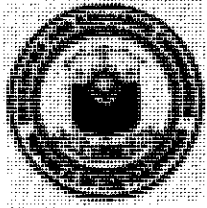




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SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
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(Company's Full Name)

B D O L E A S I N G C E N T R E , C O R I N T H I A N
G A R D E N S , O R T I G A S A V E N U E
Q U E Z O N C I T Y

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

PETER BLAIR S. AGUSTIN

Contact Person

Month Day

Fiscal Year

CONSOLIDATED
CHANGES IN 2015
ANNUAL CORPORATE
GOVERNANCE REPORT

FORM TYPE

840-7000 local 65159

Company Telephone Number

Month Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Dept. Requiring this Doc.

Amended Articles Number/Section

Amended Articles Number/Section

Total No. of Stockholders

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Domestic

Foreign

Foreign

To be accomplished by SEC Personnel concerned

File Number

File Number

LCU

LCU

Document I.D.

Document I.D.

Cashier

Cashier

STAMPS

STAMPS

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January 7, 2016

DIRECTOR JUSTINA F. CALLANGAN
CORPORATE GOVERNANCE AND FINANCIAL DEPARTMENT
SECURITIES AND EXCHANGE COMMISSION
 SEC Building, EDSA Greenhills,
 Mandaluyong City

**RE: CONSOLIDATED CHANGES IN THE 2015 ANNUAL
 CORPORATE GOVERNANCE REPORT (ACGR)**

Dear Director Callangan:

Below are the summary of changes in the Annual Corporate Governance Report consolidated for the year 2015. Attached also are the reference pages in the ACGR incorporating the changes.

Summary of Changes

<u>Section</u>	<u>Page</u>	<u>From</u>	<u>To</u>
Composition of the Board	4	BDOLF Director Date last elected – April 23, 2014 No. of years served as director	BDOLF Director Date last elected – April 22, 2015 No. of years served as director – additional 1 year for each Director
Stockholders' Rights and Protection of Minority (Right to Dividends)	6	BDOLF recognizes the importance of providing a stable and sustainable dividend stream consistent with its commitment to shareholders. In March 2014, the Company paid cash dividend of PHP0.15 per share and will endeavor to do so while maintaining financial flexibility. The Board of Directors may, at its discretion and depending on the business results for the year and capital needs of the business, declare and approve the distribution of additional special dividends to all shareholders normally announced at the Annual Stockholders' Meeting.	BDOLF recognizes the importance of providing a stable and sustainable dividend stream consistent with its commitment to shareholders. In March 2015, the Company paid cash dividend of PHP0.175 per share and will endeavor to do so while maintaining financial flexibility. The Board of Directors may, at its discretion and depending on the business results for the year and capital needs of the business, declare and approve the distribution of additional special dividends to all shareholders normally announced at the Annual Stockholders' Meeting.

BDO Leasing & Finance, Inc.
 BDO Leasing Centre
 Corinthian Gardens, Ortigas Avenue
 Quezon City, Philippines
 Tel +63(2) 635 6416

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Multiple Board Seats	14	Independent Directors may concurrently serve in Boards of other corporations provided the provisions of SEC Memorandum Circular No. 9 series of 2011 (Term Limits for Independent Directors) are strictly observed i.e. no limit if covered companies do not belong to a conglomerate and maximum of 5 companies of a conglomerate (parent company, subsidiary and affiliate). Provided further, that the capacity of a director to devote quality time and attention in performing his duties and responsibilities is not compromised.	Independent Directors may concurrently serve in Boards of other corporations provided the provisions of SEC Memorandum Circular No. 9 series of 2011 (Term Limits for Independent Directors) are strictly observed i.e. no limit if covered companies do not belong to a conglomerate and maximum of 5 companies of a conglomerate (parent company, subsidiary and affiliate). This limit on board seats applies to the independent directorship in the Company. Provided further, that the capacity of a director to devote quality time and attention in performing his duties and responsibilities is not compromised.
Selection of Board Members	19	The Nominations Committee is tasked to undertake the process of identifying the qualifications of directors aligned with the company's strategic directions. In evaluating the suitability of individual board member and promoting diversity in the composition of the Board, the Nominations Committee should take into account the relevant qualifications of every candidate nominated for election such as among others, physical/mental fitness, relevant educational and professional background, personal track record, diversity of related experience/training, commitment to contribute, willingness to serve and interest to remain engaged and involved without undue prejudice to race, gender ethnic origin, religion, age and sexual orientation. At least one of the non-executive directors should have prior working experience in the financial industry or a relevant business group. The Nominations Committee also considers the results of the most recent self-assessment of the Board and peer evaluation, director's attendance record in meetings, participation in Board activities and overall contribution to the functioning of the Board.	The Nominations Committee is tasked to undertake the process of identifying the qualifications of directors aligned with the company's strategic directions. In evaluating the suitability of individual board member and promoting diversity in the composition of the Board, the Nominations Committee should take into account the relevant qualifications of every candidate nominated for election such as among others, physical/mental fitness, relevant educational and professional background, personal track record, diversity of related experience/training, commitment to contribute, willingness to serve and interest to remain engaged and involved without undue prejudice to race, gender ethnic origin, religion, age and sexual orientation. At least one of the non-executive directors should have prior working experience in the financial industry or a relevant business group. For the reelection of incumbent directors, The Nominations Committee also considers the results of the most recent self-assessment of the Board and peer evaluation, director's attendance record in meetings, participation in Board activities and overall contribution to the functioning of the Board. A former partner or employee of the Company's current external auditing firm will not be qualified for nomination as member of the Board. The Nominations Committee will use to

			the extent possible, external search firm or external bases in selecting the pool of candidates for the members of the Board.
Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)	25	<p>1. Resignation/Death/Removal</p> <p>Name of Director: Georgiana A. Gamboa</p> <p>Position : Director & President</p> <p>Date of Cessation : January 31, 2014</p> <p>Reason: Resignation</p> <p>2. Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension</p> <p>Name of Director: Jeci A. Lapus</p> <p>Position: Director</p> <p>Date of Appointment: April 23, 2014</p> <p>Reason: Appointment</p>	<p>None</p> <p>None</p>
Voting Results of the last Annual General Meeting	36	Each director - Votes Received 85.14%	Each director - Votes received 85.26% <i>(presented in itemized form in the ACGR)</i>
Continuing education programs for directors: programs and seminars and roundtables attended during the year	38-40	Education programs / seminars of Directors as of 2014	<p>Add:</p> <p>1. Roberto E. Lapid - Bankers Institute of the Philippines (What's in store in real estate industry) March 11, 2015</p> <p>Banker's Institute of the Philippines (Credit Information System) March 12, 2015</p> <p>2. Each Director (except for Dirs. J. Tirona and L. Reyes, Jr.)</p> <p>AML Training on "Mitigating Risk on Current Trends in Money Laundering" November 25, 2015 Attys. Julia Abad / Vivian Magno (BSP) <i>(presented in itemized form in the ACGR)</i></p>
RPT Policy	50-53	RELATED TRANSACTIONS <i>(Approved by the Board of</i>	PARTY REVISED RELATED PARTY POLICY TRANSACTIONS POLICY

Directors on December 10, 2014)
(new amendment)

OBJECTIVES:

The policy is intended to:

- ensure that every Related Party Transaction is conducted in a manner that will protect the Company from conflict of interest which may arise between the Company and its Related Parties; and
- ensure proper review, approval, ratification and disclosure of transactions between the Company and any of its Related Party/ies as required in compliance with legal and regulatory requirements.

