Report, Financial Statement, Details of related-party transactions, Articles of Incorporation, Information Statement</p> <p>ADEQUATE: No BETTER: - BEST: Yes</p>	Yes	<p>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</p> <p><i>Information Sources:</i> INFORMATION STATEMENT (SEC FORM 20-IS 2010); PART 1: INFORMATION REQUIRED IN INFORMATION STATEMENT, Certain Relationships and Related Transactions; PAGES 18-20; http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); Part 1: Information Required in Information Statement, Certain Relationships and Related Transactions; PAGES 18-20; http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p> <p>2010 ANNUAL REPORT (SEC FORM 17-A) PAGES 66-69 ; http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p>

Questionnaire

Question	Description	Score	Remarks
20. Is the company a part of an economic group where the parent / controlling shareholder also	<p>DESCRIPTION: Key customer/ supplier defined as sales/ purchases exceeding 20%, transfer pricing at non-market levels</p>	No	<p>EDC's controlling shareholder is in a similar business but it does not control key suppliers and customers.</p> <p>Also the selection of key suppliers is subject to the Company's Procurement guidelines, and mainly, bidding.</p>

Questionnaire

<p>controls key suppliers, customers, and/or similar businesses?</p>	<p>could lead to value being eroded. SUGGESTED INFO SOURCE: Related customers, suppliers are published in the Annual Report in related-party transactions section. Notes to the Audited Financial Statements, Information Statement ADEQUATE: Yes BETTER: - BEST: No</p>		<p>Every major procurement (up to P100M) is presented and approved by the Operations Committee composed of the President and at least 3 Directors.</p> <p>Information Sources: 2010 ANNUAL REPORT (SEC FORM 17-A); Notes to the Audited Financial Statements http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p> <p>EDC PROCUREMENT GUIDELINES (Document uploaded as Attachment A)</p>
<p><u>Proxy Voting</u></p> <p>21. Does the company facilitate voting by proxy?</p>	<p>DESCRIPTION: Facilitate means sending out proxy voting forms. SUGGESTED INFO: Notice to call Shareholders Meeting, Information Statement ADEQUATE: No BETTER: - BEST: Yes</p>	<p>Yes</p>	<p>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</p> <p>Information Sources: INFORMATION STATEMENT (SEC FORM 20-IS 2010); NOTICE OF ANNUAL SHAREHOLDERS' MEETING, PAGE 2; http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); NOTICE OF ANNUAL SHAREHOLDERS' MEETING, PAGE 4; http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p>
<p>22. Does the notice to shareholders specify the documents required to give proxy?</p>	<p>DESCRIPTION: This is to provide sufficient information for shareholders, in order to facilitate the use of proxy voting. Firms</p>	<p>Yes</p>	<p>The 20-IS states: "IF YOU WILL NOT BE ABLE TO ATTEND THE MEETING BUT WOULD LIKE TO BE REPRESENTED THEREAT, YOU MAY SUBMIT YOUR PROXY FORM, DULY SIGNED AND ACCOMPLISHED, TO THE OFFICE OF THE CORPORATE SECRETARY AT THE HEAD OFFICE OF ENERGY DEVELOPMENT</p>

Questionnaire

	<p>earning top marks clearly spelled out the documents required</p> <p>SUGGESTED INFO SOURCE: Notice to call Shareholders Meeting, Information Statement</p> <p>ADEQUATE: No BETTER: - BEST: Yes</p>		<p>CORPORATION, BUILDING V, ENERGY CENTER, MERRITT ROAD, FORT BONIFACIO, TAGUIG CITY, ON OR BEFORE JULY 1, 2011. BENEFICIAL OWNERS WHOSE SHARES ARE LODGED WITH PDTC OR REGISTERED UNDER THE NAME OF A BROKER, BANK OR OTHER FIDUCIARY ALLOWED BY LAW, MUST, IN ADDITION TO THE REQUIRED ID, PRESENT A NOTARIZED CERTIFICATION FROM THE OWNER OF RECORD THAT HE IS THE BENEFICIAL OWNER, INDICATING THEREON THE NUMBER OF SHARES."</p> <p><i>Information Sources:</i> INFORMATION STATEMENT (SEC FORM 20-IS 2010); NOTICE OF ANNUAL SHAREHOLDERS' MEETING, PAGE 2; http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); NOTICE OF ANNUAL SHAREHOLDERS' MEETING, PAGE 4, http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p>
<p>23. Is there any requirement for a proxy appointment to be notarized?</p>	<p>DESCRIPTION: There is no requirement according to Corporation Code but existence makes it harder for shareholders to vote</p> <p>SUGGESTED INFO SOURCE: Notice to call Shareholders Meeting , By-laws, Information Statement</p> <p>ADEQUATE: Yes BETTER: Notice is silent BEST: Notarization not required</p>	<p>Best</p>	<p>Notarization is NOT required.</p> <p><i>Information Sources:</i> INFORMATION STATEMENT (SEC FORM 20-IS 2010); NOTICE OF ANNUAL SHAREHOLDERS' MEETING, PAGE 2; http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); NOTICE OF ANNUAL SHAREHOLDERS' MEETING, PAGE 4, http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p>

Questionnaire

<p><u>AGM Procedures</u> 24.How many days in advance does the company send out notice of general shareholder meetings? 24.1 Date of Notice _____ (dd/mm/yy) 24.2 Date of Actual Meeting _____ (dd/mm/yy)</p>	<p>DESCRIPTION:C orporate Law: 2 weeks SUGGESTED INFO SOURCE: Notice to call Shareholders Meeting, AGM minutes, post-mail dates, Company Website, Information Statement, By-laws and Articles of Incorporation ADEQUATE: Less than 2 week BETTER: 2 weeks BEST: More than 2 weeks</p>	<p>Best</p>	<p>Notice is given four (4) weeks in advance. Please refer to our response in the scorecard question nos. 24.1 and 24.2</p> <p>2010 24.1 Date of Notice: 29/06/10 24.2 Date of Actual Meeting: 29/07/10</p> <p>2011 24.1 Date of Notice: 13/06/11 24.2 Date of Actual Meeting: 13/07/11</p> <p><i>Information Sources:</i> INFORMATION STATEMENT (SEC FORM 20-IS 2010); NOTICE OF ANNUAL SHAREHOLDERS' MEETING, PAGE 2; http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); NOTICE OF ANNUAL SHAREHOLDERS' MEETING, PAGE 4, http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p> <p>AMENDED ARTICLES OF INCORPORATION AND BY-LAWS (REV. NOV.5, 2010);http://www.energy.com.ph/wp-content/uploads/2010/11/Apointment-of-CFO-and-Internal-Audit-Manager_-Change-in-Corporate-Name.pdf</p> <p>EDC WEBSITE; INVESTOR RELATIONS; DISCLOSURES http://www.energy.com.ph/wp-content/uploads/2011/07/July-13-2011-ASM-Approved-Resolutions-PSE1.pdf</p>
<p><u>Part III. THE ROLE OF STAKEHOLDERS IN CORPORATE GOVERNANCE</u> 10% Rights Recognition</p>	<p>DESCRIPTION: The company has specific policies and programs implemented to address the safety and welfare of its employees consistent with its obligations to its</p>	<p>Best</p>	<p>YES, COMPREHENSIVE COVERAGE.</p> <p>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.</p> <p>EDC has a Safety Manual, Wellness Program and Head of Safety is VP level.</p>

Questionnaire

<p>25. Does the company explicitly mention the safety and welfare of its employees?</p>	<p>employees. For holding companies, this should apply to the companies they hold. SUGGESTED INFO SOURCE: Annual Report, CG Manual, Code of Ethics ADEQUATE: No coverage BETTER: Only superficial coverage BEST: Yes, comprehensive coverage.</p>		<p>2010 ANNUAL REPORT Excerpt: <i>"Doing business beyond compliance protects our employees and contractors in our areas of operation. EDC received numerous labor and safety awards from the Department of Labor and Employment (DOLE) and the Safety and Health Association of the Philippines (SHAPES). These are:</i></p> <ul style="list-style-type: none"> • <i>DOLE's Gawad Kaligtasan at Kalusugan Award (Labor Secretary's Award–Establishment Category) to the Leyte power plants and Gawad Kaligtasan at Kalusugan Award (Institutional Award to the BacMan Geothermal Production Field); and</i> • <i>SHAPES' Certificate of Recognition (for "No Lost Time" or an equivalent minimum accumulation of two million safe man-hours) to the following geothermal production fields: LGPF, SNGPF, BGPF, and MGPF; the following geothermal power plants: Upper Mahiao Power Plant, Mahanagdong Geothermal Power Plant, and Northern Negros Geothermal Power Plant; Rigs 3, 4, and 5 for drilling operation; and PAMAHEP."</i> <p>Information Sources: EDC 2010 INTEGRATED ANNUAL AND SUSTAINABILITY REPORT, PAGES 48-113, 124-137http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p> <p>CODE OF CONDUCT AND BUSINESS ETHICS; http://www.energy.com.ph/corporate-governance/cg-related-policies/</p> <p>2010 ANNUAL REPORT (SEC FORM 17-A); PART I: Business; Health, Safety and Environment; PAGE 9-10; http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p>
<p>26. Does the company provide an ESOP (Employee Share Option Program), or other long-term employee</p>	<p>DESCRIPTION: The company has specific policies and programs on ESOP or other long-term employee</p>	<p>Yes</p>	<p>Page 134 of our 17-A states: <u>EMPLOYEE STOCK OWNERSHIP PLAN</u> <u>EQUITY-SETTLED TRANSACTIONS WITH EXECUTIVES/EMPLOYEES ARE MEASURED AT FAIR VALUE AT GRANT DATE, WHICH IS THE DATE AT WHICH THE EMPLOYEE AND THE COMPANY AGREE TO A SHARE-BASED</u></p>

Questionnaire

<p>incentive plan linked to shareholder value creation to employees?</p>	<p>incentive plan consistent to its obligation to its employees. For holding companies, this should apply to the companies they hold. SUGGESTED INFO SOURCE :Search Annual Report, filings, website for indication, AGM Minutes, EGM, Information Statement ADEQUATE: No BETTER: -- BEST: Yes</p>		<p>PAYMENT ARRANGEMENT. WHERE AN AWARD OF SHARE-BASED PAYMENT VESTS IMMEDIATELY, THE COST OF THE EQUITY INSTRUMENT GRANTED IS EXPENSED IN FULL AT GRANT DATE. HOWEVER, WHERE THE AWARD IS SUBJECT TO VESTING CONDITIONS, THE EXPENSE IS RECOGNIZED OVER THE VESTING PERIOD. SHOULD THE EMPLOYEE'S EMPLOYMENT WITH THE COMPANY TERMINATE DURING THE VESTING PERIOD, THE UNVESTED GRANTS SHALL IMMEDIATELY BE CANCELLED AND THE EMPLOYEE SHALL FORFEIT ANY RIGHTS OR INTEREST WITH RESPECT TO SUCH AWARD.</p> <p><i>Information Source:</i> 2010 ANNUAL REPORT (SEC FORM 17-A) PAGE 134; http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p>
<p>27.Does the company provide a retirement plan/fund or its equivalent for its employees?</p>	<p>DESCRIPTION: The company should provide a provident fund or an equivalent fund for its employees. For holding companies, this should apply to the companies they hold. SUGGESTED INFO SOURCE: Annual Report, CG Framework or Policy, Code of Ethics, Information Statement ADEQUATE:No BETTER:- BEST:Yes</p>	<p>Yes</p>	<p>SEC FORM 17-A STATES: <i>THE PARENT COMPANY HAS A FUNDED, NON-CONTRIBUTORY, DEFINED BENEFIT RETIREMENT PLAN. THE PLAN COVERS ALL PERMANENT EMPLOYEES AND IS ADMINISTERED BY TRUSTEE BANK. THE PARENT COMPANY ALSO PROVIDES POST-EMPLOYMENT MEDICAL AND LIFE INSURANCE BENEFITS WHICH ARE UNFUNDED.</i></p> <p><i>Information Sources:</i> 2010 ANNUAL REPORT (SEC FORM 17-A) PAGES 171-173; http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p> <p>EDC PERSONNEL MANUAL, Section 5, Subject 25 (Document uploaded as Attachment A)</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2010); :PAGE 37; http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); PAGE 35, http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p>

