

# COVER SHEET

9 1 4 2  
SEC Registration No.

FILESTATE CORPORATION  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Company's Full Name)

7TH FLOOR RENAISSANCE TOWER  
MERALCO AVENUE PASIG CITY  
(Business Address: No. Street City/ Town/ Province)

Mr. Ramon G. Jimenez  
Contact Person

6336205 loc. 108  
Company Telephone Number

## CORPORATE GOVERNANCE DISCLOSURE REPORT

1 2 3 1  
Month Day  
fiscal year

FORM TYPE

1st Thursday of March  
Month Day  
annual meeting

Listed  
Secondary License Type, If Applicable

\_\_\_\_\_  
Dept. Requiring this Doc.

\_\_\_\_\_  
Amended Articles Number/ Section

Total Amount of Borrowings  
Domestic Foreign

.....  
To be accomplished by SEC Personnel concerned

\_\_\_\_\_  
File Number

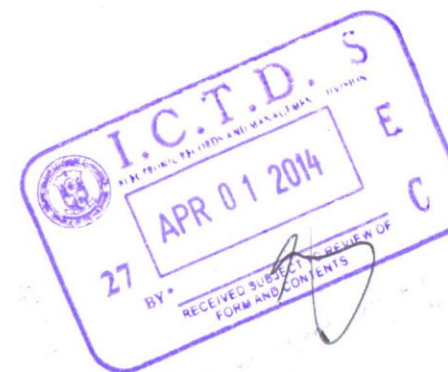
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STAMPS

	COMPLY	EXPLAIN
<b>Guideline No. 1: DEVELOPS AND EXECUTES A SOUND BUSINESS STRATEGY</b>		
1.1 Have a clearly defined vision, mission and core values.	Yes	
1.2 Have a well developed business strategy.		The Company is at the process of re-engineering its business strategies taking into account the current business environment.
1.3 Have a strategy execution process that facilitates effective performance management, and is attuned to the company's business environment, management style and culture.	Yes	
1.4 Have its board continually engaged in discussions of strategic business issues.	Yes	
<b>Guideline No. 2: ESTABLISHES A WELL-STRUCTURED AND FUNCTIONING BOARD</b>		
2.1 Have a board composed of directors of proven competence and integrity.	Yes	
2.2 Be led by a chairman who shall ensure that the board functions in an effective and collegial manner.	Yes	
2.3 Have at least three (3) or thirty percent (30%) of its directors as independent directors.		The Company has an independent director and undertakes to comply with the required number of Independent directors in the next stockholders' meeting.
2.4 Have in place written manuals, guidelines and issuances that outline procedures and processes.	Yes	
2.5 Have Audit, Risk, Governance and Nomination & Election Committees of the board.	Yes	At the moment the Company has Audit, Nomination and Election Committee and Executive Compensation Committees. The Audit Committee provides the oversight over the management of risks of the Company.
2.6 Have its Chairman and CEO positions held separately by individuals who are not related to each other.		The positions of Chairman and CEO are held by one individual but the duties and responsibilities are defined under the Company's By-laws and Corporate Governance Manual to ensure that the Board gets the benefits of independent views and perspectives.
2.7 Have a director nomination and election process that ensures that all shareholders are given the opportunity to nominate and elect directors individually based on the	Yes	