DEFINITION OF A RELATED PARTY

For purposes of this policy, a Related Party means:

- a Stockholder owning 1% or more of the total equity of BDOLF ("Stockholder") (other than financial or investment institutions under PCD Nominee Corporation whose beneficial owners could not be readily determined by the Company as it is being traded actively in the market) or;
- a Director of the Company, and its subsidiary ("Director"), or ;
- a Senior Officer of the Company (AVP up) ("Senior Officer"), or;
- Immediate family members of a Stockholder, Director or Senior Officer up to the second degree of affinity and consanguinity; or;
- Entities in the group owned directly or indirectly by parent company and/or its subsidiaries/affiliates including special purpose entities or those

OBJECTIVES

The policy is intended to:

- ensure that every Related Party Transaction is conducted in a manner that will protect the Company from conflict of interest which may arise between the Company and its Related Parties; and
- ensure proper review, approval, ratification and disclosure of transactions between the Company and any of its Related Party/ies as required in compliance with legal and regulatory requirements.

EXPANDED DEFINITION OF RELATED PARTIES

For purposes of this policy, a Related Party means -

1. DOSRI

- a. Directors shall refer to the company directors which shall include (1) directors who are named as such in the Articles of Incorporation; (2) directors duly elected in the subsequent meetings of the stockholders; and (3) those elected to fill vacancies in the Board of Directors
- b. Officers shall refer to the company officers which shall include the President, Executive Vice President, Senior Vice President, Vice President, Treasurer, Secretary, Chief Compliance Officer, Chief Risk Officer and other mentioned as officers of the Company, or those duties as such are defined in the By-Laws, or are generally known to be the officers of the Company (or any of its branches and offices other than head office) either through announcement, representation, or publication or any kind of communication made by the Company: Provided, that the person holding the position of

that exert control over the Company; or;

Entities in which a Stockholder, Director or Senior Officer majority owns or controls.

DEFINITION OF RELATED PARTY TRANSACTION

In the context of this policy, the following criteria apply to a Related Party Transaction:

MATERIAL

Any financial transaction, arrangement or relationship in which the aggregate amount involved will or may exceed Php5.0million in any year where a Related Party has or will have direct or indirect material interest

NATURE

Any of the following transactions entered into by the Company with a Related Party which includes:

- a. Finance (including credit accommodations and equity contributions in cash or in kind);
- b. Purchases, sales or supply of goods or materials;
- c. Rendering or receiving of services;
- d. Agency agreements;
- e. Outsourcing arrangements;
- f. Leasing of property of any kind;
- g. License agreements;
- h. Selling or disposing of, or buying, property of any kind;
- i. Guarantees and sureties;
- and
- j. Management contracts.

CIRCUMSTANCES

The Company or its subsidiary is a participant to a Related Party Transaction in which a Related Party has the ability to control or to exercise significant influence in the outcome of a proposed Related Party Transaction such as a Senior Officer with discretion and

Chairman or Vice Chairman of the Board or another position in the Board shall not be considered as an officer unless the duties of his position in the board include functions of management such as those ordinarily performed by regular officers: Provided, further that members of a group or committee, including sub-groups or sub-committees whose duties include functions of management such as those ordinarily performed by regular officers, and not purely recommendatory or advisory, shall likewise be considered officers.

c. Stockholder shall refer to any stockholder of record in the books of the company, acting personally, or through an attorney-in-fact, or any other person duly authorized by him or through a trustee designated pursuant to a proxy or voting trust or other similar contracts, whose stockholdings in the company, individual and/or collectively with the stockholdings of: 1) Spouse relatives within the first degree of consanguinity or affinity, or relatives by legal adoption, of the stockholder of the company 2) a partnership in which the stockholder and/or the spouse and/or any aforementioned relatives is a general partner; 3) corporation, association or firm of which the stockholder and/or his spouse and/or the aforementioned relatives own more than fifty percent (50%) of the total subscribed capital stock of such corporation, association or firm, amount to one percent (1%) or more of the total subscribed capital stock of the Company.

d. Related Interest shall refer to any of the following:

can influence decisions solely.

EXCEPTIONS TO THE RELATED PARTY TRANSACTION RULE

Any of the following types of transaction even if the aggregate amount exceeds the materiality threshold shall not require review and approval by the Related Party Transactions Committee and the Board, respectively:

1. Ordinary Course of Business

Financial services the Company renders provided that the transaction has no policy deviations and the services are on substantially the same terms as those prevailing at the time for comparable services provided to unrelated parties; and

A transaction where the rates or charges involved in the transaction are determined by competitive bids or fixed by law or regulated by a governmental authority.

2. Employee Benefits

Auxiliary services granted with preferential rates or waivers given to all employees (including senior officers) as part of employees incentives or benefits.

REQUIREMENTS OF RELATED PARTY TRANSACTIONS

Each Director, Stockholder or Senior Officer is responsible to declare any Related Party Transaction and the material interest that they or an immediate family member may have on such transaction.

The following information, to the extent relevant, with respect to the proposed Related Party Transaction should be disclosed in the Term Sheet:

(1) Spouse or relative within the first degree of consanguinity or affinity, or relative by legal adoption of a director, officer or stockholder of the Company.

(2) Partnership of which a director, officer or stockholder of a Company or his spouse or relative within the first degree of consanguinity or affinity, or relative by legal adoption, is a general partner.

(3) Co-owner with the director, officer, stockholder or his spouse or relative within the first degree of consanguinity or affinity, or relative by legal adoption, of the property or interest or right mortgaged, pledged or assigned to secure the loans or other credit accommodations, except when the mortgage, pledge or assignment covers only said co-owner's undivided interest;

(4) Corporation, association, or firm of which a director or officer of the Company, or his spouse is also a director or officer of such corporation, association or firm, except (a) where the securities of such corporation, association or firm are listed and traded in the big board or commercial and industrial board of domestic stock exchanges and less than fifty percent (50%) of the voting stock thereof is owned by any one (1) person or by persons related to each other within the first degree of consanguinity or affinity; or (b) where the director,

a. A general description of the transaction/s including the material terms and conditions.

b. The name of the Related Party and the basis on which such person or entity is a Related Party.

c. The Related Party's interest in the transaction/s including the Related Party's position or relationship with, or ownership of, any entity that is a party to or has an interest in the transaction/s.

d. The total value of the proposed transaction and the share of the Related Party's interest in the transaction/s.

e. Whether the Company will be a party to the transaction and if not, the nature of its participation in the transaction/s.

f. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result or in connection with the proposed transaction

g. Any other material information regarding the transaction/s or the Related Party's interest in the transaction/s.

Certification is required from all service providers, suppliers and vendors that they do not have a conflict of interest with the Company.

Disclaimer is required from all approving officer/s signing contracts, agreements, work orders and purchase orders that they are not related to the counterparties of the proposed transaction.

REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

All credit and non-credit Related Party Transactions go through the normal approval processes of the Company given the delegated discretion after due consideration to existing DOSRI regulations and SB limits.

officer or stockholder of the Company sits as a representative of the Company in the board of directors of such corporation: Provided, That the Company representative shall not have any equity interest in the borrower corporation except for the minimum shares required by law, rules and regulations, or by the by-laws of the corporation, or where the corporation is at least ninety-nine percent (99%)-owned by a non-stock corporation as defined in Section 87 of the Corporation Code of the Philippines: Provided, that the purpose of the loan is to finance hospitals and other medical services: Provided, further, that the loan is fully secured: Provided furthermore, That in case of Items (a) (b) and (c) above, the borrowing corporation is not among those mentioned in items e(5), e (6), e(7) and e(8) of this Section.

(5) Corporation, association or firm of which any or group of directors, officers, stockholders of the Company and/or their spouses or relatives within the first degree of consanguinity or affinity, or relative by legal adoption, hold or own at least twenty percent (20%) of the subscribed capital of such corporation, or of the equity of such association and firm;

(6) Corporation, association or firm wholly or majority owned or controlled by any related

Upon approval, all Php5.0million and above Related Party Transactions including transactions falling under the Ordinary Course of Business with deviations are referred to the Related Party Transactions Committee. The Committee reviews and ratifies these Related Party Transactions and endorses to the Board for approval.

The Committee will consider the following factors to the extent relevant to the Related Party Transaction in conducting an independent review:

- a. the identities of the parties involved in the transaction or relationship;
- b. the terms of the transactions are fair and on arms length basis to the Company;
- c. the impact on Director's or Senior Officer's independence; and
- d. whether the Related Party Transaction would present an improper conflict of interest for any Director, Stockholder or Senior Officer of the Company.