Questionnaire

			content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf
28. Does the company provide a continuing training program for its employees?	<p>DESCRIPTION: The company has specific policies and programs on training and development consistent with its obligations to its employees. For holding companies, this should apply to the companies they hold.</p> <p>SUGGESTED INFO SOURCE: Annual Report, CG Manual, Code of Ethics</p> <p>ADEQUATE: No coverage BETTER: Only superficial coverage BEST: Yes, comprehensive coverage</p>	Best	<p>YES. COMPREHENSIVE COVERAGE.</p> <p>Employees develop experience, technical proficiency, and professional advancement through training modules at EDC local provider, traditional classroom study at the worlds leading geothermal institutions, and other international and local training providers.</p> <p>For key sectors there is an msIPhD program for targeted employees to enhance the expertise of the employee and company.</p> <p><i>Information Sources:</i> EDC 2010 INTEGRATED ANNUAL AND SUSTAINABILITY REPORT, PAGES 124-137http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p> <p>CODE OF CONDUCT AND BUSINESS ETHICS; http://www.energy.com.ph/corporate-governance/cg-related-policies/</p> <p>EDC PERSONNEL MANUAL, Section 7, Subjects 1 to 3 (Document uploaded as Attachment A)</p>
29. Does the company explicitly mention its obligations to customers?	<p>DESCRIPTION: The companys obligations to customers (providing useful products that are valued by customers, etc.) should be mentioned in the companys public communications.</p> <p>SUGGESTED INFO SOURCE: Annual Report, CG Manual, Code of Ethics,</p>	Best	<p>YES. COMPREHENSIVE COVERAGE.</p> <p>The corporate and dep. BSCs include customers as a KPI</p> <p><i>Information Sources:</i> CODE OF CONDUCT AND BUSINESS ETHICS; http://www.energy.com.ph/corporate-governance/cg-related-policies/</p> <p>EDC 2010 INTEGRATED ANNUAL AND SUSTAINABILITY REPORT, PAGES 5, 58, 113, 128http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p>

Questionnaire

	<p>Sustainable Development Report (or any other report on CSR)</p> <p>ADEQUATE: No coverage</p> <p>BETTER: Only superficial coverage</p> <p>BEST: Yes, comprehensive coverage</p>		
<p>30. Does the company explicitly mention the role of suppliers/business partners?</p>	<p>DESCRIPTION: The role of suppliers (providing raw materials; honor of business agreements; timely payment; cooperative efforts) should be mentioned in the company's public communications.</p> <p>SUGGESTION ON INFO SOURCE: Annual Report, CG Manual, Code of Ethics, Sustainable Development Report (or any other report on CSR)</p> <p>ADEQUATE: No coverage</p> <p>BETTER: Only superficial coverage</p> <p>BEST: Yes, comprehensive coverage</p>	<p>Best</p>	<p>YES. COMPREHENSIVE COVERAGE.</p> <p>Same but use the term "stakeholders" (e.g. suppliers, bank, ..) in lieu of customers.</p> <p><i>Information Sources:</i></p> <p>EDC 2010 INTEGRATED ANNUAL AND SUSTAINABILITY REPORT, PAGES 23, 128, 109-111http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p> <p>CODE OF CONDUCT AND BUSINESS ETHICS; http://www.energy.com.ph/corporate-governance/cg-related-policies/</p> <p>2010 ANNUAL REPORT (SEC FORM 17-A); http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2010); http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p>
<p>31. Does the company</p>	<p>DESCRIPTION: The company's</p>	<p>Best</p>	<p>YES. COMPREHENSIVE COVERAGE.</p>

Questionnaire

<p>explicitly mention its obligations to shareholders?</p>	<p>obligations to shareholders (creation and growth in value; stability and long-term competitiveness) should be outlined in the company's public communications.</p> <p>SUGGESTED INFO SOURCE: Annual Report, CG Manual, Code of Ethics, Information Statement</p> <p>ADEQUATE: No coverage</p> <p>BETTER: Only superficial coverage</p> <p>BEST: Yes, comprehensive coverage</p>	<p>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 obligations to shareholders under "COMMITMENT TO RESPECT STOCKHOLDERS' RIGHTS" and "DUTY TO PROMOTE STOCKHOLDERS' RIGHTS" in its Corporate Governance Manual and its Corporate Governance pages in the EDC website.</p> <p>Likewise, EDC's SEC form 17-A in Page 22 states: Each common share is equal in all respects to every other common share. All the common shares have full voting and dividend rights. The rights of EDC's shareholders include the right to notice of shareholders' meetings, the right of inspection of the Company's corporate books and other shareholders' rights contained in the Corporation Code. Notice of shareholders' meetings is provided by mail or by hand.</p> <p>Information Sources:</p> <p>EDC CORPORATE GOVERNANCE MANUAL</p> <ul style="list-style-type: none"> • Section 9: Stockholders' Rights and Protection, Subjects 2-7; PAGES 46-49; http://www.energy.com.ph/wp-content/uploads/2011/07/EDC-Revised-Corporate-Governance-Manual-July-2011.pdf • http://www.energy.com.ph/corporate-governance/cg-manual/stockholders-rights-and-protection/ <p>2010 ANNUAL REPORT (SEC FORM 17-A), PAGE 22; http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p> <p>CODE OF CONDUCT AND BUSINESS ETHICS; http://www.energy.com.ph/corporate-governance/cg-related-policies/</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2010); http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); http://www.energy.com.ph/wp-content/uploads/2011/07/EDC-Revised-Corporate-Governance-Manual-July-2011.pdf</p>
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Questionnaire

			content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf
32. Does the company explicitly mention its obligations to creditors?	<p>DESCRIPTION: The company's obligations to creditors including honoring debt agreement(s) and timely payment of debt obligations.</p> <p>SUGGESTED INFO SOURCE: Annual Report, CG Manual, Code of Ethics, Information Statement</p> <p>ADEQUATE: No coverage BETTER: Only superficial coverage BEST: Yes, comprehensive coverage</p>	Best	<p>YES. COMPREHENSIVE COVERAGE.</p> <p>For one, SEC Form 17-A of EDC considers its obligations to creditors as one important factor in conducting good corporate governance. Creditors are considered by EDC in assessing risks and adjustments to capital structure, among others.</p> <p><i>Information Sources:</i></p> <p>2010 ANNUAL REPORT (SEC FORM 17-A), PAGES 182, 189 ; http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p> <p>CODE OF CONDUCT AND BUSINESS ETHICS; http://www.energy.com.ph/corporate-governance/cg-related-policies/</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2010); http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p>
33. Does the company explicitly mention environmental issues in its public communication?	<p>DESCRIPTION: Companies earning the top score thoroughly describe their environmental activities and the standard to which they measure their performance (such as international standards like ISO 14000).</p> <p>SUGGESTED INFO SOURCE: Annual Report,</p>	Best	<p>YES. COMPREHENSIVE MENTION OF ENVIRONMENTAL ISSUES AND PROVIDES STANDARDS ADHERED TO, WITH EXPLANATIONS.</p> <p>OUR 2010 INTEGRATED ANNUAL AND SUSTAINABILITY REPORT (IASR) SHOWS THAT THE STRONG ADHERENCE TO THE <u>TRIPLE BOTTOM LINE (ECONOMIC, ENVIRONMENTAL, AND SOCIAL)</u> HAS BEEN INGRAINED IN THE BUSINESS PRACTICES OF EDC LONG BEFORE SUSTAINABILITY BECAME A BUZZ WORD. TO BECOME THE GLOBAL LEADER IN GEOTHERMAL ENERGY PRODUCTION, OUR FINANCIAL VIABILITY MUST BE</p>

Questionnaire

	<p>CG Manual, Code of Ethics, Sustainable Development Report (or any other report on CSR)</p> <p>ADEQUATE: No BETTER: Mentioned only as required by law</p> <p>BEST: Comprehensive mention of environmental issues & provides standards adhered to with explanations. (E.g. ISO 14000) or company discloses its policy/practices or projects which reflect the company's concerns for the environment.</p>	<p>CONNECTED WITH OUR ENVIRONMENTAL GOALS AND SOCIAL INVESTMENTS.</p> <p>Our Mission: WE ARE COMMITTED TO PROMOTE CUSTOMER AND INVESTOR INTERESTS, EMPLOYEE DEVELOPMENT, COMMUNITY WELFARE AND ENVIRONMENTAL STEWARDSHIP AT ALL TIMES.</p> <p>Management Approach to our Core Business: OUR EXPERTISE SPANS THE ENTIRE GEOTHERMAL VALUE CHAIN—FROM GEOTHERMAL EXPLORATION AND RESERVOIR MANAGEMENT, ENGINEERING AND CONSTRUCTION, POWER PLANT OPERATIONS TO <u>ENVIRONMENTAL MANAGEMENT</u>. OUR VERTICALLY INTEGRATED OPERATION PRIMES US FOR GLOBAL GEOTHERMAL LEADERSHIP AS WE WORK TO BE THE PREFERRED SUPPLIER OF CLEAN, RELIABLE, AND AFFORDABLE POWER TO OUR PHILIPPINE CUSTOMERS.</p> <p>Starting July 2011, EDC has an Environmental Management Systems ISO 14001:2004 certification for our Mindanao Geothermal Field, once done, other sites will follow.</p> <p>SUSTAINABILITY IS INTEGRAL TO OUR BUSINESS. IN THE ABSENCE OF LUSH FOREST COVER AND SYSTEMATIC PLANTING, THE ABILITY OF OUR PROJECT AREAS TO CAPTURE RAINFALL THAT CONTRIBUTES TO THE RECHARGE OF OUR RESERVOIRS WOULD BE COMPROMISED. WE ARE ON YEAR TWO OF OUR 10-YEAR BINHI PROGRAM, OUR LANDMARK REFORESTATION PROJECT THAT FOCUSED ON VANISHING PREMIUM NATIVE TREE SPECIES. BINHI HAS ALLOWED US TO IMPLEMENT OUR OWN PAYMENTS TO ENVIRONMENTAL SERVICES (PES) ON A BROADER SCALE THROUGH ENVIRONMENT RELATED JOBS CREATED FOR OUR HOST COMMUNITIES. IN 2010, WE PROTECTED AND PLANTED OVER 772,591 BINHI TREES WITHIN A</p>
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Questionnaire

		<p>TOTAL COMBINED AREA OF 1,071 HECTARES ACROSS OUR PROJECT SITES.</p> <p>WE HAVE A 76 MAN ENVIRONMENTAL TEAM THAT NOT ONLY MANAGE THE ENVIRONMENTAL ASPECTS OF THE PROJECT BUT ALSO COMMUNICATE THE ENVIRONMENTAL STATUS OF THE PROJECT TO COMMUNITY REPRESENTATIVES VIA THE MULTISECTORAL MONITORING TEAM (MSMT) COMPOSED OF LGU, PEOPLES' ORGANIZATION, DENR AND OTHERS. THEY MEET REGULARLY AND PREPARE REPORTS.</p> <p><i>Information Sources:</i> EDC 2010 INTEGRATED ANNUAL AND SUSTAINABILITY REPORT, [EVERY SECTION IN THE IASR IS CONCERNED ABOUT ENVIRONMENT] http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p> <p>2010 ANNUAL REPORT (SEC FORM 17-A); PART I: Business; Corporate Social Responsibility: 4. Environmental Conservation, Protection, Enhancement and advocacy; PAGE 11; http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p> <p>CODE OF CONDUCT AND BUSINESS ETHICS; http://www.energy.com.ph/corporate-governance/cg-related-policies/</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2010); General Nature and Business of the Company: Corporate Social responsibility: 4. Environmental Enhancement; PAGE 31; http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); General Nature and Business of the Company: Corporate Social responsibility: 4. Environmental Conservation, Protection, Enhancement and Advocacy; PAGE</p>
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Questionnaire