## CORPORATE GOVERNANCE GUIDELINES: DISCLOSURE SURVEY

Company Name: FIL-ESTATE CORPORATION

Date: March 31, 2014

	number of shares voted.		
2.8	Have in place a formal board and director development program.	Yes	
2.9	Have a corporate secretary.	Yes	
2.10	Have no shareholder agreements, by-laws provisions, or other arrangements that constrains the directors' ability to vote independently.	Yes	
<b>Guideline No. 3:</b>			
<b>MAINTAINS A ROBUST INTERNAL AUDIT AND CONTROL SYSTEM</b>			
3.1	Establish the internal audit function as a separate unit in the company which would be overseen at the Board level.	Yes	
3.2	Have a comprehensive enterprise-wide compliance program that is annually reviewed.	Yes	
3.3	Institutionalize quality service programs for the internal audit function.	Yes	
3.4	Have in place a mechanism that allows employees, suppliers and other stakeholders to raise valid issues.	Yes	
3.5	Have the Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Yes	
<b>Guideline No. 4:</b>			
<b>RECOGNIZES AND MANAGES ITS ENTERPRISE RISKS</b>			
4.1	Have its board oversee the company's risk management function.	Yes	
4.2	Have a formal risk management policy that guides the company's risk management and compliance processes and procedures.	Yes	
4.3	Design and undertake its Enterprise Risk Management (ERM) activities on the basis of, or in accordance with, internationally recognized frameworks such as but not limited to, COSO, (The Committee of Sponsoring Organizations of the Treadway Commission) I and II.		The Executive committee undertakes the organization and implementation of ERM activities.
4.4	Have a unit at the management level, headed by a Risk Management Officer (RMO).		The functions of the RMO are undertaken by the Compliance Officer in coordination with the Audit Committee.
4.5	Disclose sufficient information about its risk management procedures and processes as well as the key risks the company is currently facing including how these are being managed.	Yes	
4.6	Seek external technical support in risk management when such competence is not available internally.	Yes	





<b>Guideline No. 5: ENSURES THE INTEGRITY OF FINANCIAL REPORTS AS WELL AS ITS EXTERNAL AUDITING FUNCTION</b>		
5.1	Have the board Audit Committee approve all non-audit services conducted by the external auditor. The Committee should ensure that the non-audit fees do not outweigh the fees earned from the external audit.	Yes
5.2	Ensure that the external auditor is credible, competent, and should have the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Yes
5.3	Ensure that the external auditor has adequate quality control procedures.	Yes
5.4	Disclose relevant information on the external auditors.	Yes
5.5	Ensures that the external audit firm is selected on the basis of a fair and transparent tender process.	Yes
5.6	Have its audit committee conduct regular meetings and dialogues with the external audit team without anyone from management present.	Yes
5.7	Have the financial reports attested to by the Chief Executive Officer and Chief Financial Officer.	Yes
5.8	Have a policy of rotating the lead audit partner every five years.	Yes
<b>Guideline No. 6: RESPECTS AND PROTECTS THE RIGHTS OF ITS SHAREHOLDERS, PARTICULARLY THOSE THAT BELONG TO THE MINORITY OR NON- CONTROLLING GROUP</b>		
6.1	Adopt the principle of "one share, one vote."	Yes
6.2	Ensure that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Yes
6.3	Have an effective, secure and efficient voting system.	Yes
6.4	Have effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Yes
6.5	Provide all shareholders with the notice and agenda of the annual general meeting (AGM) at least thirty (30) days before a regular meeting and twenty (20) days before a special meeting.	Yes



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6.6	Allow shareholders to call a special shareholders meeting, submit a proposal for consideration at the AGM or the special meeting, and ensure the attendance of the external auditor and other relevant individuals to answer shareholder questions in such meetings.	Yes	
6.7	Ensure that all relevant questions during the AGM are answered.	Yes	
6.8	Have clearly articulated and enforceable policies with respect to treatment of minority shareholders.	Yes	
6.9	Avoid anti-takeover measures or similar devices that may entrench management or the existing controlling shareholder group.	Yes	
6.10	Provide all shareholders with accurate and timely information regarding the number of shares of all classes held by controlling shareholders and their affiliates.	Yes	
6.11	Have a communications strategy to promote effective communication with shareholders.	Yes	
6.12	Have at least thirty percent (30%) public float to increase liquidity in the market.		The Company will strive towards the 30% public float recommended by the PSE.
6.13	Have a transparent dividend policy.	Yes	
<b>Guideline No. 7: ADOPTS AND IMPLEMENTS AN INTERNATIONALLY-ACCEPTED DISCLOSURE AND TRANSPARENCY REGIME</b>			
7.1	Have written policies and procedures designed to ensure compliance with the PSE and SEC disclosure rules, as well as other disclosure requirements under existing laws and regulations.	Yes	
7.2	Disclose the existence, justification, and details on shareholders agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Yes	
7.3	Disclose its director and executive compensation policy.	Yes	
7.4	Disclose names of groups or individuals who hold 5% or more ownership interest in the company, significant cross-shareholding relationship and cross guarantees, as well as the nature of the company's other companies if it belongs to a corporate group.	Yes	
7.5	Disclose annual and quarterly consolidated reports, cash flow statements and special audit revisions. Consolidated financial statements shall be published within 90 days from the end of the financial year, while interim reports shall be published within 45 days from the end of the reporting period.	Yes	