The Board of Directors approves and confirms all Related Party Transactions endorsed by the Related Party Transactions Committee.

Any member of the Board or Related Party Transactions Committee who has interest in the transaction must abstain from participation in the review and approval of any Related Party Transaction.

DISCLOSURE AND REGULATORY REPORTING

The Bank shall disclose in its website the policy on Related Party Transactions and also in the Annual Corporate Governance Report to the SEC.

entity or a group of related entities mentioned in Items e(2), e(4) and e(5) of this Section;

(7) Corporation, association or firm wholly or majority owned or controlled by any related entity or a group of related entities mentioned in Items e(2), e(4) and e(5) of this Section;

(8) Corporation, association or firm which owns or controls directly or indirectly whether singly or as part of a group of related interest at least twenty percent (20%) of the subscribed capital of a substantial stockholder of the Company or which controls majority interest of the Company;

(9) Corporation, association or firm which has an existing management contract or any similar arrangement with the parent of the Company.

(10) Non-governmental organizations (NGOs)/foundations that are engaged in retail microfinance operations which are incorporated by any of the stockholders and/or directors and/or officers or related companies.

2. SUBSIDIARIES AND AFFILIATES

Corporation, association or firm in which the company and/or its parent/subsidiary holds or owns at least twenty percent (20%) of the subscribed capital of such corporation, or in

Material Related Party Transactions shall be reported to regulatory agencies as required and shall be ratified and approved by the stockholders in the Annual Stockholders' Meeting.

Necessary disclosures shall be made also in the Notes to the Financial Statements of the Annual Report.

equity of such association or firm.

3. OTHER RELATED PARTIES

a. Second degree relatives by consanguinity (grandparents, grandchildren, brothers and sisters) or affinity (grandparents-in-law, brothers-in-law and sisters-in-law) of Directors, officers with a rank of AVP or higher and Stockholders owning at least 1% on the Company's total subscribed capital stock:

b. Corporations, associations or firms of which any or a group of Directors, Officers, Stockholders of the lending Company and/or their spouses or relatives within the first degree of consanguinity or affinity, or relative by legal adoption, hold or own at least ten percent (10%) of the subscribed capital of such Company, or of the equity of such association or firm; and

c. Corporation, association or firm which owns or controls directly or indirectly whether singly or as part of a group of related interest at least ten percent (10%) of the subscribed capital of a substantial stockholder of the Company or which controls majority interest of the Company.

d. Corporation, association or firm in the lending Company and/or its parent/subsidiary holds or owns at least ten percent (10%) of the subscribed capital of such company, or in the equity of such association or firm.

COVERAGE OF RELATED PARTY TRANSACTIONS

In the context of this policy, the following criteria apply to a Related Party Transaction:

- NATURE

Any of the following transactions entered into by the Related Parties of the Company listed

			<p>above:</p> <ol style="list-style-type: none"> 1. Credit Transaction <ol style="list-style-type: none"> a. Leasing and Financing 2. Non-Leasing and Financing Transactions <ol style="list-style-type: none"> a. Purchases, sales or supply of goods or materials b. Rendering or receiving services; c. Agency agreements; d. Outsourcing arrangements e. Leasing of property of any kind f. License Agreements g. Selling or disposing of, or buying, property of any kind; l. Guarantees and sureties; <p>and</p> <ol style="list-style-type: none"> j. Management contracts <ul style="list-style-type: none"> • AMOUNT <p>Any single transaction, agreement or contract with an amount of Php5 million and above is considered significant.</p> <ul style="list-style-type: none"> • CIRCUMSTANCES <p>The counter party who is transacting with the Company must be a 'related Party' to the Officer (s) with the rank of AVP or higher</p> <ul style="list-style-type: none"> • HANDLING OF RELATED PARTY TRANSACTIONS <p>A. Documentation</p> <p>To ensure the propriety of Related Party Transactions, the proposal shall include among others, the following information:</p> <ol style="list-style-type: none"> 1. Identity of the related parties in the transaction to be entered into by the Company. 2. Terms and conditions of the related party transaction which are not more favorable or preferential than terms generally available to non-related parties similarly placed, situated and rated.
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B. Review and approval

1. Transaction of DOSRI shall be processed in accordance with existing policies and procedures:

Transaction	Approval
Credit Transaction	ExCom approves/en dorsos Board approves
Outsourcing Arrangements	Generally : BU Head recommends President approves Board confirms Select Services ; BU Head recommends President approves/en dorsos Board approves
Leasing/Selling/ Buying of Property	ExCom approves/en dorsos Board approves

2. Transactions of Other Related Parties shall be processed as follows:

Transaction	Approval
Credit Transaction	BU endorses to RPT committee for review
Outsourcing Arrangements	Generally : BU Head recommends

			President approves Board confirms Select Services ; BU Head recommends President approves/endorse Board approves
		Leasing/Selling/Buying of Property	ExCom approves/endorse Board confirms
		Purchases of goods and services, Agency Agreement; Licensing Agreements and Management contracts (5M & up)	BU Head approves per delegated authority RPT endorses (5M above) Board approves

3. Any member of the Board or the Related Party Transactions Committee who has interest in a Transaction, agreement or contract must abstain from participation in the review and approval of such Related Party Transaction.

DISCLOSURE OF RELATED PARTY TRANSACTIONS

- The Company shall disclose in its website the policy in Related Party Transactions and also in the Annual Corporate Governance Report to SEC.
- Material Related Party Transactions shall be

			<p>reported to regulatory agencies as required and shall be ratified and approved by the stockholders in the Annual Stockholder's Meeting.</p> <ul style="list-style-type: none"> Necessary disclosures shall be made also in the Notes to the Financial Statements of the Annual Report.
Meeting of NED	58	July 30, 2014	None
Committee Members	65-68	<p>No of Meetings Held / Attended</p> <p>Audit Committee Ma. Leonora V. De Jesus - 11 of 12 (92%) Jesus G. Tirona - 11 of 12 (92%) Jesse H.T. Andres - 12 of 12 (100%)</p> <p>Nomination Committee Jesse H.T. Andres - 1 of 1 (100%) Antonio N. Cotoco - 1 of 1 (100%) Ma. Leonora V. De Jesus - 1 of 1 (100%)</p> <p>Risk Management Committee Nestor V. Tan - 4 of 4 (100%) Jesse H.T. Andres - 3 of 3 (100%) Antonio N. Cotoco - 4 of 4 (100%) Roberto E. Lapid - 1 of 1 (100%)</p> <p>Corporate Governance Committee Jesus G. Tirona - 4 of 4 (100%) Jesse H.T. Andres - 4 of 4 (100%) Ma. Leonora v. De Jesus - 4 of 4 (100%) Antonio N. Cotoco - 1 of 1 (100%)</p> <p>Related Party Transaction Committee Jesse H.T. Andres - 2 of 2 (100%) Jeci A. Lapus - 2 of 2 (100%) Jesus G. Tirona - 2 of 2 (100%) Ma. Leonora V. De Jesus - 2 of 2 (100%) Antonio N. Cotoco - 2 of 2 (100%)</p>	<p>No of Meetings Held / Attended</p> <p>Audit Committee Ma. Leonora V. De Jesus - 12 of 12 (100%) Jesus G. Tirona - 11 of 12 (92%) Jesse H.T. Andres - 12 of 12 (100%)</p> <p>Nomination Committee Jesse H.T. Andres - 2 of 2 (100%) Antonio N. Cotoco - 2 of 2 (100%) Ma. Leonora V. De Jesus - 2 of 2 (100%)</p> <p>Risk Management Committee Nestor V. Tan - 4 of 4 (100%) Jesse H.T. Andres - 4 of 4 (100%) Antonio N. Cotoco - 4 of 4 (100%)</p> <p>Corporate Governance Committee Jesus G. Tirona - 4 of 4 (100%) Jesse H.T. Andres - 4 of 4 (100%) Ma. Leonora v. De Jesus - 4 of 4 (100%)</p> <p>Related Party Transaction Committee Jesse H.T. Andres - 4 of 4 (100%) Jeci A. Lapus - 3 of 4 (75%) Jesus G. Tirona - 4 of 4 (100%) Ma. Leonora V. De Jesus - 4 of 4 (100%) Antonio N. Cotoco - 4 of 4 (100%)</p>
Ownership Structure	92	<p>Shareholder: BDO Unibank, Inc.</p> <p>Number of Shares 1,840,116,232</p> <p>Percent 85.09%</p>	<p>Shareholder: BDO Unibank, Inc.</p> <p>Number of Shares 1,840,116,632</p> <p>Percent 85.09%</p>