			<p>31; http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p>
<p>34. Does the company explicitly mention its broader obligations to society and / or the community?</p>	<p>DESCRIPTION: Community activities, awareness, and involvement should be in addition to other stakeholder activities described in separate sections SUGGESTED INFO SOURCE: Annual Report, CG Manual, Code of Ethics, Sustainable Development Report (or any other report on CSR) ADEQUATE: No coverage BETTER: Only superficial coverage BEST: Yes, comprehensive coverage</p>	<p>Best</p>	<p>YES. COMPREHENSIVE COVERAGE.</p> <p>OUR 2010 INTEGRATED ANNUAL AND SUSTAINABILITY REPORT (IASR) SHOWS THAT THE STRONG ADHERENCE TO THE TRIPLE BOTTOM LINE (ECONOMIC, ENVIRONMENTAL, AND SOCIAL) HAS BEEN INGRAINED IN THE BUSINESS PRACTICES OF EDC LONG BEFORE SUSTAINABILITY BECAME A BUZZ WORD. TO BECOME THE GLOBAL LEADER IN GEOTHERMAL ENERGY PRODUCTION, OUR FINANCIAL VIABILITY MUST BE CONNECTED WITH OUR ENVIRONMENTAL GOALS AND SOCIAL INVESTMENTS.</p> <p>Our Mission: WE ARE COMMITTED TO PROMOTE CUSTOMER AND INVESTOR INTERESTS, EMPLOYEE DEVELOPMENT, COMMUNITY WELFARE AND ENVIRONMENTAL STEWARDSHIP AT ALL TIMES.</p> <p>We have 52 community partners that engage the community and other local stakeholders daily.</p> <p><i>Information Sources:</i> EDC 2010 INTEGRATED ANNUAL AND SUSTAINABILITY REPORT, http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p> <p>2010 ANNUAL REPORT (SEC FORM 17-A); PART I: Business; Corporate Social Responsibility; PAGES 10-11; http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p> <p>CODE OF CONDUCT AND BUSINESS ETHICS; http://www.energy.com.ph/corporate-governance/cg-related-policies/</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2010); General Nature and Business of the</p>

Questionnaire

			<p>Company: Corporate Social Responsibility; PAGES 29-31; http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); General Nature and Business of the Company: Corporate Social Responsibility; PAGES 29-31; http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p> <p>CSR POLICY MANUAL (Document uploaded as Attachment A)</p>
<p>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?</p>	<p>DESCRIPTION: Part of full disclosure. SUGGESTED INFO SOURCE: Annual Report, Information Statement, SEC Form 17-C ADEQUATE: No BETTER: - BEST: Yes</p>	<p>Yes</p>	<p><u>(IASR) LEGAL CLAIMS: THE COMPANY IS CONTINGENTLY LIABLE FOR LAWSUITS OR CLAIMS FILED BY THIRD PARTIES, INCLUDING LABOR RELATED CASES, WHICH ARE PENDING DECISION BY THE COURTS, THE OUTCOMES OF WHICH ARE NOT PRESENTLY DETERMINABLE. IN THE OPINION OF MANAGEMENT AND ITS LEGAL COUNSEL, THE EVENTUAL TOTAL LIABILITY FROM THESE LAWSUITS OR CLAIMS, IF ANY, WILL NOT HAVE A MATERIAL EFFECT ON THE CONSOLIDATED FINANCIAL STATEMENTS</u></p> <p><u>(20-IS) INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS: TO THE BEST OF THE COMPANY'S KNOWLEDGE, THERE HAS BEEN NO OCCURRENCE, DURING THE PAST FIVE YEARS AND UP TO THE DATE OF THIS INFORMATION STATEMENT, OF ANY OF THE FOLLOWING EVENTS SINCE ITS INCORPORATION WHICH ARE MATERIAL TO AN EVALUATION OF THE ABILITY OR INTEGRITY OF ANY DIRECTOR, PERSON NOMINATED TO BECOME A DIRECTOR, EXECUTIVE OFFICER, OR CONTROL PERSON OF THE COMPANY. XXX MR. TANTOCO IN HIS CAPACITY AS PRESIDENT HAS BEEN IMPEADED AS RESPONDENT IN ONE ONGOING LABOR CASE FILED BY A FORMER COMPANY EMPLOYEE. THE COMPANY, HOWEVER, DOES NOT BELIEVE THAT THIS CLAIM AFFECTS MR.</u></p>

Questionnaire

			<p>TANTOCO'S ABILITY OR INTEGRITY AS A COMPANY OFFICER</p> <p><i>Information Sources:</i> EDC 2010 INTEGRATED ANNUAL AND SUSTAINABILITY REPORT, PAGE 248,http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2010); PART I: INFORMATION REQUIRED IN INFORMATION STATEMENT; Involvement in Certain Legal Proceedings; PAGES 17-18;http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); Part 1: Information required in information statement; Involvement in Certain Legal Proceedings; PAGES 17-18; http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p>
<p>Part IV. DISCLOSURE AND TRANSPARENCY 25% Material Information 36. Does the company have a transparent ownership structure? 36.1 Breakdown of shareholdings</p>	<p>DESCRIPTION: There should be adequate public info on the companys ownership structure. The following items evaluate specific items surrounding ownership: Check for most updated information</p> <p>SUGGESTED INFO SOURCE: Annual Report, Information Statement, Company Website, SEC Forms 23-A / 23-B / 18-A</p> <p>ADEQUATE: No BETTER: - BEST:</p>	<p>Yes</p>	<p><i>Information Sources:</i> EDC's PUBLIC OWNERSHIP REPORT IS AVAILABLE BASED ON QUARTERLY INFORMATION IN 2010 AND 2011 EDC WEBSITE: PUBLIC OWNERSHIP REPORT http://www.energy.com.ph/investor-relations/psesec-structured-reports/</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2010); PART I: INFORMATION REQUIRED IN INFORMATION STATEMENT; Security Ownership of Certain Record & Beneficial Owners and Management;PAGES 4-6; http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); Part 1: Information required in information statement; Security Ownership of Certain Record & Beneficial Owners and Management; PAGES 6-8;http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p>

Questionnaire

	Yes		<p>2010 ANNUAL REPORT (SEC FORM 17-A); SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT; PAGES 65-66; http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p>
36.2 Is it easy to identify beneficial ownership?	<p>SUGGESTED INFO SOURCE: Annual Report, Company Website. (Check for most updated information.) SEC Form 18-A / 18-AS. SEC Form 23A/B</p> <p>ADEQUATE: Shares owned by nominees, holding companies, PDTC, PSE total more than 15%</p> <p>BETTER: Shares owned by nominees, holding companies, PDTC, PSE less than or equal to 15%</p> <p>BEST: Yes</p>	Best	<p>THERE ARE BOTH ANNUAL AND QUARTERLY REPORTS ON THE BENEFICIAL OWNERSHIP OF SHARES UNDER THE PUBLIC OWNERSHIP REPORT AND THE TOP 100 SHAREHOLDERS</p> <p><i>Information Sources:</i> EDC WEBSITE: PUBLIC OWNERSHIP REPORT http://www.energy.com.ph/investor-relations/psesec-structured-reports/</p> <p>EDC WEBSITE: LIST OF TOP 100 SH http://www.energy.com.ph/investor-relations/psesec-structured-reports/</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2010); PART I: INFORMATION REQUIRED IN INFORMATION STATEMENT; Security Ownership of Certain Record & Beneficial Owners and Management; PAGES 4-6; http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); Part 1: Information required in information statement; Security Ownership of Certain Record & Beneficial Owners and Management; PAGES 6-8;http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p> <p>2010 ANNUAL REPORT (SEC FORM 17-A); SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT; PAGES 65-66; http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p>

Questionnaire

			<p>SEC FORMS 23-A AND 23-B; http://www.energy.com.ph/investor-relations/psesec-structured-reports/</p>
<p>36.3 Are directors' shareholdings disclosed?</p>	<p>SUGGESTED INFO SOURCE: Annual Report, Company Website, Information Statement, SEC Form 18-A /18-AS. SEC Form 23A/B ADEQUATE: No BETTER: - BEST: Yes</p>	<p>Yes</p>	<p><i>Information Sources:</i> EDC WEBSITE: PUBLIC OWNERSHIP REPORT http://www.energy.com.ph/investor-relations/psesec-structured-reports/ EDC WEBSITE: LIST OF TOP 100 SH http://www.energy.com.ph/investor-relations/psesec-structured-reports/ INFORMATION STATEMENT (SEC FORM 20-IS 2010); PART I: INFORMATION REQUIRED IN INFORMATION STATEMENT; Security Ownership of Certain Record & Beneficial Owners and Management;PAGES 4-6; http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf INFORMATION STATEMENT (SEC FORM 20-IS 2011); Part 1: Information required in information statement; Security Ownership of Certain Record & Beneficial Owners and Management; PAGES 6-8;http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf 2010 ANNUAL REPORT (SEC FORM 17-A); SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT; PAGES 65-66; http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf SEC FORMS 23-A AND 23-B; http://www.energy.com.ph/investor-relations/psesec-structured-reports/</p>
<p>36.4 Are management's shareholdings disclosed?</p>	<p>SUGGESTED INFO SOURCE: Annual Report, company website, Information</p>	<p>Yes</p>	<p><i>Information Sources:</i> EDC WEBSITE: PUBLIC OWNERSHIP REPORT http://www.energy.com.ph/investor-relations/psesec-structured-reports/ EDC WEBSITE: LIST OF TOP 100</p>

Questionnaire

	<p>Statement, SEC Form 18-A /18-AS. SEC Form 23A/B ADEQUATE: No BETTER: - BEST: Yes</p>		<p>SH http://www.energy.com.ph/investor-relations/psesec-structured-reports/</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2010); PART I: INFORMATION REQUIRED IN INFORMATION STATEMENT; Security Ownership of Certain Record & Beneficial Owners and Management; PAGES 4-6; http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); Part 1: Information required in information statement; Security Ownership of Certain Record & Beneficial Owners and Management; PAGES 6-8;http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p> <p>2010 ANNUAL REPORT (SEC FORM 17-A); SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT; PAGES 65-66; http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p> <p>SEC FORMS 23-A AND 23-B; http://www.energy.com.ph/investor-relations/psesec-structured-reports/</p>
<p>37. Does the company have a dispersed ownership structure</p>	<p>DESCRIPTION: Normally the more dispersed ownership structure, the better protection minority shareholders get. It is also important to understand the affiliation amongst core shareholders, and any possible commercial arrangement between the company and</p>	<p>Best</p>	<p>Majority of the common stocks are owned by funds representing a big number of investors</p> <p><i>Information Sources:</i> EDC WEBSITE: PUBLIC OWNERSHIP REPORT http://www.energy.com.ph/investor-relations/psesec-structured-reports/</p> <p>EDC WEBSITE: LIST OF TOP 100 SH http://www.energy.com.ph/investor-relations/psesec-structured-reports/</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2010); PART I: INFORMATION REQUIRED IN INFORMATION STATEMENT; Security Ownership of Certain Record & Beneficial Owners</p>

Questionnaire

	<p>affiliates/ third parties that may act against the interest of minority shareholders and creditors.</p> <p>SUGGESTED INFO SOURCE: Annual Report, Company Website, Information Statement, SEC Forms 18-A / 18-AS. SEC Form 23A/B</p> <p>ADEQUATE: Less than 40% Better: 10% -40% Best: 10%</p>		<p>and Management; PAGES 4-6; http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); Part 1: Information required in information statement; Security Ownership of Certain Record & Beneficial Owners and Management; PAGES 6-8; http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p> <p>2010 ANNUAL REPORT (SEC FORM 17-A); SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT; PAGES 65-66; http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p> <p>SEC FORMS 23-A AND 23-B; http://www.energy.com.ph/investor-relations/psesec-structured-reports/</p> <p>EDC Ownership Structure as of December 31, 2010 (Document uploaded as Attachment A)</p>
<p>38. Assess the quality of the Annual Report, in particular, the following: 38.1 Financial performance</p>	<p>DESCRIPTION: The reports on each topic should be clear, comprehensive, and informative.</p> <p>SUGGESTED INFO SOURCE: Annual Report (including the annual report prepared for the media/ general dissemination)</p> <p>ADEQUATE: Not available</p> <p>BETTER: Only superficial</p> <p>BEST: Reports are clear, comprehensive,</p>	<p>Best</p>	<p>Reports are clear, comprehensive, and informative</p> <p><i>Information Sources:</i></p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2010); PAGES 27-72, 98-291; http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); PAGES 25-74, 92-276; http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p> <p>2010 ANNUAL REPORT (SEC FORM 17-A); PAGES 23-54, 102-205 http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p>

