

March 31, 2014

THE PHILIPPINE STOCK EXCHANGE

Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: Mr. J. Argel G. Astudillo
Vice President
Corporate Governance, Risk and Compliance Division

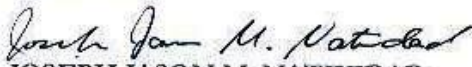
Re: 2013 Corporate Governance Guidelines Disclosure Template

Dear Mr. Astudillo:

In compliance with the requirement of the Philippine Stock Exchange, we are pleased to submit herewith the duly-accomplished "Corporate Governance Guidelines: Disclosure Survey" of BDO Leasing and Finance, Inc., signed and attested by the Company's Officer-In-Charge and Independent Director..

Thank you very much.

Very truly yours,


JOSEPH JASON M. NATIVIDAD
Corporate Secretary

BDO Leasing & Finance, Inc.
BDO Leasing Centre
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CORPORATE GOVERNANCE GUIDELINES: DISCLOSURE SURVEY
BDO LEASING AND FINANCE, INC

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Guideline No 1: DEVELOPS AND EXECUTES A SOUND BUSINESS STRATEGY	COMPLY	EXPLAIN
1.1 Have a clearly defined vision, mission and core values.	YES	Company Website (https://www.bdo.com.ph/business/leasing-financing/about-us)
1.2 Have a well developed business strategy.	YES	Annual Corporate Governance Report (https://www.bdo.com.ph/business/leasing-financing/about-us)
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	Annual Corporate Governance Report (https://www.bdo.com.ph/business/leasing-financing/about-us)
1.4 Have its board continually engaged in discussions of strategic business issues.	YES	Annual Corporate Governance Report (https://www.bdo.com.ph/business/leasing-financing/about-us)
Guideline No. 2: ESTABLISHES A WELL-STRUCTURED AND FUNCTIONING BOARD		
2.1 Have a board composed of directors of proven competence and integrity.	YES	Annual Corporate Governance Report; Manual on Corporate Governance (https://www.bdo.com.ph/business/leasing-financing/about-us)
2.2 Be led by a chairman who shall ensure that the board functions in an effective and collegial manner.	YES	Annual Corporate Governance Report; Manual on Corporate Governance (https://www.bdo.com.ph/business/leasing-financing/about-us)
2.3 Have at least three (3) or thirty percent (30%), whichever is higher, of its directors as independent directors.	YES	Annual Corporate Governance Report; Manual on Corporate Governance (https://www.bdo.com.ph/business/leasing-financing/about-us)
2.4 Have in place written manuals, guidelines and issuance's that outline procedures and processes.	YES	Annual Corporate Governance Report; Manual on Corporate Governance (https://www.bdo.com.ph/business/leasing-financing/about-us)
2.5 Have Audit, Risk, Governance and Nomination & Election Committees.	YES	Annual Corporate Governance Report; Manual on Corporate Governance (https://www.bdo.com.ph/business/leasing-financing/about-us)

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2.6 Have its Chairman and CEO positions held separately by individuals who are not related to each other.	YES	Annual Corporate Governance Report; Manual on Corporate Governance (https://www.bdo.com.ph/business/leasing-finance/about-us)
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 number of shares voted.	YES	Annual Corporate Governance Report; Manual on Corporate Governance (https://www.bdo.com.ph/business/leasing-finance/about-us)
2.8 Have in place a formal board and director development program.	YES	Annual Corporate Governance Report (https://www.bdo.com.ph/business/leasing-finance/about-us)
2.9 Have a corporate secretary.	YES	Annual Corporate Governance Report; Manual on Corporate Governance (https://www.bdo.com.ph/business/leasing-finance/about-us)
2.10 Have no shareholder agreements, by-laws provisions, or other arrangements that constrains the directors' ability to vote independently.	YES	Annual Corporate Governance Report; Manual on Corporate Governance (https://www.bdo.com.ph/business/leasing-finance/about-us)
Guideline No. 3: MAINTAINS A ROBUST INTERNAL AUDIT AND CONTROL SYSTEM		
3.1 Establish the internal audit function as a separate unit in the company which would be overseen at the Board level.	YES	Annual Corporate Governance Report (https://www.bdo.com.ph/business/leasing-finance/about-us)
3.2 Have a comprehensive enterprise-wide compliance program that is annually reviewed	YES	Regulatory Compliance Management Manual
3.3 Institutionalize quality service programs for the internal audit function.	YES	Annual Corporate Governance Report (https://www.bdo.com.ph/business/leasing-finance/about-us)
3.4 Have in place a mechanism that allows employees, suppliers and other stakeholders to raise valid issues.	YES	Annual Corporate Governance Report (https://www.bdo.com.ph/business/leasing-finance/about-us)
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	Annual Corporate Governance Report (https://www.bdo.com.ph/business/leasing-finance/about-us)