		<p>Shareholder: PCD Nominee Corp. (Filipino)</p> <p>Number of Shares: 231,284,922</p> <p>Percent 10.69%</p>	<p>Shareholder: PCD Nominee Corp. (Filipino)</p> <p>Number of Shares: 232,990,078</p> <p>Percent 10.77%</p>
Disclosure of RPT	93	Value – Php 76,933	Value- Php 959,378
Notices on ASM	96	<p>Date of Sending out Notices : March 28, 2014</p> <p>Date of Annual/Special Stockholders: April 23, 2014</p>	<p>Date of Sending out Notices : March 2, 2015</p> <p>Date of Annual/Special Stockholders: April 22, 2015</p>
Open Forum	96-97	<p>After the Vice-Chairman and OIC's presentation, the Chairman of the meeting opened the floor to give the stockholders the opportunity to ask questions or give comments regarding Mr. Lapid's Report and the Financial Statements of BDOLF, or related matters.</p> <p>Mr. Philip Turner, stockholder, commented on the consistency of the financial results of BDOLF particularly the net income. He pointed out some typographical errors in the Annual Report and suggested that the printing be addressed to make the reports more legible and the members of the Board properly identified. He also suggested the use of recycled paper as more environment friendly. The Chairman of the meeting, Mr. Tan, replied that the issue on the legibility and format of the report and the use of recycled paper would be discussed with Management. With regard to the financial performance of BDOLF, he emphasized that the assets grew by more than twenty percent (20%). This was within the control of Management - to bring in as much business as they can to the company. However, the very liquid market and declining interest rate environment which put a severe strain on the spread are economic conditions beyond the control of BDOLF. The Chairman of the meeting added that Management will continue to focus on the things</p>	<p>After the Vice-Chairman and the President's presentation, the Chairman of the meeting opened the floor to give the stockholders the opportunity to ask questions or give comments regarding Mr. Lapid's Report and the Financial Statements of BDOLF, or related matters.</p> <p>Mr. Philip Turner, stockholder, inquired on the type of assets /properties to which BDOLF was exposed to Century Properties Group. Mr. Lapid replied that these were corporate securities/notes with a term of three (3) years. It was explained that the investment had been evaluated and found acceptable by Management based on the term and return. On the query of Mr. Turner on the decline in the value of club shares owned by BDOLF, Mr. Tan replied that Management would get back to him to provide the details. Mr. Lapid also explained the allowance of impairment to address the question of Mr. Turner. BDOLF has set up specific provisions and general provisions to protect the Corporation's assets from any market or economic shock that could adversely affect its portfolio. Mr. Tan added that the provisions were not made in anticipation of a definite or known crisis or problem but was in compliance with the requirement of the BSP and would be similar to saving or a rainy day.</p> <p>Another stockholder, Mr. Jose T. Ferrer, reported that he has yet to</p>

within its control to ensure that the credit remains sound. Regarding the increase in fees of the external auditor, the same was due to additional audit requirements set by regulatory which required more man hours from the auditors.

Mr. Jose T. Ferrer, stockholder, commended BDOLF, the Board and Management for the cash dividends declared in 2014. He inquired when the dividends would be paid since he has yet to receive the same. The Chairman of the meeting replied that he would endorse the concern of Mr. Ferrer to the Office of the Corporate Secretary to check on the status of his dividend payment.

In reply to the query of Mr. Willington Chua, stockholder, Mr. Tan stated that the BSP issuances could affect the funding costs which could go higher thereby lowering the spread of BDOLF. Although this could be passed on to the clients, it would depend on whether the market would accept the same. The PPPs could be potential business source but most PPPs are still in the pipeline and only a few had been awarded.

After the discussions were concluded, Mr. Vernie C. Dela Cruz, proxy holder, moved for the notation and approval of the Report on the result of the operations of the corporation for the year ended December 31, 2013 and the audited financial statements for the same period.

Ms. Zarah A. Lacaya, proxy holder, seconded the motion.

There being no objection, the Stockholders adopted the following resolution:

Stockholders' Resolution
No. 2014-02

RESOLVED, That the Stockholders do hereby

receive the dividends declared in March 2015. He also requested for the conversion of his PCI Leasing certificate of stock to BDO Leasing. Mr Turner manifested that he also experienced delay in receiving his dividend checks particularly those from his broker. Mangment referred the concern of Mr. Ferrer to the Office of Corporate Secretary and the stock transfer agent to look at the process and determine the cause of delay.

After the discussions were concluded, there being questions from the floor, Mr. Manolo O. Diaz, proxy holder, moved for the notation and approval of the Report on the result of the operations of the corporation for the year ended December 31, 2014 and the audited financial statements for the same period.

Ms. Vanessa C. Benavidez, proxy holder, seconded the motion.

There being no objection, the Stockholders adopted the following resolution:

Stockholders' Resolution No.
2015-02

RESOLVED, That the Stockholders do hereby note and approve the Report on the Result of the Operations of BDO Leasing and Finance, Inc. and the Audited Financial Statements for the year ended December 31, 2014.

The Chairman of the meeting directed the Corporate Secretary to have the minutes reflect the tabulation of votes to include proxies that have cast their vote in favor of the approval of the Report on the Results of Operations of BDOLF for the fiscal year ended December 31, 2014 and the Audited Financial Statements for the same period, and to note the proxies that have chosen to abstain on voting for, or have voted against, the approval of the said Report and the Audited Financial Statements.

		<p>note and approve the Report on the Result of the Operations of BDO Leasing and Finance, Inc. and the Audited Financial Statements for the year ended December 31, 2013.</p> <p>The Chairman of the meeting directed the Corporate Secretary to have the minutes reflect the tabulation of votes to include proxies that have cast their vote in favor of the approval of the Report on the Results of Operations of BDOLF for the fiscal year ended December 31, 2013 and the Audited Financial Statements for the same period, and to note the proxies that have chosen to abstain on voting for, or have voted against, the approval of the Corporation's Report on the Results of Operations for the fiscal year ended December 31, 2013 and the Audited Financial Statements for the same period.</p> <p>Accordingly, based on P&A's tabulation, shareholders owning 1,841,213,587 shares or 85.14% of the total shares present and represented in the meeting, approved the Report on the Results of Operations of BDOLF for the fiscal year ended December 31, 2013 and the Audited Financial Statements for the same period. Based on the proxies submitted, no shareholder or 0.0% voted against or abstained in the approval of the Report on the Results of Operations of BDOLF for the fiscal year ended December 31, 2013 and the Audited Financial Statements for the same period.</p>	<p>Based on P&A's tabulation, the following were the results of the voting by poll, showing the number of votes cast and received on the approval of the Report on the Results of Operations of BDOLF for the fiscal year ended December 31, 2014 and the Audited Financial Statements for the same period were as follows:</p> <p>Total Outstanding Shares: 2,162,475,312</p> <p>Total Votes Cast: 1,843,762,677</p> <p>Votes in favor: 1,843,752,677</p> <p>Votes Against: 0</p> <p>Abstentions: 10,000 (0.00054)</p>
of Annual/Special holders' Meetings ons	97	Election of Directors- Approving – 85.14%	Election of Directors- Approving – 85.26%

Date of publishing Minutes of ASM	97	April 23, 2014	April 22, 2015
Stockholder's Attendance	97-98	Date of Meeting – April 23, 2014 % of SH in Proxy – 85.14 Total % of SH attendance – 85.1456%	Date of Meeting – April 22, 2015 % of SH in Proxy – 85.26% Total % of SH attendance – 85.26%
Right to Dividends	101	BDOLF recognizes the importance of providing a stable and sustainable dividend stream consistent with its commitment to shareholders. In March 2014, the Company paid cash dividend of PHP0.15 per share and will endeavor to do so while maintaining financial flexibility. The Board of Directors may, at its discretion and depending on the business results for the year and capital needs of the business, declare and approve the distribution of additional special dividends to all shareholders normally announced at the Annual Stockholders' Meeting.	BDOLF recognizes the importance of providing a stable and sustainable dividend stream consistent with its commitment to shareholders. In March 2015, the Company paid cash dividend of PHP0.175 per share and will endeavor to do so while maintaining financial flexibility. The Board of Directors may, at its discretion and depending on the business results for the year and capital needs of the business, declare and approve the distribution of additional special dividends to all shareholders normally announced at the Annual Stockholders' Meeting.