Questionnaire

	and informative.		
38.2 Business operations, competitive position, and other non-financial matters	<p>SUGGESTED INFO</p> <p>SOURCE: Annual Report (including the annual report prepared for the media/ general dissemination)</p> <p>ADEQUATE: Not available</p> <p>BETTER: Only superficial</p> <p>BEST: Reports are clear, comprehensive, and informative.</p>	Best	<p>Reports are clear, comprehensive and include mention of market shares</p> <p><i>Information Sources:</i></p> <p>2010 ANNUAL REPORT (SEC FORM 17-A) PAGES 17-20, http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p> <p>EDC 2010 INTEGRATED ANNUAL AND SUSTAINABILITY REPORT, http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2010); MANAGEMENT REPORT; General Nature and Business of the Company; PAGES 27-38; http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); MANAGEMENT REPORT; General Nature and Business of the Company; PAGE 25-36; http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p>
38.3 Board member background	<p>SUGGESTED INFO</p> <p>SOURCE: Annual Report (including the annual report prepared for the media/ general dissemination)</p> <p>ADEQUATE: Not available</p> <p>BETTER: Only superficial</p> <p>BEST: Reports are clear, comprehensive, and informative.</p>	Best	<p>BEST. Reports are clear, comprehensive and informative.</p> <p><i>Information Sources:</i></p> <p>2010 ANNUAL REPORT (SEC FORM 17-A) PAGES 55-62, http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p> <p>EDC 2010 INTEGRATED ANNUAL AND SUSTAINABILITY REPORT, PAGES 69-71, http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p>
38.4 Basis of the Board	DESCRIPTION: It is best practice to	Best	The EDC Board of Directors are not given compensation in the technical sense, but rather, they

Questionnaire

remuneration	<p>disclose in the annual report the basis of the boards remuneration.</p> <p>SUGGESTED INFO SOURCE: Annual Report (including the annual report prepared for the media/ general dissemination)</p> <p>ADEQUATE: Not available or reference made to other source</p> <p>BETTER: Only superficial disclosure or only aggregate amount shown</p> <p>BEST: Show compensation by type, by positions, by duties performed.</p>		<p>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> <p>Information Sources: 2010 ANNUAL REPORT (SEC FORM 17-A); EXECUTIVE COMPENSATION; PAGE 64; http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p> <p>EDC 2010 INTEGRATED ANNUAL AND SUSTAINABILITY REPORT; PAGE 217; http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p>
38.5 Operating risks	<p>SUGGESTION ON INFO SOURCE: Annual Report (including the annual report prepared for the media/ general dissemination)</p> <p>ADEQUATE: Not available</p> <p>BETTER: Only superficial</p> <p>BEST: Reports are clear & comprehensive and include mention of market share(s).</p>	Best	<p>BEST: Reports are clear and comprehensive and include mention of market shares.</p> <p><u>EDC HAS AN ENTERPRISE RISK MANAGEMENT SYSTEM</u></p> <p>A SIGNIFICANT CHANGE IN THE RISK MANAGEMENT PROCESS IS THE RECOGNITION OF FOUR LEVELS OF RISK ASSESSMENTS IN THE ORGANIZATION: PROJECT, OPERATIONAL, EXECUTIVE, AND STRATEGIC.</p> <p><u>PROJECT LEVEL RISK ASSESSMENTS INVOLVE THE IDENTIFICATION AND EVALUATION OF RISKS CONCERNING MAJOR PROJECTS. THIS IS TO ENSURE THAT THESE PROJECTS ARE COMPLETED WITHIN SCOPE, ON SCHEDULE, AND WITHIN THE APPROVED BUDGET. THE IDENTIFIED PROJECT RISKS ENABLE PROJECT TEAMS TO DETERMINE THE</u></p>

Questionnaire

		<p>BEST COURSES OF ACTION SO THAT THE TACTICAL OBJECTIVES ARE MET.</p> <p><u>AT THE OPERATIONAL LEVEL, RISK ASSESSMENTS ARE CONDUCTED AS PART OF THE COMPANY'S STRATEGY EXECUTION PROCESS. THIS BEGINS WITH THE FORMULATION OF THE COMPANY'S SHORT-TERM STRATEGIES, BASED ON THE COMPANY'S VISION AND MISSION, WHICH ARE CONVERTED INTO THE PLANS AND PROGRAMS OF EACH SECTOR/DEPARTMENT. THE PLANS AND PROGRAMS FOR THE YEAR ARE CAPTURED BY THE BALANCED SCORECARD (BSC) SYSTEM. RISK ASSESSMENTS ARE CONDUCTED TOGETHER WITH THE BSC PREPARATION SO THAT THE IDENTIFIED INITIATIVES ARE MEANT TO COVER POTENTIAL RISKS TO THE EXECUTION OF THE COMPANY'S STRATEGIES. BUDGETS ARE THEN ALLOCATED BASED ON THE BSC AND RISK ASSESSMENTS. RISK IDENTIFICATION AND EVALUATION ARE CONDUCTED BY THE DIFFERENT BUSINESS UNITS OF THE ORGANIZATION TO ENSURE THAT ALL CRITICAL RISKS TO THE COMPANY, THE ENVIRONMENT, AND THE STAKEHOLDERS WILL BE MITIGATED AND MANAGED.</u></p> <p><u>AT THE EXECUTIVE LEVEL, REPRESENTED BY THE MANAGEMENT COMMITTEE, ANOTHER ROUND OF RISK ASSESSMENTS IS CONDUCTED. THE RISKS IDENTIFIED HERE USUALLY COME FROM THE OPERATIONAL RISK REVIEWS. HOWEVER, THE MANAGEMENT COMMITTEE MAY ALSO INCLUDE EXTERNAL RISKS SUCH AS MARKET UNCERTAINTIES AND COMPETITION. THROUGH THE EXECUTIVE LEVEL RISK ASSESSMENTS, RISK OWNERS ARE IDENTIFIED FOR ENTERPRISE-WIDE RISK MANAGEMENT.</u></p> <p><u>AT THE BOARD LEVEL, THROUGH THE RISK MANAGEMENT</u></p>
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Questionnaire

			<p>COMMITTEE, STRATEGIC RISK REVIEWS ARE CONDUCTED TO IDENTIFY THE "BIG TICKET" RISKS TO THE ORGANIZATION, ITS LONG TERM GOALS, AND ITS STAKEHOLDERS. THIS EXERCISE IS DONE ON AN ANNUAL BASIS SO THAT THE COMPANY STRATEGIES CAN BE ADJUSTED TO EMERGING STRATEGIC RISKS THAT ARE SIGNIFICANT ENOUGH TO CHANGE THE BUSINESS DYNAMICS.</p> <p><i>Information Sources:</i> EDC 2010 INTEGRATED ANNUAL AND SUSTAINABILITY REPORT, PAGE 51 http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p> <p>2010 ANNUAL REPORT (SEC FORM 17-A) PAGES 74-75, 78, 177-191, http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p>
38.6 Identification of Independent Directors	<p>SUGGESTION ON INFO SOURCE: Annual Report (including the annual report prepared for the media/ general dissemination) ADEQUATE: No BETTER: - BEST: Yes</p>	Yes	<p>Independent directors are identified and their qualifications are well-stated</p> <p><i>Information Sources:</i> EDC 2010 INTEGRATED ANNUAL AND SUSTAINABILITY REPORT, PAGE 52, 59, http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p> <p>2010 ANNUAL REPORT (SEC FORM 17-A) PAGES 57-58, http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p>
38.7 Board meeting attendance of individual directors	<p>DESCRIPTION: Individual director attendance should be disclosed. SUGGESTION ON INFO SOURCE: Annual Report (including the annual report prepared for the media/ general</p>	Yes	<p><u>BEST, BOARD MEETING ATTENDANCE OF INDIVIDUAL DIRECTORS ARE AVAILABLE</u></p> <p><i>Information Sources:</i> EDC 2010 INTEGRATED ANNUAL AND SUSTAINABILITY REPORT, PAGE 62, http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p> <p>2010 ANNUAL REPORT (SEC FORM 17-A) PAGE 76, http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p>

Questionnaire

	dissemination) ADEQUATE: Not available BETTER: - BEST: Available		content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf
38.8 Does the company have a policy requiring full disclosure of details of related-party transactions in public communications?	DESCRIPTION: As required by the SEC SUGGESTION ON INFO SOURCE: Annual Report (including the annual report prepared for the media/ general dissemination) ADEQUATE: No BETTER: Only superficial disclosure BEST : No related-party transaction(s) observed, or, if observed, company provides (1) name, (2) relationship, (3) policy, and (4) value and (5) rationale	Best	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 (RPT). As such, EDC provides the NAME, RELATIONSHIP, POLICY, VALUE and RATIONALE. <i>Information Sources:</i> EDC 2010 INTEGRATED ANNUAL AND SUSTAINABILITY REPORT, PAGES 214-216, http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf 2010 ANNUAL REPORT (SEC FORM 17-A); PAGES 164-166 http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf INFORMATION STATEMENT (SEC FORM 20-IS 2010); PART 1: INFORMATION REQUIRED IN INFORMATION STATEMENT, Certain Relationships and Related Transactions; PAGE 18-20; http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf INFORMATION STATEMENT (SEC FORM 20-IS 2011); Part 1: Information Required in Information Statement, Certain Relationships and Related Transactions; PAGE 18-20; http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf
39. Is there any statements requesting directors to report their transactions of the company shares?	DESCRIPTION: This is to monitor and ensure a proper relationship between directors and the company. SUGGESTION	Yes	<i>Information Sources:</i> EDC WEBSITE: http://www.energy.com.ph/corporate-governance/cg-related-policies/ EDC WEBSITE: SEC FORMS 23-A AND 23-B http://www.energy.com.ph/investor-

Questionnaire

	<p>ON INFO SOURCE: Full Business Interest Disclosure Statement, SEC Forms 18A/ 18AS. SEC Form 23A/B ADEQUATE: No BETTER: - BEST : Yes</p>		<p>relations/psesec-structured-reports/ FULL BUSINESS INTEREST DISCLOSURE STATEMENT</p>
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Questionnaire

Question	Description	Score	Remarks
<p><u>Audit Process</u> 40. Does the company have an internal audit operation established as a separate unit in the company?</p>	<p>DESCRIPTION: Best practice requires internal audit operation to be established as a separate unit in the company SUGGESTION ON INFO SOURCE: CG Manual, Annual Report ADEQUATE: No BETTER: - BEST: Yes</p>	Yes	<p>EDC has a fully-functioning Internal Audit Department (IAD) headed by a Chief Audit Executive (CAE) and composed of certified Internal Auditors and audit professionals</p> <p><i>Information Sources:</i> EDC WEBSITE: EDC CORPORATE GOVERNANCE MANUAL; http://www.energy.com.ph/wp-content/uploads/2011/07/EDC-Revised-Corporate-Governance-Manual-July-2011.pdf</p> <p>THE INTERNAL AUDIT CHARTER (Document uploaded as Attachment A)</p> <p>EDC WEBSITE; AGC CHARTER;http://s75445.gridserver.com/wp-content/uploads/2009/09/1-Charter.pdf</p> <p>EDC 2010 INTEGRATED ANNUAL AND SUSTAINABILITY REPORT, PAGES 59, 137, http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p> <p>2010 ANNUAL REPORT (SEC FORM 17-A);http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p>
41. Does the internal auditor	<p>SUGGESTION ON INFO SOURCE: Audit</p>	Yes	<p>ANSWER: <u>BEST, THE INTERNAL AUDITOR REPORTS TO THE EDC's</u></p>

Questionnaire

<p>report to the board audit committee?</p>	<p>Committee Charter ADEQUATE: No BETTER: - Best: Yes</p>		<p><u>AUDIT AND GOVERNANCE COMMITTEE</u></p> <p><i>Information Sources:</i> EDC WEBSITE: AUDIT AND GOVERNANCE COMMITTEE CHARTER; http://s75445.gridserver.com/wp-content/uploads/2009/09/1-Charter.pdf</p> <p>EDC WEBSITE: EDC CORPORATE GOVERNANCE MANUAL; PAGE 40; http://www.energy.com.ph/wp-content/uploads/2011/07/EDC-Revised-Corporate-Governance-Manual-July-2011.pdf</p>
<p>42. Does the internal audit function provide an independent evaluation of the internal control processes of the company?</p>	<p>DESCRIPTION: Independent evaluation of the internal control processes of the company should be included in the functions of the Audit Committee SUGGESTION ON INFO SOURCE: Annual report, CG Manual, Code of Ethics, company website, Board Committee Charters (only if publicly available) ADEQUATE :No BETTER: - BEST: Yes</p>	<p>Yes</p>	<p><i>Information Sources:</i></p> <p>THE INTERNAL AUDIT CHARTER (Document uploaded as Attachment A)</p> <p>EDC WEBSITE: EDC CORPORATE GOVERNANCE MANUAL; http://www.energy.com.ph/corporate-governance/cg-manual/internalexternal-auditors/</p> <p>EDC WEBSITE: EDC CORPORATE GOVERNANCE MANUAL (FULL COPY); PAGE 30; http://www.energy.com.ph/wp-content/uploads/2011/07/EDC-Revised-Corporate-Governance-Manual-July-2011.pdf</p> <p>EDC WEBSITE: CODE OF CONDUCT AND BUSINESS ETHICS; http://www.energy.com.ph/corporate-governance/cg-related-policies/</p>
<p>43. Does the company perform an annual audit using SEC accredited external auditors?</p>	<p>DESCRIPTION: The external auditors should be accredited by SEC. SUGGESTED INFO SOURCE: Check publicly available info on audit contract, audit committee process, and audit reports, Information Statement,</p>	<p>Yes</p>	<p><i>Information Sources:</i></p> <p>EDC WEBSITE: EDC CORPORATE GOVERNANCE MANUAL http://www.energy.com.ph/corporate-governance/cg-manual/internalexternal-auditors/</p> <p>EDC WEBSITE: EDC CORPORATE GOVERNANCE MANUAL; PAGES 41-</p>