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Guideline No. 4:			
RECOGNIZES AND MANAGES ITS ENTERPRISE RISKS			
4.1 Have its board oversee the company's risk management function.	YES	Annual Corporate Governance Report (https://www.bdo.com.ph/business/leasing-financing/about-us)	
4.2 Have a formal risk management policy that guides the company's risk management and compliance processes and procedures.	YES	Annual Corporate Governance Report (https://www.bdo.com.ph/business/leasing-financing/about-us)	
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 Tread way Commission) I and II.	YES	Annual Corporate Governance Report (https://www.bdo.com.ph/business/leasing-financing/about-us)	
4.4 Have a unit at the management level, headed by a Risk Management Officer (RMO).	YES	Annual Corporate Governance Report; Manual on Corporate Governance (https://www.bdo.com.ph/business/leasing-financing/about-us)	
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	Annual Corporate Governance Report (https://www.bdo.com.ph/business/leasing-financing/about-us)	
4.6 Seek external technical support in risk management when such competence is not available internally.	YES	Annual Corporate Governance Report (https://www.bdo.com.ph/business/leasing-financing/about-us)	
Guideline No. 5:			
ENSURES THE INTEGRITY OF FINANCIAL REPORTS AS WELL AS ITS EXTERNAL AUDITING FUNCTION			
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	Annual Corporate Governance Report; Manual on Corporate Governance (https://www.bdo.com.ph/business/leasing-financing/about-us)	
5.2 Ensure that the external auditor is credible, competent, and should have the ability to understand complex related party transactions, its counter parties, and valuations of such transactions.	YES	Manual on Corporate Governance (https://www.bdo.com.ph/business/leasing-financing/about-us)	
5.3 Ensure that the external auditor has adequate quality control	YES	Annual Corporate Governance Report	

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procedures.			(https://www.bdo.com.ph/business/leasing-finance/about-us)
5.4 Disclose relevant information to the external auditors.	YES		Annual Corporate Governance Report (https://www.bdo.com.ph/business/leasing-finance/about-us)
5.5 Ensures that the external audit firm is selected on the basis of a fair and transparent tender process	YES		Annual Corporate Governance Report (https://www.bdo.com.ph/business/leasing-finance/about-us)
5.6 Have its audit committee conduct regular meetings and dialogues with the external audit team without anyone from management present.	YES		Annual Corporate Governance Report; Manual on Corporate Governance (https://www.bdo.com.ph/business/leasing-finance/about-us)
5.7 Have the financial reports attested to by the Chief Executive Officer and Chief Financial Officer.	YES		SEC 17-Q (Quarterly Financial Reports) (https://www.bdo.com.ph/business/leasing-finance/about-us)
5.8 Have a policy of rotating the lead audit partner every five years.	YES		Annual Corporate Governance Report (https://www.bdo.com.ph/business/leasing-finance/about-us)
Guideline No. 6:			
RESPECTS AND PROTECTS THE RIGHTS OF ITS SHAREHOLDERS, PARTICULARLY THOSE THAT BELONG TO THE MINORITY OR NON-CONTROLLING GROUP			
6.1 Adopt the principle of "one share, one vote."	YES		Annual Corporate Governance Report (https://www.bdo.com.ph/business/leasing-finance/about-us)
6.2 Ensure that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	YES		Annual Corporate Governance Report; Manual on Corporate Governance (https://www.bdo.com.ph/business/leasing-finance/about-us)
6.3 Have an effective, secure and efficient voting system.	YES		Annual Corporate Governance Report; Manual on Corporate Governance (https://www.bdo.com.ph/business/leasing-finance/about-us)
6.4 Have effective shareholder voting mechanisms such as super majority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	NO		As a publicly-listed company, it will be very cumbersome to set up a voting mechanism providing majority of the minority shareholders given that BDOLF shares are actively traded in the market because most of them are short term investors of the Company. The interest of the minority shareholders are deemed protected by an independent board