Thank you.


PETER BLAIR S. AGUSTIN
 Chief Risk and Compliance Officer

Noted by:


ROBERTO E. LAPID
 President

A. BOARD MATTERS

1. Board of Directors

[REDACTED]	11
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[REDACTED]	11
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- Composition of the Board (*updated*)

Complete the table with information on the Board of Directors:

Teresita T. Sy	ED	BDO Unibank		September 2005	April 22, 2015	Annual Meeting	10
Roberto E. Lapid	ED	BDO Unibank		May 24, 2006	April 22, 2015	Annual Meeting	9
Jesse H.T. Andres	ID		Mannette D. Vicente/ no relation	September 20, 2005	April 22, 2015 (4 years)	Annual Meeting	10
Antonio N. Cotoco	ED	BDO Unibank		January 25, 2001	April 22, 2015	Annual Meeting	15
Ma. Leonora V. De Jesus	ID		Mannette D. Vicente/ no relation	May 12, 2008	April 22, 2015 (4 years)	Annual Meeting	7
Luis S. Reyes Jr.	ED	BDO Unibank		April 18, 2012	April 22, 2015	Annual Meeting	3
Nestor V. Tan	ED	BDO Unibank		January 23, 2007	April 22, 2015	Annual Meeting	9
Jesus G. Tirona	ID		Mannette D. Vicente/ no relation	July 30, 2007	April 22, 2015 (4 years)	Annual Meeting	8
Exequiel P. Villacorta Jr.	NED	BDO Unibank		May 24, 2006	April 22, 2015	Annual Meeting	9
Walter C. Wassmer	ED	BDO Unibank		November 17, 1999	April 22, 2015	Annual Meeting	16
Jeci A. Lapus	NED	BDO Unibank		April 23, 2014	April 22, 2015	Annual Meeting	1.67

- Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority shareholders and of other stakeholders, disclosure duties, and board responsibilities.

- Board Responsibilities

DUTIES & RESPONSIBILITIES OF THE BOARD OF DIRECTORS (*Reference: Corgov Manual*) **updated**

a) Shareholders shall have the right to participate and vote in the Annual Stockholders Meeting including the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code such as changes or amendments to the company's By-Laws and Articles of Incorporation, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code , issuance of additional shares and appointment of the external auditor.

b) Each outstanding share is entitled to one vote unless a preferred share is expressly denied voting entitlement.

c) Cumulative voting shall be used in the election of directors.

d) A director shall not be removed without cause if it will deny minority shareholders representation in the Board.

4. Right to Information

a) Upon request and for a legitimate purpose, the shareholders shall be provided, upon request with information about the Company's directors and officers, their holdings of the Company's shares, and dealings with the Company.

b) The shareholders, including minority shareholders shall have access to any information relating to matters for which the management is accountable.

c) The shareholders, including minority shareholders shall be granted the right to propose items in the agenda of the meeting provided the items is for legitimate business purposes.

5. Right to Dividends (updated)

BDOLF recognizes the importance of providing a stable and sustainable dividend stream consistent with its commitment to shareholders. In March 2015, the Company paid cash dividend of PHP0.175 per share and will endeavor to do so while maintaining financial flexibility.

The Board of Directors may, at its discretion and depending on the business results for the year and capital needs of the business, declare and approve the distribution of additional special dividends to all shareholders normally announced at the Annual Stockholders' Meeting.

6. Appraisal Right

The shareholders shall have appraisal right or the right to dissent and demand payment for the fair value of their shares in the manner provided for under Section 82 of the Corporation Code.

1) In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares or of authorizing preferences in any respect superior to those of outstanding shares of any class.

2) In case of the disposition of all or substantially all of the corporate property and assets as provided for in the Corporation Code.

3) In case of sale, lease, exchange, transfer, mortgage, pledge or other merger or consolidation or the extension or shortening the term of corporate existence.

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group:

Walter C. Wassmer	Mabuhay Vinyl Corporation	Non-Executive
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(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

Teresita T. Sy	BDO Unibank, Inc.	All are executive officers of BDO Unibank, Inc.
Nestor V. Tan	BDO Unibank, Inc.	
Antonio N. Cotoco	BDO Unibank, Inc.	
Luis S. Reyes, Jr.	BDO Unibank, Inc.	
Walter C. Wassmer	BDO Unibank, Inc.	

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

(Reference : Corgov Manual)

Multiple Board Seats. Independent Directors may concurrently serve in Boards of other corporations provided the provisions of SEC Memorandum Circular No. 9 series of 2011 (Term Limits for Independent Directors) are strictly observed i.e. no limit if covered companies do not belong to a conglomerate and maximum of 5 companies of a conglomerate (parent company, subsidiary and affiliate). This limit on board seats applies to the independent directorship in the Company. Provided further, that the capacity of a director to devote quality time and attention in performing his duties and responsibilities is not compromised. (updated)

Executive Director	applicable	same
Non-Executive Director	applicable	same
CEO	applicable	same

- Shareholding in the Company

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company:

Does the company have a policy of ensuring diversity of experience and background of directors in the board?
Please explain. Yes

(Reference: Corgov Manual) (updated)

Selection of Board members. The Nominations Committee is tasked to undertake the process of identifying the qualifications of directors aligned with the company's strategic directions. In evaluating the suitability of individual board member and promoting diversity in the composition of the Board, the Nominations Committee should take into account the relevant qualifications of every candidate nominated for election such as among others, physical/mental fitness, relevant educational and professional background, personal track record, diversity of related experience/training, commitment to contribute, willingness to serve and interest to remain engaged and involved without undue prejudice to race, gender ethnic origin, religion, age and sexual orientation. At least one of the non-executive directors should have prior working experience in the financial industry or a relevant business group. For the reelection of incumbent directors. The Nominations Committee also considers the results of the most recent self-assessment of the Board and peer evaluation, director's attendance record in meetings, participation in Board activities and overall contribution to the functioning of the Board. A former partner or employee of the Company's current external auditing firm will not be qualified for nomination as member of the Board. The Nominations Committee will use to the extent possible, external search firm or external bases in selecting the pool of candidates for the members of the Board.

In the revised Terms of Reference of the Nominations Committee, its primary duty is to lead the process for identifying and make recommendations to the Board on candidates for appointment as Directors of the Company as well as those other positions requiring appointment by the Board of Directors, giving full consideration to succession planning and leadership needs of the Group. It shall make use of external database, e.g. Institute of Corporate Directors or professional search. It shall recommend to the Board of Directors, the slate of nominees for election to the Board of Directors during the Company's annual stockholders' meeting. It also makes recommendations to the Board on the composition and chairmanship of the various committees. It keeps under review the structure, size and composition of the Board, including the balance of skills, knowledge and experience and the independence of the non-executive Directors, and makes recommendations to the Board with regard to any changes.

8 directors out of 11 have over 120 years' combined experience from local banking institutions. 2 directors out of 11 are businessmen who have made their mark in the field of realty and trading businesses. 3 directors out of 11 have held key government positions. 1 out of 11 is a practicing attorney and a managing partner of a law firm.