Questionnaire

	Annual Report ADEQUATE: No BETTER: - Best: Yes		<p>42; http://www.energy.com.ph/wp-content/uploads/2011/07/EDC-Revised-Corporate-Governance-Manual-July-2011.pdf</p> <p>2010 ANNUAL REPORT (SEC FORM 17-A);http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p> <p>DISCLOSURES TO THE SEC AND PSE;http://www.energy.com.ph/investor-relations/disclosures/</p>
44. Is the financial report disclosed in a timely manner during the past year?	<p>DESCRIPTION: Common practice: 105 days after end of fiscal year, and 45 days after end of quarter SUGGESTION ON INFO SOURCE: Check publicly available info on audit contract, audit committee process, and audit reports, Information Statement, Annual Report ADEQUATE: No BETTER: - BEST: Yes</p>	Yes	<p>THE 2010 SEC FORM 17-A OF EDC WAS FILED AND DISCLOSED EARLIER THAN THE LEGAL REQUIREMENT. Likewise, the quarterly financial statements (SEC Form 17-Q) were filed on time.</p> <p><u>THE SEC Form 17-A WAS FILED WITH THE BOTH THE SEC AND PSE ON MARCH 16, 2011</u> <u>THE QUARTERLY REPORTS for 2010 (SEC Form 17-Q) were timely filed with the SEC and PSE</u></p> <p><i>Information Sources:</i> 2010 ANNUAL REPORT (SEC FORM 17-A); PAGE 1;http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p> <p>2010 QUARTERLY REPORTS (SEC Form 17-Q): (1st Quarter) http://www.energy.com.ph/wp-content/uploads/2010/03/SEC-Form-17-Q-March-2010-Final-PSE.pdf; (2nd Quarter) http://www.energy.com.ph/wp-content/uploads/2010/03/SEC-Form-17-Q-June-2010-PSE.pdf ; and (3rd Quarter) http://www.energy.com.ph/wp-content/uploads/2010/03/SECForm17Q_Qtr3_2010_Conso_Final-PSE.pdf</p>
45. Are there any accounting qualifications in the audited	<p>DESCRIPTION: Qualifications will be determined based on material disagreements in</p>	Best	<p>There are no qualifications in the AFS.</p> <p><i>Information Source:</i></p>

Questionnaire

<p>financial statements apart from the Qualification on Uncertainty of Situation?</p>	<p>accounting between auditor and management SUGGESTION INFO SOURCE: Auditor Report (financial statements section), Information Statement ADEQUATE : Yes BETTER: Some reservations drawing attention to certain items BEST: No</p>		<p>2010 ANNUAL REPORT (SEC FORM 17-A); PART III. FINANCIAL INFORMATION; PAGES 23-54;http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p>
<p>46. Does the company website disclose up-to-date information on: 46.1 Business operation`</p>	<p>DESCRIPTION: Website must contain up-to-date corporate information for each of these items. e.g., financial statements and annual reports must be the most recent ones. Record the date the website was examined: _____/_____/_____ _____ or write the date on the front of this questionnaire. Print out the evidence with website dates. SUGGESTION ON INFO SOURCE: Company Website ADEQUATE:No BETTER: - BEST: Yes</p>	<p>Yes</p>	<p>The website was examined: .November 25, 2011</p> <p>The Company's Business operations are laid out in the website in detail.</p> <p><i>Information Sources:</i> EDC WEBSITE: HTTP://WWW.ENERGY.COM.PH</p> <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/

Questionnaire

<p>46.2 Financial statements</p>	<p>DESCRIPTION : Website must contain up-to-date corporate information for each of these items. e.g., financial statements and annual reports must be the most recent ones. Record the date the website was examined: _____/_____/_____ _____ or write the date on the front of this questionnaire. Print out the evidence with website dates. SUGGESTION ON INFO SOURCE: Company Website ADEQUATE:No BETTER: - BEST: Yes</p>	<p>Yes</p>	<p>The website was examined: .November 25, 2011</p> <p><i>Information Sources:</i> EDC WEBSITE: HTTP://WWW.ENERGY.COM.PH</p> <ul style="list-style-type: none"> • http://www.energy.com.ph/investor-relations/financial-reports/ • http://www.energy.com.ph/investor-relations/psesec-structured-reports/
<p>46.3 Press release</p>	<p>DESCRIPTION : Website must contain up-to-date corporate information for each of these items. e.g., financial statements and annual reports must be the most recent ones. Record the date the website was examined: _____/_____/_____ _____ or write the date on the front of this questionnaire. Print out the evidence with website dates. SUGGESTION ON INFO SOURCE: Company Website ADEQUATE:No BETTER: - BEST: Yes</p>	<p>Yes</p>	<p>The website was examined: .November 25, 2011</p> <p><i>Information Source:</i> EDC WEBSITE: HTTP://WWW.ENERGY.COM.PH</p> <ul style="list-style-type: none"> • http://www.energy.com.ph/c/news/
<p>46.4 Shareholding structure</p>	<p>DESCRIPTION : Website must contain up-to-date corporate information for each of these items. e.g., financial statements and annual reports must be the most recent ones. Record the date the website was</p>	<p>Yes</p>	<p>The website was examined: .November 25, 2011</p> <p><i>Information Sources:</i> EDC WEBSITE: HTTP://WWW.ENERGY.COM.PH <u>(REPORT ON THE NUMBER OF</u></p>

Questionnaire

	<p>examined: _____/_____/_____ _____ or write the date on the front of this questionnaire. Print out the evidence with website dates. SUGGESTION ON INFO SOURCE: Company Website ADEQUATE:No BETTER: - BEST: Yes</p>		<p><u>SHAREHOLDERS & TOP 100 STOCKHOLDERS)</u></p> <ul style="list-style-type: none"> • http://www.energy.com.ph/investor-relations/psesec-structured-reports/
<p>46.5 Organization structure</p>	<p>DESCRIPTION : Website must contain up-to-date corporate information for each of these items. e.g., financial statements and annual reports must be the most recent ones. Record the date the website was examined: _____/_____/_____ _____ or write the date on the front of this questionnaire. Print out the evidence with website dates. SUGGESTION ON INFO SOURCE: Company Website ADEQUATE:No BETTER: - BEST: Yes</p>	<p>Yes</p>	<p>The website was examined: .November 25, 2011</p> <p><i>Information Sources:</i> EDC WEBSITE: HTTP://WWW.ENERGY.COM.PH</p> <p>INTEGRATED ANNUAL AND SUSTAINABILITY REPORT, PAGE 137: http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p>
<p>46.6 Corporate group structure (N/A for a company that does not belong to corporate grouping)</p>	<p>DESCRIPTION : Website must contain up-to-date corporate information for each of these items. e.g., financial statements and annual reports must be the most recent ones. Record the date the website was examined: _____/_____/_____ _____ or write the date on the front of this questionnaire. Print out the evidence with website dates. SUGGESTION ON INFO SOURCE:</p>	<p>Yes</p>	<p>The website was examined: .November 25, 2011</p> <p><i>Information Sources:</i> EDC WEBSITE: HTTP://WWW.ENERGY.COM.PH</p> <ul style="list-style-type: none"> • http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf • http://www.energy.com.ph/about-edc/milestones/

Questionnaire

	Company Website ADEQUATE:No BETTER: - BEST: Yes		
46.7 Downloadable annual report	DESCRIPTION : Website must contain up-to-date corporate information for each of these items. e.g., financial statements and annual reports must be the most recent ones. Record the date the website was examined: _____/_____/_____ _____ or write the date on the front of this questionnaire. Print out the evidence with website dates. SUGGESTION ON INFO SOURCE: Company Website ADEQUATE:No BETTER: - BEST: Yes	Yes	The website was examined: .November 25, 2011 Information Sources: EDC WEBSITE: HTTP://WWW.ENERGY.COM.PH <ul style="list-style-type: none"> • <u>INTEGRATED ANNUAL AND SUSTAINABILITY REPORT: http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</u>
46.8 Notice to call shareholders' meeting	DESCRIPTION : Website must contain up-to-date corporate information for each of these items. e.g., financial statements and annual reports must be the most recent ones. Record the date the website was examined: _____/_____/_____ _____ or write the date on the front of this questionnaire. Print out the evidence with website dates. SUGGESTION ON INFO SOURCE: Company Website ADEQUATE:No BETTER: - BEST: Yes	Yes	The website was examined: .November 25, 2011 Information Sources: EDC WEBSITE: HTTP://WWW.ENERGY.COM.PH <ul style="list-style-type: none"> • <u>20-IS PAGE</u> 4: http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf
47. Does the company provide contact details for a	DESCRIPTION: Best Practice recommends that the board should consider establishing an IR	Best	THE WEBSITE NOTICE STATES: TO REQUEST FOR MORE DATED MATERIALS, PLEASE EMAIL ERUDITO S. RECIO AT RECIO@ENERGY.COM.PH OR

Questionnaire

<p>specific Investor Relations person or unit that is easily accessible to outside investors?</p>	<p>function to communicate with shareholders / potential investors. SUGGESTION ON INFO SOURCE: CG Manual, Annual Report, Company Website ADEQUATE: Not available BETTER: IR person/unit designated but not considered a distinct official IR unit BEST : IR person specified with contact information made known to public</p>		<p>ROWENA C. CLEMENTE AT RCCLEMENTE@ENERGY.COM.PH.</p> <p>Information Sources: EDC WEBSITE: HTTP://WWW.ENERGY.COM.PH</p> <ul style="list-style-type: none"> • http://www.energy.com.ph/investor-relations/pssec-structured-reports/ • http://www.energy.com.ph/investor-relations/disclosures/ <p>INTEGRATED ANNUAL AND SUSTAINABILITY REPORT: http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p>
<p>48. Does the company offer multiple channels of access to information? Multiple channels include: 48.1 Annual report</p>	<p>DESCRIPTION: ;The company should establish effective channels to communicate with shareholders / investors to ensure that material information is disclosed to interested parties equally. SUGGESTION ON INFO SOURCE: Company Website, Annual Report, Disclosures to PSE/SEC/BSP ADEQUATE: No BETTER: BEST Yes</p>	<p>Yes</p>	<p>Information Sources: EDC 2010 INTEGRATED ANNUAL AND SUSTAINABILITY REPORT, http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p> <p>2010 ANNUAL REPORT (SEC FORM 17-A);http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p>
<p>48.2 Company website</p>	<p>DESCRIPTION: Must contain relevant & up-to-date corporate information SUGGESTION INFO SOURCE: Company Website, Annual Report, Disclosures to PSE/SEC/BSP ADEQUATE: No BETTER: BEST Yes</p>	<p>Yes</p>	<p>Information Source: EDC WEBSITE: http://www.energy.com.ph</p>
<p>48.3 Analyst briefing(s)</p>	<p>SUGGESTION ON INFO SOURCE: Company Website, Annual Report,</p>	<p>Yes</p>	<p>The materials here are also the materials used in the media briefing. This material is posted in the EDC website under "Investor</p>