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		consisting of 3 independent and 1 non-executive directors who are professionals in the own right and with proven integrity.
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	Annual Corporate Governance Report; Manual on Corporate Governance; Definitive Information Statement (https://www.bdo.com.ph/business/leasing-financing/about-us)
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	Annual Corporate Governance Report (https://www.bdo.com.ph/business/leasing-financing/about-us)
6.7 Ensure that all relevant questions during the AGM are answered.	YES	Definitive Information Statement; Minutes of the Annual Stockholders' Meeting (https://www.bdo.com.ph/business/leasing-financing/about-us)
6.8 Have clearly articulated and enforceable policies with respect to treatment of minority shareholders.	YES	Annual Corporate Governance Report (https://www.bdo.com.ph/business/leasing-financing/about-us)
6.9 Avoid anti-takeover measures or similar devices that may entrench management or the existing controlling shareholder group.	YES	Annual Corporate Governance Report (https://www.bdo.com.ph/business/leasing-financing/about-us)
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	Annual Corporate Governance Report (https://www.bdo.com.ph/business/leasing-financing/about-us)
6.11 Have a communications strategy to promote effective communication with shareholders.	YES	Annual Corporate Governance Report (https://www.bdo.com.ph/business/leasing-financing/about-us)
6.12 Have at least thirty percent (30%) public float to increase liquidity in the market.	NO	The minimum public ownership set by PSE is 10%. BDOLF's Public float is above the minimum public float set by PSE; Public Ownership Report
6.13 Have a transparent dividend policy.	YES	Annual Corporate Governance Report (https://www.bdo.com.ph/business/leasing-financing/about-us)

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Guideline No. 7:		
ADOPTS AND IMPLEMENTS AN INTERNATIONALLY-ACCEPTED DISCLOSURE AND TRANSPARENCY REGIME		
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	Annual Corporate Governance Report (https://www.bdo.com.ph/business/leasing-financing/about-us)
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	Annual Corporate Governance Report; Corporate Official Disclosures (https://www.bdo.com.ph/business/leasing-financing/about-us)
7.3 Disclose its director and executive compensation policy.	YES	Definitive Information Statement (https://www.bdo.com.ph/business/leasing-financing/about-us)
7.4 Disclose names of groups or individuals who hold five percent (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	Definitive Information Statement ; Public Ownership Report (https://www.bdo.com.ph/business/leasing-financing/about-us)
7.5 Disclose annual and quarterly consolidated reports, cash flow statements and special audit revisions. Consolidated financial statements shall be published within ninety (90) days from the end of the financial year, while interim reports shall be published within forty five (45) days from the end of the reporting period.	YES	SEC 17-Q(Quarterly FS Report; SEC 17-A (Annual Report) (https://www.bdo.com.ph/business/leasing-financing/about-us); PSE Website
7.6 Disclose to shareholders and the Exchange any changes to its corporate governance manual and practices, and the extent to which such practices conform to the SEC and PSE CG Guidelines.	YES	Annual Corporate Governance Report (https://www.bdo.com.ph/business/leasing-financing/about-us)
7.7 Publish and/or deliver to its shareholders in a timely fashion all information and materials relevant to corporate actions that require shareholder approval.	YES	Annual Corporate Governance Report (https://www.bdo.com.ph/business/leasing-financing/about-us)

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<p>7.8 Disclose the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This shall also include the disclosure of the company's purchase of its shares from the market (e.g share buy-back program).</p>	<p>YES</p>	<p>SEC Form 23-A (Initial Beneficial Statement Report) https://www.bdo.com.ph/business/leasing-financing/about-us;</p>
<p>Guideline No. 8: RESPECTS AND PROTECTS THE RIGHTS AND INTERESTS OF EMPLOYEES, COMMUNITY, ENVIRONMENT, AND OTHER STAKEHOLDERS</p>		
<p>8.1 Establish and disclose a clear policy statement that articulates the company's recognition and protection of the rights and interests of key stakeholders specifically its employees, suppliers & customers, creditors, as well the community, environment and other key stakeholder groups.</p>	<p>YES</p>	<p>Annual Corporate Governance Report; Annual Report https://www.bdo.com.ph/business/leasing-financing/about-us;</p>
<p>8.2 Have in place a workplace development program.</p>	<p>YES</p>	<p>Annual Corporate Governance Report; Annual Report https://www.bdo.com.ph/business/leasing-financing/about-us</p>
<p>8.3 Have in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.</p>	<p>YES</p>	<p>Annual Corporate Governance Report; Annual Report https://www.bdo.com.ph/business/leasing-financing/about-us;</p>
<p>8.4 Have in place a community involvement program.</p>	<p>YES</p>	<p>Annual Corporate Governance Report; Annual Report https://www.bdo.com.ph/business/leasing-financing/about-us;</p>
<p>8.5 Have in place an environment-related program.</p>	<p>YES</p>	<p>Annual Corporate Governance Report; Annual Report https://www.bdo.com.ph/business/leasing-financing/about-us;</p>
<p>8.6 Have clear policies that guide the company in its dealing with its suppliers, customers, creditors, analysts, market intermediaries and other market participants.</p>	<p>YES</p>	<p>Annual Corporate Governance Report; Annual Report https://www.bdo.com.ph/business/leasing-financing/about-us;</p>