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain.

Yes. In the existing Board of Directors, one non-executive director and one independent director have actual experiences in the financial services industry.

1. Director Exequiel P. Villacorta, Jr. was previously President and CEO of Banco De Oro Universal Bank and TA Bank of the Philippines, and was Vice President of Private Development Corporation of the Philippines (PDCP). He was Senior Adviser and BSP Controller of Equitable PCI Bank, Inc. and PBCom; and Adviser to the Board of PCI Capital Corporation.

2. Independent Director Jesus G. Tirona was formerly the President/CEO of LGU Guarantee Corp. - a private sector led credit guarantee institution jointly owned by the BAP, the DBP and the ADB - whose mandate is to provide creditworthy LGUs and the utilities sector access to the capital markets through LGUGC-enhanced local debt instruments. He was also Managing Director/CEO of the Guarantee Fund for SMEs and the BAP Credit Guaranty Corp., - both entities promoting SME development. He has a long extensive experience in banking and finance, having built a career with Citibank as well as with other large domestic financial institutions.

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

2. A regular director who resigns or whose term ends on the day of the election shall only qualify for nomination and election as an independent director after a two (2) year "cooling off period".

3. If the beneficial security ownership of an independent director in BDOLF or in its related companies shall exceed the limit of 2%, the Company will not consider him anymore as an independent director.

4. Executives of BDOLF may be elected as directors but cannot and shall not be considered as independent directors.

5. Person appointed as Adviser to the Board shall be subject to a one (1) year "cooling off period" prior to his/her nomination and election as an Independent Director.

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

Yes, an independent director may serve as such for a total of nine (9) years. First term is up to 5 years subject to annual election, after which there is a "cooling off" period of 2 consecutive years. The second and last term will be up to 4 years only subject to annual election. This was approved by the Board of Directors on December 10, 2014.

(Reference: Corgov Manual)

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

(a) Resignation/Death/Removal (updated)

Indicate any changes in the composition of the Board of Directors that happened during the period:

None	None	None	None
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a. Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension (updated)

None	None	None	None
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Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

(i) Executive Directors	Search Process:	(Reference: Corgov Manual)
Nomination Procedures:	The selection of the new members of the Board is conducted by	Persons nominated to be a member of the Board should have all the qualifications and none of
1. All nominations for directors		

(ii) Non-Executive Directors Same as above		
(iii) Independent Directors Same as above		
(i) Executive Directors Same as disqualification procedures		Same as disqualification criteria
(ii) Non-Executive Directors Same as disqualification procedures		Same as disqualification criteria
(iii) Independent Directors Same as disqualification procedures		Same as disqualification criteria

Voting Result of the last Annual General Meeting (April 22, 2015) updated

Teresita T. Sy	85.26%
Roberto E. Lapid	85.26%
Jesse H. T. Andres	85.26%
Antonio N. Cotoco	85.26%
Ma. Leonora V. De Jesus	85.26%
Jeci A. Lapus	85.26%
Luis S. Reyes Jr.	85.26%
Nestor V. Tan	85.26%
Jesus G. Tirona	85.26%
Exequiel P. Villacorta Jr.	85.26%
Walter C. Wassmer	85.26%

6. Orientation and Education Program

A. Disclose details of the company's orientation program for new directors, if any.

All new directors who joined the Board undergo an orientation program to familiarize them on their statutory/fiduciary roles and responsibilities in the Board and Committees, the Company's strategic plans, enterprise risks, group structures, business activities, compliance programs, Code of Business Conduct and Ethics, Personal Trading Policy and Corporate Governance Manual. As required by the Bangko Sentral ng Pilipinas and the Securities and Exchange Commission, the new directors also need to complete the

Understanding Laws and Regulations (AMLC-BSP) 2013
 Briefing 2012, 2013
 Performance Seminar (ICD) May 28, 2014
 Performance Seminar (Risk Opportunities November 27, 2014
 (BDO Unibank, Inc.)

Programs for directors: programs and seminars and roundtables attended during the

Month, Year	Program/Event	Organizer
2014	ICAAP Update	BDO Unibank
5, 2014	Bank Cash dividends compared with peers	BDO Unibank
5, 2014	Economic Briefing for 2014 Outlook	BDO Unibank
18, 2014	Philippine Investment Forum	Euromoney
2014	Peer Comparison of investment securities portfolio	BDO Unibank
2014	Global Operations	BDO Unibank
2014	Exclusive Orientation Course on Corporate Governance	Institute of Corporate Directors
2014	Bank's growth strategy	BDO Unibank
2014	Research on agricultural industry particularly coconut abaca, and cocoa industries	BDO Unibank
2014	Investor Relations Update	BDO Unibank
2014	BSP Circular No. 839 -Real Estate Stress Test Limit for real estate exposure	BDO Unibank
20, 2014	IT projects	BDO Unibank
per 22, 2014	Investment Review Outlook and strategy – Third Quarter 2014	BDO Unibank
per 26, 2014	Energy Forum	Hon. Raul B. Aguilos (Undersecretary, Department of Energy)
25, 2014	Recent BSP Banking Regulations (Real Estate Stress Test, Regulation on Credit Risk Management, Domestic Systematically Important banks, and increase in Minimum Capital Requirements.	BDO Unibank
per 6, 2014	Update on Agricultural Industry particularly coconut, abaca and cocoa	BDO Unibank

	November 25, 2015	AML Training on "Mitigating Risk on Current Trends in Money Laundering"	Atty. Julia C. Bacay-Abad (BSP) Atty. Vivian F. Magno (BSP)
Nestor V. Tan	January 4, 2014	ICAAP Update	BDO Unibank
	January 25, 2014	Investment Review, Outlook and Strategy for 2014	BDO Unibank
	January 25, 2014	Bank's Cash Dividends compared with peers	BDO Unibank
	January 25, 2014	Economic Briefing for 2014 outlook	BDO Unibank
	February 18, 2014	Philippine Investment Forum	Euromoney
	March 29, 2014	Peer comparison of investment securities portfolio	BDO Unibank
	March 29, 2014	Global Operations	BDO Unibank
	April 21, 2014	Trust Rating System	BDO Unibank
	May 28, 2014	Exclusive Orientation Course on Corporate Governance	Institute of Corporate Directors
	May 31, 2014	Bank's Growth strategy	BDO Unibank
	June 28, 2014	Research on agricultural industry particularly coconut, abaca, and cocoa industries	BDO Unibank
	June 28, 2014	Investor Relations update	BDO Unibank
	July 26, 2014	BSP Circular 839 – Real Estate Stress Test Limit for real estate exposure	BDO Unibank
	August 30, 2014	IT Projects	BDO Unibank
	September 22, 2014	Investment Review Outlook and Strategy- Third Quarter 2014	BDO Unibank
	September 26, 2014	Energy Forum	Hon Raul Aguilos (Undersecretary DOE)
October 25, 2014	Recent BSP Banking Regulations (Real Estate Stress Test, Regulation on Credit Risk Management, Domestic Systematically Important Banks, and Increase in Minimum Capital Requirements	BDO Unibank	
December 6, 2014	Update on Agricultural Industry particularly coconut, abaca and cocoa	BDO Unibank	
	November 25, 2015	AML Training on "Mitigating Risk on	Atty. Julia C. Bacay-