Questionnaire

	Disclosures to PSE/SEC/BSP ADEQUATE: No BETTER: BEST Yes		Relations: Presentations". <i>Information Source:</i> EDC WEBSITE: http://www.energy.com.ph/investor-relations/presentations/
48.4 Press conference(s) / press briefing(s)	DESCRIPTION: Public information disseminated about the company's financial performance SUGGESTION ON INFO SOURCE: Company Website, Annual Report, Disclosures to PSE/SEC/BSP ADEQUATE: No BETTER: BEST Yes	Yes	Some of the the materials used here are also the materials used in the analyst briefing. This material is posted in the EDC website under "Investor Relations: Presentations" and "News". <i>Information Source:</i> EDC WEBSITE: http://www.energy.com.ph/investor-relations/presentations/ EDC WEBSITE: http://www.energy.com.ph/c/news/
<u>Part V.</u> <u>BOARD RESPONSIBILITY</u> <u>25%</u> Monitoring and Control 49. Does the company have its own written Corporate Governance Manual that clearly describes its value system and board responsibilities?	DESCRIPTION: The corporate governance rules should reflect a value-oriented management of the company which takes the interest of the shareholders into account. The corporate governance rules should also reflect the vision and responsibilities of the board. This question is evaluated with two criteria: firstly, board responsibilities are clearly stated and secondly, the corporate governance policy is clearly disclosed, meaning the policy is written by the firm itself, distributed to employees, or approved by the board. SUGGESTION ON INFO SOURCE:CG Manual, Company Website,	Best	BEST: Yes, EDC has its own written Manual on Corporate Governance. EDC's Manual on Corporate Governance went through the process of approvals of the Audit and Governance Committee (AGC) and the Board of Directors of EDC. The same process is undertaken whenever amendments or revisions are made to the Manual. In all instances, such amendments or revisions become effective only upon Board approval. Once approved, the Manual and its revisions are disclosed to the SEC and PSE. <i>Information Sources:</i> EDC CORPORATE GOVERNANCE MANUAL http://www.energy.com.ph/wp-content/uploads/2011/07/EDC-Revised-Corporate-Governance-Manual-July-2011.pdf

Questionnaire

	<p>Annual Report, CG Policy ADEQUATE:No company-specific written rules mentioned.</p> <p>BETTER: Rules exist, but not formally approved by the board</p> <p>BEST: Rules approved by the board and fully disclosed.</p>		
50. Does the Board of Directors provide code of ethics or statement of business conduct for all directors and employees?	<p>DESCRIPTION: The company should set up a policy on the business code of ethics and encourage the directors, management, and employees to adhere to.</p> <p>SUGGESTION ON INFO SOURCE: Annual Report, CG Manual, Code of Ethics, Company Website</p> <p>ADEQUATE: No</p> <p>BETTER: Yes</p> <p>BEST: Yes and effectively communicated</p>	Best	<p>Information Sources:</p> <p>EDC CODE OF CONDUCT AND BUSINESS ETHICS (CCBE); http://www.energy.com.ph/corporate-governance/cg-related-policies/</p> <p>EDC CODE OF CONDUCT AND DISCIPLINE (Document uploaded as Attachment A)</p>
51. Does the company have corporate vision/mission/values?	<p>DESCRIPTION:</p> <p>SUGGESTION ON INFO SOURCE: Annual Report, Company Website</p> <p>ADEQUATE:No</p> <p>BETTER: -</p> <p>BEST: Yes</p>	Yes	<p>Information Sources:</p> <p>EDC WEBSITE: MISSION-VISION-VALUEShttp://www.energy.com.ph/about-edc/mission-vision/</p> <p>2010 INTEGRATED ANNUAL AND SUSTAINABILITY REPORT (IASR) PAGE 3, http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p> <p>EDC CODE OF CONDUCT AND BUSINESS ETHICS,http://www.energy.com.ph/corporate-governance/cg-related-policies/</p>
52. Does the PSE have any evidence of non-compliance of the company with PSE rules and regulations	<p>DESCRIPTION:</p> <p>Examples of non-compliance may include delay in publishing financial reports, retroactive approval by shareholders, non-</p>	Best	<p>There is NO Record of non-Compliance.</p> <p>Information Source:</p> <p>PSE WEBSITE: http://www.pse.com.ph</p>

Questionnaire

<p>in the last year?</p>	<p>compliance with rules regarding related-party transactions, directors owning shares without reporting. SUGGESTION ON INFO SOURCE: PSE records. Note if records show whether the firm had any "suspended" trading. ADEQUATE: Two cases or more BETTER: One case BEST: None</p>		
<p>53. Assess the quality of the Audit Committee Report in the Annual Report: A full and complete audit committee report will contain information described in the six topics listed in 53.1 to 53.6. 53.1 Attendance</p>	<p>DESCRIPTION: A full and complete audit committee report will contain information described in the six topics listed in 53.1 to 53.5. SUGGESTION ON INFO SOURCE: Audit Committee Report ADEQUATE: No BETTER: - BEST: Yes</p>	<p>Yes</p>	<p>BEST. The report of EDC's Audit and Governance Committee is full and complete</p> <p><i>Information Sources:</i> 2010 INTEGRATED ANNUAL AND SUSTAINABILITY REPORT (IASR) PAGES 162, 60, 63:http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p> <p>2010 ANNUAL REPORT (SEC FORM 17-A), PAGES 77, http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p>
<p>53.2 Internal control</p>	<p>SUGGESTION ON INFO SOURCE: Audit Committee Report ADEQUATE: No BETTER: - BEST: Yes</p>	<p>Yes</p>	<p><i>Information Sources:</i> 2010 INTEGRATED ANNUAL AND SUSTAINABILITY REPORT (IASR) PAGES 162, 60, 63:http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p> <p>2010 ANNUAL REPORT (SEC FORM 17-A), PAGES 74, 95-96 ; http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p>
<p>53.3 Proposed auditors</p>	<p>SUGGESTION ON INFO SOURCE: Audit Committee Report</p>	<p>Yes</p>	<p><i>Information Sources:</i> 2010 INTEGRATED ANNUAL AND SUSTAINABILITY REPORT (IASR)</p>

Questionnaire

	ADEQUATE: No BETTER: - BEST: Yes		<p>PAGES 162, 60, 63:http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p> <p>2010 ANNUAL REPORT (SEC FORM 17-A), PAGES 95- 96:http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p>
53.4 Financial report review	SUGGESTION INFO SOURCE: Audit Committee Report ADEQUATE: No BETTER: - BEST: Yes	Yes	<p><i>Information Sources:</i> 2010 INTEGRATED ANNUAL AND SUSTAINABILITY REPORT (IASR) PAGES 162, 60, 63:http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p> <p>2010 ANNUAL REPORT (SEC FORM 17-A), PAGES 95- 96 ;http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p>
53.5 Legal compliance	SUGGESTION ON INFO SOURCE: Audit Committee Report ADEQUATE: No BETTER: - BEST: Yes	Yes	<p><i>Information Sources:</i> 2010 INTEGRATED ANNUAL AND SUSTAINABILITY REPORT (IASR) PAGES 162, 60, 63:http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p> <p>2010 ANNUAL REPORT (SEC FORM 17-A), PAGES 95- 96 ;http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p>
54. Have board members participated in the training on Corporate Governance.	DESCRIPTION: For an effective CG system, directors are encouraged to participate in director training to fully understand their duties and responsibilities. SUGGESTION ON INFO SOURCE: Directors profile section in Annual Report, Information Statement ADEQUATE:	Best	<p>AS OF DATE, 100% OF THE EDC BOARD OF DIRECTORS HAVE PARTICIPATED IN A TRAINING ON CORPORATE GOVERNANCE.</p> <p><i>Information Sources:</i> EDC WEBSITE: http://www.energy.com.ph/corporate-governance/asures-to-comply/sec-reports-on-corporate-governance/</p> <p>ICD RECORDS</p>

Questionnaire

	Less than 25% BETTER: Between 25%-75% BEST: More than 75%		
55. Have senior management executives attended training on Corporate Governance?	DESCRIPTION: It is best that senior executives also undergo training on corporate governance as they too, play a very important role in implementing CG in the company. SUGGESTION INFO SOURCE: Disclosures to SEC and/or PSE, Annual Report, Information Statement ADEQUATE: Less than 25% BETTER: Between 25%-75% BEST: More than 75%	Best	<p>More than 75% of Management Executives have attended at least a training on Corporate Governance.</p> <p>Majority of company Executives at the head office attended the one-day CG seminar conducted by the IFC (in partnership with ICD) last July 2, 2007 at the Hotel Intercontinental, Makati. Likewise, majority of the field executives have also attended either in person or via live video feed the in-house corporate governance seminar conducted by EDC's HR Organizational Devt. Department in 2007.</p> <p>Further, for the period 2008-2010, more EDC Executives, especially those coming from the field and a few of the new executives at the head office, attended ICD's Corporate Governance Seminars in Manila.</p> <p><i>Information Sources:</i> EDC WEBSITE: http://www.energy.com.ph/corporate-governance/measures-to-comply/sec-reports-on-corporate-governance/</p> <p>ICD RECORDS</p>

Questionnaire

Question	Description	Score	Remarks
56. What is the attendance performance of the board	DESCRIPTION: Board members have a responsibility to	Best	<p>Excellent record of Attendance of 98%.</p> <p><i>Information Sources:</i> CERTIFICATE OF DIRECTORS' ATTENDANCE</p>

Questionnaire

<p>members during the past 12 months?</p>	<p>attend board meetings. SUGGESTION ON INFO SOURCE: Annual Report, SEC Form 17-A, Information Statement, Certificate of Attendance ADEQUATE: 70% Average attendance BETTER: 70 - 80% BEST: 80% Average attendance</p>		<p>IN BOARD MEETINGS FOR 2010,http://www.energy.com.ph/wp-content/uploads/2011/01/Certification-on-EDC-BOD-Attendance-for-2010.pdf</p> <p>INTEGRATED ANNUAL AND SUSTAINABILITY REPORT, PAGE 62,http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p> <p>ANNUAL REPORT (SEC FORM 17-A), PAGE 76, http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p>
<p>57. Does the company provide a risk management policy?</p>	<p>DESCRIPTION: The board has the duty to ensure that effective risk management system(s) are in place. SUGGESTION ON INFO SOURCE: Annual Report, CG Policy, Company Website, Audited Financial Statement, CG Manual ADEQUATE: No BETTER: BEST: Yes</p>	<p>Yes</p>	<p><u>EDC HAS A ROBUST RISK MANAGEMENT POLICY AND IT IS EMBODIED IN OUR FULLY-DEVELOPED ENTERPRISE RISK MANAGEMENT SYSTEM</u></p> <p>A SIGNIFICANT CHANGE IN THE RISK MANAGEMENT PROCESS IS THE RECOGNITION OF FOUR LEVELS OF RISK ASSESSMENTS IN THE ORGANIZATION: PROJECT, OPERATIONAL, EXECUTIVE, AND STRATEGIC.</p> <p><u>PROJECT LEVEL RISK ASSESSMENTS INVOLVE THE IDENTIFICATION AND EVALUATION OF RISKS CONCERNING MAJOR PROJECTS. THIS IS TO ENSURE THAT THESE PROJECTS ARE COMPLETED WITHIN SCOPE, ON SCHEDULE, AND WITHIN THE APPROVED BUDGET. THE IDENTIFIED PROJECT RISKS ENABLE PROJECT TEAMS TO DETERMINE THE BEST COURSES OF ACTION SO THAT THE TACTICAL OBJECTIVES ARE MET.</u></p> <p><u>AT THE OPERATIONAL LEVEL, RISK ASSESSMENTS ARE CONDUCTED AS PART OF THE COMPANY'S STRATEGY EXECUTION PROCESS. THIS BEGINS WITH THE FORMULATION OF THE COMPANY'S SHORT-TERM STRATEGIES,</u></p>

Questionnaire

		<p>BASED ON THE COMPANY'S VISION AND MISSION, WHICH ARE CONVERTED INTO THE PLANS AND PROGRAMS OF EACH SECTOR/DEPARTMENT. THE PLANS AND PROGRAMS FOR THE YEAR ARE CAPTURED BY THE BALANCED SCORECARD (BSC) SYSTEM. RISK ASSESSMENTS ARE CONDUCTED TOGETHER WITH THE BSC PREPARATION SO THAT THE IDENTIFIED INITIATIVES ARE MEANT TO COVER POTENTIAL RISKS TO THE EXECUTION OF THE COMPANY'S STRATEGIES. BUDGETS ARE THEN ALLOCATED BASED ON THE BSC AND RISK ASSESSMENTS. RISK IDENTIFICATION AND EVALUATION ARE CONDUCTED BY THE DIFFERENT BUSINESS UNITS OF THE ORGANIZATION TO ENSURE THAT ALL CRITICAL RISKS TO THE COMPANY, THE ENVIRONMENT, AND THE STAKEHOLDERS WILL BE MITIGATED AND MANAGED.</p> <p><u>AT THE EXECUTIVE LEVEL,</u> REPRESENTED BY THE MANAGEMENT COMMITTEE, ANOTHER ROUND OF RISK ASSESSMENTS IS CONDUCTED. THE RISKS IDENTIFIED HERE USUALLY COME FROM THE OPERATIONAL RISK REVIEWS. HOWEVER, THE MANAGEMENT COMMITTEE MAY ALSO INCLUDE EXTERNAL RISKS SUCH AS MARKET UNCERTAINTIES AND COMPETITION. THROUGH THE EXECUTIVE LEVEL RISK ASSESSMENTS, RISK OWNERS ARE IDENTIFIED FOR ENTERPRISE-WIDE RISK MANAGEMENT.</p> <p><u>AT THE BOARD LEVEL, THROUGH THE RISK MANAGEMENT COMMITTEE,</u> STRATEGIC RISK REVIEWS ARE CONDUCTED TO IDENTIFY THE "BIG TICKET" RISKS TO THE ORGANIZATION, ITS LONG TERM GOALS, AND ITS STAKEHOLDERS. THIS EXERCISE IS DONE ON AN ANNUAL BASIS SO THAT THE COMPANY STRATEGIES CAN BE ADJUSTED TO EMERGING STRATEGIC RISKS THAT ARE SIGNIFICANT ENOUGH TO CHANGE THE BUSINESS DYNAMICS.</p>
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Questionnaire