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Guideline No. 9:		
DOES NOT ENGAGE IN ABUSIVE RELATED-PARTY TRANSACTIONS (RPT) AND INSIDER TRADING		
9.1 Develop and disclose a policy governing the company's transactions with related parties.	YES	Annual Corporate Governance Report; Annual Report; (https://www.bdo.com.ph/business/leasing-financing/about-us);
9.2 Clearly define the thresholds for disclosure and approval for RPTs and categorize such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPT within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	YES	Annual Corporate Governance Report; Annual Report; (https://www.bdo.com.ph/business/leasing-financing/about-us);
9.3 Establish a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions in shareholders meetings.	NO	All related party transactions (RPTs) are approved by the Board of Directors wherein the related parties or their representatives abstain from the deliberation. In most cases, these RPTs particularly credit related transactions are reported to BSP. During the Annual Stockholders' Meeting, these RPTs are presented to the stockholders' for approval/confirmation.
9.4 Have its independent directors or audit committee play an important role in reviewing significant RPTs.	YES	Annual Corporate Governance Report (https://www.bdo.com.ph/business/leasing-financing/about-us)
9.5 Be transparent and consistent in reporting its RPTs. A summary of such transactions shall be published in the company's annual report.	YES	Annual Corporate Governance Report; Annual Report; (https://www.bdo.com.ph/business/leasing-financing/about-us);
9.6 Have a clear policy in dealing with material non-public information by company insiders.	YES	Annual Corporate Governance Report; Annual Report; (https://www.bdo.com.ph/business/leasing-financing/about-us);
9.7 Have a clear policy and practice of full and timely disclosure to shareholders of all material transactions with affiliates of the	YES	Annual Corporate Governance Report; Annual Report; Company Disclosures

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controlling shareholders, directors or management.		https://www.bdo.com.ph/business/leasing-financing/about-us ;
Guideline No. 10:		
DEVELOPS AND NURTURES A CULTURE OF ETHICS, COMPLIANCE, & ENFORCEMENT		
10.1 Formally adopt a code of ethics and proper conduct that guides individual behavior and decision making, clarify responsibilities, and inform other stakeholders on the conduct expected from company personnel.	YES	Annual Corporate Governance Report https://www.bdo.com.ph/business/leasing-financing/about-us ;
10.2 Have a formal comprehensive compliance program covering compliance with laws and relevant regulations. The program should include appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	YES	Annual Corporate Governance Report https://www.bdo.com.ph/business/leasing-financing/about-us ;
10.3 Not seek exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. Should it do so, it has to disclose the reason for such action as well present the specific steps being taken to finally comply with the applicable law, rule or regulation.	YES	Annual Corporate Governance Report https://www.bdo.com.ph/business/leasing-financing/about-us ;
10.4 Have clear and stringent policies and procedures on curbing and penalizing company or employee involvement in offering, paying and receiving bribes.	YES	Annual Corporate Governance Report https://www.bdo.com.ph/business/leasing-financing/about-us ;
10.5 Have a designated officer responsible for ensuring compliance with all relevant laws, rules, and regulation, as well as all regulatory requirements.	YES	Annual Corporate Governance Report; Manual on Corporate Governance https://www.bdo.com.ph/business/leasing-financing/about-us ;
10.6 Respect intellectual property rights.	YES	
10.7 Establish and commit itself to an alternative dispute resolution system so that conflicts and difference with counter parties, particularly with shareholders and other key stakeholders, would be settled in a fair and expeditious manner.	YES	Annual Corporate Governance Report https://www.bdo.com.ph/business/leasing-financing/about-us ;

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This is to certify that the undersigned reviewed the contents of this document and to the best of my knowledge and belief, the information contained set forth in this document is true, complete and correct.

Done this 18th day of March 2014 in BDO Leasing Centre, Corinthian Gardens, Ortigas Avenue, Quezon City.


JESUS G. TIRONA
Independent Director


ROBERTO E. LAPID
Officer- In- Charge