		Current Trends in Money Laundering"	Abad (BSP) Atty. Vivian F. Magno (BSP)
Roberto E. Lapid	March 12, 2015 March 11, 2015 December 4, 2013 May 28, 2014 November 25, 2015	Banker's Institute of the Philippines (Credit Information System) Banker's Institute of the Philippines (What's in store in real estate industry) Briefing on the New Anti-Money Laundering Act Exclusive Orientation Corporate Governance Seminar AML Training on "Mitigating Risk on Current Trends in Money Laundering"	Atty. Julia Bacay-Abad (BSP) Institute of Corporate Directors Atty. Julia C. Bacay-Abad (BSP) Atty. Vivian F. Magno (BSP)
Antonio C. Cotoco	December 4, 2013 November 2014 November 25, 2015	Briefing on the New Anti-Money Laundering Act Corporate Governance Seminar AML Training on "Mitigating Risk on Current Trends in Money Laundering"	Atty. Julia Bacay-Abad (BSP) Dr. Benjamin Espiritu (ROAM, Inc.) Atty. Julia C. Bacay-Abad (BSP) Atty. Vivian F. Magno (BSP)
Luis. Reyes Jr.	December 4, 2013 May 28, 2014	Briefing on the New Anti-Money Laundering Act Exclusive Orientation Corporate Governance Seminar	Atty. Julia Bacay-Abad (BSP) Institute of Corporate Directors
Exequiel P. Villacorta Jr.	December 4, 2013 November 25, 2015	Briefing on the New Anti-Money Laundering Act AML Training on "Mitigating Risk on Current Trends in Money Laundering"	Atty. Julia Bacay-Abad (BSP) Atty. Julia C. Bacay-Abad (BSP) Atty. Vivian F. Magno (BSP)
Walter C. Wassmer	December 4, 2013 May 28, 2014 November 25, 2015	Briefing on the New Anti-Money Laundering Act Exclusive Orientation Corporate Governance Seminar AML Training on "Mitigating Risk on Current Trends in Money Laundering"	Atty. Julia Bacay-Abad (BSP) Institute of Corporate Directors Atty. Julia C. Bacay-Abad (BSP) Atty. Vivian F. Magno (BSP)
Atty. Jesse H.T. Andres	October 21-25, 2013 December 4, 2013	Credit Training for BDO Leasing and Finance Briefing on the New Anti-Money Laundering Act	Benjamin Sta. Catalina Atty. Julia Bacay-Abad (BSP)

Review Committee. It monitors also the resolution of internal control weaknesses noted during the examination with the end view of mitigating risks and strengthening of the control environment. Its closing report for 2012 highlighted that existing controls, risk management and governance processes across the Company are generally adequate.

Compliance Office (updated)

The Company has a robust compliance program focused on the enforcement of the Corporate Governance Manual, Code of Conduct, Personal Trading Policy and other regulatory requirements. Reporting directly to the Board Audit Committee, the Compliance Office ensures timely submission of reports, issues advisories on new regulations and amendments, initiates policy pronouncements and implementation, provides training to employees and reports on significant compliance issues to the management and the Board. The Compliance Office is responsible in issuing Trading Blackout Notices to take effect before and after disclosures of financial results to prevent insider trading. They are also handling the reporting and disclosure of BDOLF stock transactions of directors and officers of the Company. Every month, the Compliance Officer reports to the Board Audit Committee the status of compliance of regulations by the Company.

4) Related Party Transactions (updated)

1. Policies and Procedures

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

BDOLF, in compliance with legal and regulatory requirements, must ensure that Related Party Transactions are conducted in a manner that is fair and at arm's length consistent with with the best interests of the Company and its stakeholders. The policy below sets forth the initiation, processing, review approval, reporting and disclosure of transactions entered into by the Company with Related Parties.

REVISED RELATED PARTY TRANSACTIONS POLICY (updated)

OBJECTIVES

The policy is intended to:

- Ensure that every Related Party Transaction is conducted in a manner that will protect the Company from conflict of interest which may arise between the Company and its Related Parties; and
- Ensure proper review, approval, ratification and disclosure of transactions between the Company and any of its Related Party/ies as required in compliance with legal and regulatory requirements.

EXPANDED DEFINITION OF RELATED PARTIES

For purposes of this policy, a Related Party means -

1. DOSRI

- a. Directors shall refer to the company directors which shall include (1) directors who are named as such in the Articles of Incorporation; (2) directors duly elected in the subsequent meetings of the stockholders; and (3) those elected to fill vacancies in the Board of Directors

b. Officers shall refer to the company officers which shall include the President, Executive Vice President, Senior Vice President, Vice President, Treasurer, Secretary, Chief Compliance Officer, Chief Risk Officer and other mentioned as officers of the Company, or those duties as such are defined in the By-Laws, or are generally known to be the officers of the Company (or any of its branches and offices other than head office) either through announcement, representation, or publication or any kind of communication made by the Company: Provided, that the person holding the position of Chairman or Vice Chairman of the Board or another position in the Board shall not be considered as an officer unless the duties of his position in the board include functions of management such as those ordinarily performed by regular officers: Provided, further that members of a group or committee, including sub-groups or sub-committees whose duties include functions of management such as those ordinarily performed by regular officers, and not purely recommendatory or advisory, shall likewise be considered officers.

c. Stockholder shall refer to any stockholder of record in the books of the company, acting personally, or through an attorney-in-fact; or any other person duly authorized by him or through a trustee designated pursuant to a proxy or voting trust or other similar contracts, whose stockholdings in the company, individual and/or collectively with the stockholdings of: 1) Spouse relatives within the first degree of consanguinity or affinity, or relatives by legal adoption, of the stockholder of the company 2) a partnership in which the stockholder and/or the spouse and/or any aforementioned relatives is a general partner; 3) corporation, association or firm of which the stockholder and/or his spouse and/or the aforementioned relatives own more than fifty percent (50%) of the total subscribed capital stock of such corporation, association or firm, amount to one percent (1%) or more of the total subscribed capital stock of the Company.

d. Related Interest shall refer to any of the following:

(1) Spouse or relative within the first degree of consanguinity or affinity, or relative by legal adoption of a director, officer or stockholder of the Company.

(2) Partnership of which a director, officer or stockholder of a Company or his spouse or relative within the first degree of consanguinity or affinity, or relative by legal adoption, is a general partner.

(3) Co-owner with the director, officer, stockholder or his spouse or relative within the first degree of consanguinity or affinity, or relative by legal adoption, of the property or interest or right mortgaged, pledged or assigned to secure the loans or other credit accommodations, except when the mortgage, pledge or assignment covers only said co-owner's undivided interest;

(4) Corporation, association, or firm of which a director or officer of the Company, or his spouse is also a director or officer of such corporation, association or firm, except (a) where the securities of such corporation, association or firm are listed and traded in the big board or commercial and industrial board of domestic stock exchanges and less than fifty percent (50%) of the voting stock thereof is owned by any one (1) person or by persons related to each other within the first degree of consanguinity or affinity; or (b) where the director, officer or stockholder of the Company sits as a representative of the Company in the board of directors of such corporation: Provided, That the Company representative shall not have any equity interest in the borrower corporation except for the minimum shares required by law, rules and regulations, or by the by-laws of the corporation, or where the corporation is at least ninety-nine percent (99%) owned by a non-stock corporation as defined in Section 87 of the Corporation Code of the Philippines: Provided, that the purpose of the loan is to finance hospitals and other medical services: Provided, further, that the loan is fully secured: Provided furthermore, That in case of Items (a) (b) and (c) above, the borrowing corporation is not among those mentioned in items e(5), e (6), e(7) and e(8) of this Section.

(5) Corporation, association or firm of which any or group of directors, officers, stockholders of the Company and/or their spouses or relatives within the first degree of consanguinity or affinity, or relative by legal adoption, hold or own at least twenty percent (20%) of the subscribed capital of such corporation, or of the equity of such association and firm;

(6) Corporation, association or firm wholly or majority owned or controlled by any related entity or a group of related entities mentioned in Items e(2), e(4) and e(5) of this Section;

(7) Corporation, association or firm which owns or controls directly or indirectly whether singly or as part of a group of related interest at least twenty percent (20%) of the subscribed capital of a substantial stockholder of the Company or which controls majority interest of the Company;

(8) Corporation, association or firm which has an existing management contract or any similar arrangement with the parent of the Company.

(9) Non-governmental organizations (NGOs)/foundations that are engaged in retail microfinance operations which are incorporated by any of the stockholders and/or directors and/or officers or related companies.

2. SUBSIDIARIES AND AFFILIATES

Corporation, association or firm in which the company and/or its parent/subsidiary holds or owns at least twenty percent (20%) of the subscribed capital of such corporation, or in equity of such association or firm.