			<p>Information Sources: ANNUAL REPORT (SEC FORM 17-A) PAGES 177-184, http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p> <p>INTEGRATED ANNUAL AND SUSTAINABILITY REPORT, PAGES 227-241,http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p>
58. Does the company clearly distinguish the roles and responsibilities of the board and management?	<p>DESCRIPTION: There should be a clear separation of roles, duties, and responsibilities between the board and management</p> <p>SUGGESTION ON INFO SOURCE: Annual Report, CG Policy, Company Website, CG Manual, By-laws</p> <p>ADEQUATE: No BETTER: - BEST: Yes</p>	Yes	<p>Both Board and Management's roles are clear, especially under the Company's Corporate Governance Manual</p> <p>Information Sources: EDC WEBSITE: CG MANUAL; (BOARD) 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/ AND (MANAGEMENT) http://www.energy.com.ph/corporate-governance/cg-manual/executive-officers/specific-duties-and-functions/</p> <p>EDC CORPORATE GOVERNANCE MANUAL; Section 9: Stockholders' Rights and Protection, Subjects 2-7; PAGES 21-24, 39-41; http://www.energy.com.ph/wp-content/uploads/2011/07/EDC-Revised-Corporate-Governance-Manual-July-2011.pdf</p> <p>AMENDED BY-LAWS; ARTICLE IV, PART 5; PAGE 36; http://www.energy.com.ph/wp-content/uploads/2010/11/Appointment-of-CFO-and-Internal-Audit-Manager-Change-in-Corporate-Name.pdf</p>
59. Does the board conduct an annual self-assessment?	<p>DESCRIPTION: The board should set up formal criteria to assess its performance.</p> <p>SUGGESTION ON INFO SOURCE: Annual Report, CG Policy, Company</p>	Yes	<p>The EDC Board's self-assessment has been practiced annually since its institution in 2008.</p> <p>Information Sources: 2010 ANNUAL REPORT (SEC FORM 17-A) PAGE 78, URL:http://www.energy.com.ph/wp-content/uploads/2010/08/2009-EDC-IASR-final-reduced-version1.pdf</p> <p>EDC WEBSITE: http://www.energy.com.ph/corporate-</p>

Questionnaire

	<p>Website, CG Manual</p> <p>ADEQUATE: No (Or just have a description of the Boards duties written without evidence of actual activity)</p> <p>BETTER: - BEST: Yes (Must have evidence showing actual implementation)</p>		<p>governance/measures-to-comply/evaluation-system/</p> <p>INTEGRATED ANNUAL AND SUSTAINABILITY REPORT, PAGE 64,http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p>
<p>60. Does the company conduct an annual performance assessment of the CEO/President?</p>	<p>DESCRIPTION: It is a duty of the board to assess the performance of the CEO/MD/President.</p> <p>SUGGESTED INFO SOURCE: Annual Report, CG Policy, Company Website</p> <p>ADEQUATE: No (Or just have a description of the Boards duties written without evidence of actual activity)</p> <p>BETTER: BEST: Yes (Must have evidence showing actual implementation)</p>	<p>Yes</p>	<p>The EDC Board has conducted an annual performance assessment of the President/CEO since its institution in 2008.</p> <p>For 2010, our CG Performance Evaluation of the President featured the following changes: (1) Change in the period under evaluation in order to synchronize with the elected officers' term of office; and (2) evaluation of the outgoing and incoming Presidents covered by the period under evaluation</p> <p><i>Information Sources:</i> ANNUAL REPORT (SEC FORM 17-A) PAGE 78, http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p> <p>INTEGRATED ANNUAL AND SUSTAINABILITY REPORT, PAGE 64,http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p> <p>EDC WEBSITE: http://www.energy.com.ph/corporate-governance/measures-to-comply/evaluation-system/</p>
<p>61. How many board meetings are held per year?</p>	<p>DESCRIPTION: Please provide the number . If the firm provides a listing in the</p>	<p>Best</p>	<p>12 MEETINGS</p> <p><i>Information Sources:</i> CERTIFICATE OF DIRECTORS' ATTENDANCE IN BOARD MEETINGS FOR</p>

Questionnaire

<p>61.1 Does the firm report board meeting attendance of individual directors?</p>	<p>annual report of each board member and his or her board meeting attendance record, the company receives a goods Companies that provide a list of board meeting attendance but no individual breakdown are scored fair ;If no attendance record is supplied, the firm scores SUGGESTED INFO SOURCE: By-laws, Annual Report Form 17C . Certificate of Attendance ADEQUATE: No attendance record was supplied BETTER: Includes a list of board meeting attendance but no individual breakdown were scored BEST: Includes listing in the annual report of each board member and his or her board meeting attendance record</p>		<p>2010,http://www.energy.com.ph/wp-content/uploads/2011/01/Certification-on-EDC-BOD-Attendance-for-2010.pdf</p> <p>INTEGRATED ANNUAL AND SUSTAINABILITY REPORT, PAGE 62,http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p> <p>ANNUAL REPORT (SEC FORM 17-A) PAGE 76, http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Finall.pdf</p>
<p>Conflict of Interests</p>	<p>DESCRIPTION: Chairman of the board should be</p>	<p>Yes</p>	<p>FOR THE MAJORITY OF 2010, THE CHAIRMAN OF THE BOARD, OSCAR M. LOPEZ, DID NOT HOLD AN EXECUTIVE POSITION. HOWEVER, WHEN</p>

Questionnaire

<p>62. Is the Chairman a non-executive director?</p>	<p>a non-executive director to avoid conflicts of interest. SUGGESTED INFO SOURCE: Annual Report, CG Manual, Information Statement, SEC Form 17-C ADEQUATE: No BETTER: - BEST: Yes</p>		<p>MR. LOPEZ RETIRED, THE BOARD ELECTED A NEW CHAIRMAN, MR. FEDERICO R. LOPEZ. ALSO, BY VIRTUE OF AN SEC-APPROVED AMENDMENT TO THE BY-LAWS, THE POSITION OF CHIEF EXECUTIVE OFFICER WAS HELD WITH THE POSITION OF CHAIRMAN OF THE BOARD.</p> <p>FURTHER, THE CG MANUAL PROVIDES: <u>IF ONE PERSON HOLDS THE POSITION OF CEO AND CHAIRMAN, THE BOARD SHALL TAKE STEPS TO ENSURE THAT PROPER CHECKS AND BALANCES SHOULD BE LAID DOWN TO ENSURE THAT THE BOARD GETS THE BENEFIT OF INDEPENDENT VIEWS AND PERSPECTIVES.</u></p> <p><u>MORE IMPORTANT, EDC HAS A PRESIDENT/COO THAT HANDLES BULK OF THE EXECUTION.</u></p> <p><i>Information Sources:</i> EDC WEBSITE: http://www.energy.com.ph/bod/oscar-m-lopez/ AND http://www.energy.com.ph/bod/federico-r-lopez/</p> <p>AMENDED BY-LAWS; Article IV, Part 5; PAGE 36; http://www.energy.com.ph/wp-content/uploads/2010/11/Appointment-of-CFO-and-Internal-Audit-Manager-Change-in-Corporate-Name.pdf</p> <p>CORPORATE GOVERNANCE MANUAL http://www.energy.com.ph/corporate-governance/cg-manual/executive-officers/specific-duties-and-functions/</p> <p>CORPORATE GOVERNANCE MANUAL (FULL DOCUMENT) PAGE 40;http://www.energy.com.ph/wp-content/uploads/2011/07/EDC-Revised-Corporate-Governance-Manual-July-2011.pdf</p>
<p>63. Does the board appoint committees with independent members to carry out</p>	<p>DESCRIPTION: Duties, responsibilities, and policies relating to this committee should be clearly</p>	<p>Yes</p>	<p>EDC has an Audit and Governance Committee</p> <p><i>Information Sources:</i> PSE DISCLOSURE: RESULTS OF 2010 AGM AND ORGANIZATIONAL MEETING http://www.energy.com.ph/wp-content/uploads/2010/07/July-29-2010-ASM-Approved-</p>

Questionnaire

<p>various critical responsibilities such as:</p> <p>63.1 Audit. If yes, are the following items disclosed?</p>	<p>stated. Best Practice suggests creating an audit committee that consists of a majority of independent directors</p> <p>SUGGESTED INFO SOURCE: Annual Report, CG Policy, Company Website, Board Committee Charters (only if publicly available), CG Manual</p> <p>ADEQUATE: No BETTER: - BEST: Yes</p>		<p>Resolutions-PSE4.pdf</p> <p>EDC WEBSITE: BOARD COMMITTEES: CHARTERS: http://www.energy.com.ph/corporate-governance/board-committees/charters/</p>
<p>63.1.1 Charter/ Role and responsibilities</p>	<p>DESCRIPTION: Best Practice suggests creating an audit committee that consists of a majority of independent directors Duties, responsibilities, and policies relating to this committee should be clearly stated.</p> <p>SUGGESTED INFO SOURCE: Annual Report, CG Policy, Company Website, Board Committee Charters (only if publicly available), CG Manual</p>	<p>Yes</p>	<p><i>Information Sources:</i></p> <p>EDC CORPORATE GOVERNANCE MANUAL; http://www.energy.com.ph/corporate-governance/cg-manual/board-committees/principal-duties-and-responsibilities-of-the/audit-and-governance-committee/</p> <p>EDC WEBSITE: CORPORATE GOVERNANCE PAGES: CHARTER OF BOARD COMMITTEES: http://www.energy.com.ph/corporate-governance/board-committees/charters/</p> <p>2010 ANNUAL REPORT (SEC FORM 17-A); PAGE 74; http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2010); http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-</p>

Questionnaire

	ADEQUATE: No BETTER: BEST: Yes		Statement-2011-Final-PSE.pdf
63.1.2 Profile / Qualifications	Description: Suggested Info Source: Annual Report, CG Policy, Company Website, Board Committee Charters (only if publicly available), CG Manual Adequate: No Better: - Best: Yes	Yes	<i>Information Sources:</i> EDC WEBSITE: CORPORATE GOVERNANCE PAGES: PROFILES AND CHARTERS OF BOARD COMMITTEES: (PROFILE) http://www.energy.com.ph/corporate-governance/board-committees/individual-profile/ (CHARTERS) http://www.energy.com.ph/corporate-governance/board-committees/charters/ 2010 ANNUAL REPORT (SEC FORM 17-A); PAGE 74; http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf
63.1.3 Independence	SUGGESTED INFO SOURCE: Annual Report, CG Policy, Company Website, Board Committee Charters (only if publicly available), CG Manual ADEQUATE: No BETTER: - BEST: Yes	Yes	<i>Information Sources:</i> EDC CORPORATE GOVERNANCE MANUAL; http://www.energy.com.ph/corporate-governance/cg-manual/board-committees/general-provisions-appointment-of-members-charters/ EDC WEBSITE: CORPORATE GOVERNANCE PAGES: CHARTER OF BOARD COMMITTEES: http://www.energy.com.ph/corporate-governance/board-committees/charters/ 2010 ANNUAL REPORT (SEC FORM 17-A); PAGE 74; http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf INFORMATION STATEMENT (SEC FORM 20-IS 2010); http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf INFORMATION STATEMENT (SEC FORM 20-IS 2011); http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf

Questionnaire

<p>63.1.4 Is the Chairman of the Committee an independent director?</p>	<p>DESCRIPTION: Best Practice recommends that the Chairman of the Committee should be an independent director. SUGGESTED INFO SOURCE: Board Committee Charters (only if publicly available), Annual Report, SEC Form 17-C, Information Statement, CG Manual ADEQUATE: No BETTER: - BEST: Yes</p>	<p>Yes</p>	<p>Information Sources: EDC CORPORATE GOVERNANCE MANUAL; http://www.energy.com.ph/corporate-governance/cg-manual/board-committees/general-provisions-appointment-of-members-charters/</p> <p>EDC WEBSITE: CORPORATE GOVERNANCE PAGES: CHARTER OF BOARD COMMITTEES: http://www.energy.com.ph/corporate-governance/board-committees/charters/</p> <p>2010 ANNUAL REPORT (SEC FORM 17-A); PAGE 73; http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2010); PAGE 91; http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); PAGES 79-80;http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p>
<p>63.1.5 Performance / Meeting Attendance</p>	<p>SUGGESTED INFO SOURCE: Annual Report, CG Manual, CG Policy, Company Website, Board Committee Charters (only if publicly available), Information Statement, Certification of Corporate Secretary ADEQUATE: No BETTER: - BEST: Yes</p>	<p>Yes</p>	<p>Information Sources: INTEGRATED ANNUAL AND SUSTAINABILITY REPORT, PAGE 63,http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p> <p>ANNUAL REPORT (SEC FORM 17-A) PAGE 77, http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p> <p>EDC WEBSITE: BOARD COMMITTEES: ANNUAL ACTIVITY REPORTS.http://www.energy.com.ph/corporate-governance/board-committees/annual-activity-report/</p>
<p>63.2 Compensation / Remuneration.</p>	<p>DESCRIPTION: Best Practice recommends</p>	<p>Yes</p>	<p>EDC has a Nomination and Compensation Committee (NCC), which has jurisdiction over Compensation/Remuneration functions required in</p>

Questionnaire

<p>(Compensation/ Remuneration Committee) If yes, are the following items disclosed?</p> <p>63.2. 1 Charter/Role and Responsibilities</p>	<p>establishing a compensation / remuneration committee to ensure that compensation is determined according to company criteria and policy.</p> <p>SUGGESTED INFO SOURCE: Annual Report, CG Manual, CG Policy, Company Website, Board Committee Charters (only if publicly available), Information Statement</p> <p>ADEQUATE:No BETTER: - BEST: Yes</p>		<p>this question.</p> <p><i>Information Sources:</i> EDC CORPORATE GOVERNANCE MANUAL; http://www.energy.com.ph/corporate-governance/cg-manual/board-committees/principal-duties-and-responsibilities-of-the-nomination-and-compensation-committee/</p> <p>EDC WEBSITE: CORPORATE GOVERNANCE PAGES: CHARTER OF BOARD COMMITTEES: http://www.energy.com.ph/corporate-governance/board-committees/charters/</p> <p>2010 ANNUAL REPORT (SEC FORM 17-A); PAGE 74; http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2010); PAGE 91; http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf</p> <p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); PAGE 80; http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p>
<p>63.2.2 Is the Committee composed of a majority of independent directors?</p>	<p>DESCRIPTION: Best Practice recommends that a majority of the committee members should be independent directors.</p> <p>SUGGESTED INFO SOURCE: Annual Report, CG Manual, CG Policy, Company Website, Board Committee Charters (only if publicly available), Information Statement, SEC</p>	<p>No</p>	<p>The charter of the Nomination And Compensation Committee (NCC) of EDC provides that it shall have at least one independent director who can also be elected committee Chairman.</p> <p>For the year ended December 31, 2010, the Committee had one Independent Director as member.</p> <p><i>Information Sources:</i> PSE DISCLOSURE: RESULTS OF 2010 AGM AND ORGANIZATIONAL MEETING http://www.energy.com.ph/wp-content/uploads/2010/07/July-29-2010-ASM-Approved-Resolutions-PSE4.pdf</p> <p>EDC CORPORATE GOVERNANCE MANUAL; SECTION 5, SUBJECT 2, ITEM 2.; PAGE 23;http://www.energy.com.ph/wp-content/uploads/2010/03/EDCs-Revised-Corporate-</p>

Questionnaire

	Form 17-C ADEQUATE:No BETTER: - BEST: Yes		Governance-Manual.pdf 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	SUGGESTED INFO SOURCE: Annual Report, CG Policy, Company Website, SEC Form 17-A, Certification of Attendance ADEQUATE:No BETTER: - BEST: Yes	Yes	Information Sources: INTEGRATED ANNUAL AND SUSTAINABILITY REPORT, PAGE 63, http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf ANNUAL REPORT (SEC FORM 17-A) PAGE 77, http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf EDC WEBSITE: BOARD COMMITTEES: ANNUAL ACTIVITY REPORTS. http://www.energy.com.ph/corporate-governance/board-committees/annual-activity-report/
63.3 Nomination Committee. If yes, are the following items disclosed? 63.3.1 Charter/Role and Responsibilities	DESCRIPTION: For transparency and equitable treatment of shareholders, there should be a nomination committee. SUGGESTED INFO SOURCE: Annual Report, CG Manual, CG Policy, Company Website, Board Committee Charters (only if publicly available), Information Statement, SEC Form 17-C ADEQUATE:No BETTER: - BEST: Yes	Yes	EDC has a Nomination and Compensation Committee (NCC), which has jurisdiction over Nomination functions required in this question. Information Sources: EDC CORPORATE GOVERNANCE MANUAL; http://www.energy.com.ph/corporate-governance/cg-manual/board-committees/principal-duties-and-responsibilities-of-the-nomination-and-compensation-committee/ EDC WEBSITE: CORPORATE GOVERNANCE PAGES: CHARTER OF BOARD COMMITTEES: http://www.energy.com.ph/corporate-governance/board-committees/charters/ 2010 ANNUAL REPORT (SEC FORM 17-A); PAGE 74; http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf INFORMATION STATEMENT (SEC FORM 20-IS 2010); PAGE 91; http://www.energy.com.ph/wp-content/uploads/2010/03/Def-Info-Statement-2009-29July2010-ASM-PSE.pdf

Questionnaire

			<p>INFORMATION STATEMENT (SEC FORM 20-IS 2011); PAGE 80; http://www.energy.com.ph/wp-content/uploads/2011/05/Definitive-Information-Statement-2011-Final-PSE.pdf</p>
63.3.2 Is the Committee composed of a majority of independent directors?	<p>DESCRIPTION: Best Practice recommends that a majority of the committee members should be independent directors.</p> <p>SUGGESTED INFO SOURCE: Annual Report, CG Manual, CG Policy, SEC Form 17-C, Information Statement, Company Website</p> <p>ADEQUATE: No BETTER: - BEST: Yes</p>	No	<p>The charter of the Nomination And Compensation Committee (NCC) of EDC provides that it shall have at least one independent director who can also be elected committee Chairman.</p> <p>For the year ending December 31, 2010, the Committee had one (1) Independent Director as member.</p> <p><i>Information Sources:</i> PSE DISCLOSURE: RESULTS OF 2010 AGM AND ORGANIZATIONAL MEETING http://www.energy.com.ph/wp-content/uploads/2010/07/July-29-2010-ASM-Approved-Resolutions-PSE4.pdf</p> <p>EDC CORPORATE GOVERNANCE MANUAL; SECTION 5, SUBJECT 2, ITEM 2.; PAGE 23;http://www.energy.com.ph/wp-content/uploads/2010/03/EDCs-Revised-Corporate-Governance-Manual.pdf</p> <p>EDC WEBSITE: CORPORATE GOVERNANCE PAGES: CHARTER OF BOARD COMMITTEES: http://www.energy.com.ph/corporate-governance/board-committees/charters/</p>
63.3.3 Performance / Meeting Attendance	<p>SUGGESTED INFO SOURCE: Annual Report, CG Policy, Company Website, SEC Form 17-A, Certificate of Attendance</p> <p>ADEQUATE: No BETTER: - BEST: Yes</p>	Yes	<p><i>Information Sources:</i> INTEGRATED ANNUAL AND SUSTAINABILITY REPORT, PAGE 63,http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p> <p>ANNUAL REPORT (SEC FORM 17-A) PAGE 77, http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p> <p>EDC WEBSITE: BOARD COMMITTEES: ANNUAL ACTIVITY REPORTS.http://www.energy.com.ph/corporate-governance/board-committees/annual-activity-report/</p>
Board	DESCRIPTION:	Best	Three (3) out of eleven (11) members of the EDC

Questionnaire

<p><u>Composition</u></p> <p>64. How many board members are independent directors?</p>	<p>The more non-executive directors on the board, the higher the level of board independence in decision-making and to conduct effective monitoring.</p> <p>SUGGESTED INFO SOURCE: Company Website, Annual Report, Information Statement, SEC Form 17-C, CG Manual</p> <p>ADEQUATE: at least 2 or 20% whichever is lesser</p> <p>BETTER: - or >3 but less than 5</p> <p>BEST: >=5</p>		<p>Board, are Independent Directors; or 27.3% of the EDC Board is comprised of Independent Directors.</p> <p><i>Information Sources:</i> AMENDED ARTICLES OF INCORPORATION AND BY-LAWS; ARTICLE IV BOARD OF DIRECTORS; PAGE 31-32; http://www.energy.com.ph/wp-content/uploads/2010/11/Appointment-of-CFO-and-Internal-Audit-Manager-Change-in-Corporate-Name.pdf</p> <p>PSE DISCLOSURES: http://www.energy.com.ph/wp-content/uploads/2010/07/July-29-2010-ASM-Approved-Resolutions-PSE4.pdf AND http://www.energy.com.ph/wp-content/uploads/2011/07/July-13-2011-ASM-Approved-Resolutions-PSE1.pdf</p> <p>EDC WEBSITE: CORPORATE GOVERNANCE PAGES: http://www.energy.com.ph/corporate-governance/board-of-directors/</p>
<p>65. Does company state in its Annual Report the definition of "independence" for identifying independent directors in public communications?</p>	<p>DESCRIPTION: The Board should clearly define the meaning of independence</p> <p>SUGGESTED INFO SOURCE: Annual Report, CG Manual, CG Policy, Information Statement, Company Website</p> <p>ADEQUATE: Provide it according to the SEC definition</p> <p>BETTER: -</p> <p>BEST: Provide its own</p>	<p>Best</p>	<p>The definition of "Independence" is laid out in EDC's 2010 Annual Report (SEC Form 17-A) and its Integrated Annual and Sustainability Report. It is also further mentioned in the Compliance Officers Report in the Corporate Governance pages in the EDC Website.</p> <p><i>Information Sources:</i> ANNUAL REPORT (SEC FORM 17-A) PAGE 73, http://www.energy.com.ph/wp-content/uploads/2010/03/EDC-17A-2010-PSE-Final1.pdf</p> <p>2010 INTEGRATED ANNUAL AND SUSTAINABILITY REPORT, PAGE 59, http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p> <p>EDC WEBSITE: CORPORATE GOVERNANCE PAGES: http://www.energy.com.ph/corporate-governance/cg-manual/board-of-directors/composition/</p>

Questionnaire

	definition that is more stringent than SEC definition		
66. Does the board conduct assessment of what skills and training the directors need?	<p>DESCRIPTION: The Board should conduct assessment of what skills and training the directors need.</p> <p>SUGGESTED INFO SOURCE: Corporate Governance Manual</p> <p>ADEQUATE: No</p> <p>BETTER: -</p> <p>BEST: Yes</p>	Yes	<p>Information Sources:</p> <p>EDC WEBSITE: NOMINATION AND COMPENSATION COMMITTEE CHARTER; http://www.energy.com.ph/corporate-governance/board-committees/charters/</p> <p>EDC CORPORATE GOVERNANCE MANUAL; PAGES 23 & 26-28; http://www.energy.com.ph/wp-content/uploads/2011/07/EDC-Revised-Corporate-Governance-Manual-July-2011.pdf</p>
67. Does the Company have a separate statement by the Board of Directors describing their responsibilities in reviewing the firm's financial statement?	<p>DESCRIPTION: The Board of Directors should have a separate report that essentially outlines the activities of the board which include approval of financial statements of the previous year. These items may be included in the Chairman report if there is no separate board report.</p> <p>SUGGESTED INFO SOURCE: Chairman report, Audit Committee report, other public documents</p> <p>ADEQUATE: No</p>	Yes	<p>Information Source:</p> <p>2010 INTEGRATED ANNUAL AND SUSTAINABILITY REPORT (IASR) PAGE 163, http://www.energy.com.ph/wp-content/uploads/2011/07/EDC_IASR2010.pdf</p>

Questionnaire

	BETTER: - BEST: Yes		
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