3. OTHER RELATED PARTIES

a. Second degree relatives by consanguinity (grandparents, grandchildren, brothers and sisters) or affinity (grandparents-in-law, brothers-in-law and sisters-in-law) of Directors, officers with a rank of AVP or higher and Stockholders owning at least 1% on the Company's total subscribed capital stock:

b. Corporations, associations or firms of which any or a group of Directors, Officers, Stockholders of the lending Company and/or their spouses or relatives within the first degree of consanguinity or affinity, or relative by legal adoption, hold or own at least ten percent (10%) of the subscribed capital of such Company, or of the equity of such association or firm; and

singly or as part of
substantial stockholder

c. Corporation, association or firm which owns or controls directly or indirectly whether a group of related interest at least ten percent (10%) of the subscribed capital of a of the Company or which controls majority interest of the Company.

d. Corporation, association or firm in the lending Company and/or its parent/subsidiary holds or owns at least ten percent (10%) of the subscribed capital of such company, or in the equity of such association or firm.

COVERAGE OF RELATED PARTY TRANSACTIONS

In the context of this policy, the following criteria apply to a Related Party Transaction:

- NATURE

Any of the following transactions entered into by the Related Parties of the Company listed above:

1. Credit Transaction

- a. Leasing and Financing

2. Non-Leasing and Financing Transactions

- a. Purchases, sales or supply of goods or materials
- b. Rendering or receiving services;
- c. Agency agreements;

- d. Outsourcing arrangements
- e. Leasing of property of any kind
- f. License Agreements
- g. Selling or disposing of, or buying, property of any kind;
- l. Guarantees and sureties; and
- j. Management contracts

- **AMOUNT**

Any single transaction, agreement or contract with an amount of Php5 million and above is considered significant.

- **CIRCUMSTANCES**

The counter party who is transacting with the Company must be a 'related Party' to the Officer (s) with the rank of AVP or higher

- **HANDLING OF RELATED PARTY TRANSACTIONS**

- A. Documentation

To ensure the propriety of Related Party Transactions, the proposal shall include among others, the following information:

1. Identity of the related parties in the transaction to be entered into by the Company;
2. Terms and conditions of the related party transaction which are not more favorable or preferential than terms generally available to non-related parties similarly placed, situated and rated.

- B. Review and approval

1. Transaction of DOSRI shall be processed in accordance with existing policies and procedures:

Transaction	Approval
Credit Transaction	ExCom approves/endorse Board approves
Outsourcing Arrangements	Generally : BU Head recommends President approves Board confirms Select Services ; BU Head recommends President approves/endorse Board approves
Leasing/Selling/Buying of Property	ExCom approves/endorse Board approves

2. Transactions of Other Related Parties shall be processed as follows:

Transaction	Approval
Credit Transaction	BU endorses to RPT committee for review
Outsourcing Arrangements	Generally : BU Head recommends

company:

none	none	none
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6) Alternative Dispute Resolution

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

COVERAGE

The BDOLF Alternative Dispute Resolution (ADR) System shall cover disputes between BDOLF and its stockholders, and BDOLF and third parties, including the regulatory authorities, as herein provided. A Dispute shall mean a conflict of claims or rights, or an assertion of claim or demand by a stockholder or a third party, including regulatory authorities, met by contrary claims or assertions on the part of BDOLF and vice versa (hereinafter, "Dispute")

The ADR System shall not cover mere complaints. A complaint shall mean a statement of some grievance or dissatisfaction by a stockholder or a third party.

PROCEDURE

1. Referral to ADR System

The Head of the BDOLF Unit (BDOLF Unit Head) involved in the Dispute shall, in consultation with the Service Group (LSG) and taking into account all relevant factors, assess and evaluate a Dispute and determine whether the same is proper for ADR process.

2. Negotiation

Upon determination by the concerned BDOLF Unit Head that the Dispute is proper for ADR process, the BDOLF Unit concerned or any other unit or officer assigned (hereinafter, "Assigned Unit/Officer") shall, in consultation with the LSG, promptly commence negotiations with the opposing party for possible settlement. As a matter of course, BDOLF shall adopt negotiation as the initial mode of amicably settling a dispute.

During the negotiations, the disputing parties shall identify the issues, explore ways of settling those issues and strive for a mutually acceptable resolutions.

The Assigned Unit/Officer shall submit to Management a report on the conduct and outcome of the negotiations.

3. Mediation

In the event that no settlement is reached after negotiations, the BDOLF Unit Head shall, in consultation with the LSG and taking into account all relevant factors, determine whether the Dispute is proper for mediation. Mediation is " a voluntary process in which a mediator, selected by the disputing parties, facilitates communication and negotiation, and assists the parties in reaching a voluntary agreement regarding a dispute."

The Assigned Unit/Officer shall submit to Management a report on the conduct and outcome of the mediation.

4. Arbitration

In the event that no settlement is reached after negotiations, the BDOLF Unit Head shall, in consultation with the LSG and taking into account all relevant factors, determine whether the Dispute is proper for arbitration.

In the event the BDOLF Unit Head shall determine that arbitration is proper, the Assigned Unit/Officer

* *Resigned effective January 31, 2014*
***Elected on April 23, 2014*

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

None

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

The Company's Amended By-Laws Article III, Section 4 the directors shall act only as a Board, and the individual directors shall have no power as such. A majority of the whole number of directors shall constitute a quorum for transaction of business, and every decision of a majority of the quorum duly assembled as a Board shall be valid as a corporate act, but not one or more directors present at the time and place for which a meeting shall have been called may adjourn any meeting from time to time until a quorum shall be present.

The quorum requirement observed by BDOLF is majority of the members of the Board. However, based on the records of attendance for the past several years, more than 2/3 of the directors were present during Board meetings and all decisions reached had been unanimous.

5) Access to Information

(a) How many days in advance are board papers⁵ for board of directors meetings provided to the board?

(Reference: Corgov Manual)

The agenda and information package of each board and committee should be sent to each director in writing or electronically at least 5 business days in advance of the board meetings, whenever possible and appropriate.

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

YES

(Reference: Corgov Manual)

Directors' access to Senior Officers and Advisers. Unit Heads will be invited to attend the regular meetings of the Board. Other senior officers will be invited to Board meetings to provide inputs on specific board agenda items, as the need arises. The Directors have free and unrestricted access to senior management and the Corporate Secretary's Office may arrange meetings with senior officers of the Company, at the request of any director. The Company will continue to engage advisers to the Board and its sub-Committees to provide independent counsel and resources as necessary.

To enable the members of the Company's Board of Directors to properly fulfill their duties and responsibilities, they shall be provided as follows:

1. **Management** shall provide the Board members with complete, adequate and timely information about matters to be taken up during their meetings.
2. **The Board** members shall have independent access to Management and the Corporate Secretary for all information to enable them to properly perform their duties and responsibilities.
3. **The information** to be provided to the Board members may include the background or explanation on matters brought before the Board, disclosures, budgets, forecasts, and internal financial documents.

⁵ Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

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

(Reference: 2014 Annual Report)

Executive	Teresita T. Sy Roberto E. Lapid Antonio N. Cotoco Nestor V. Tan Walter C. Wassmer			Please see Annex "A-1"
...			Ma. Leonora V. De Jesus Jesus G. Tirona Atty. Jesse H.T. Andres	Please see Annex "A-2"
...ination	Antonio N. Cotoco		Ma. Leonora V. De Jesus Atty. Jesse H.T. Andres	Please see Annex "A-3"
...porate ...emance			Ma. Leonora V. De Jesus Jesus G. Tirona Atty. Jesse H.T. Andres	Please see Annex "A-4"
...agement	Antonio N. Cotoco Nestor V. Tan		Atty. Jesse H.T. Andres	Please see Annex "A-5"
...ated Party ...nsaction		Jeci A. Lapus	Ma. Leonora V. De Jesus Atty. Jesse H.T. Andres Jesus G. Tirona	Please see Annex "A-6"

Please refer to the attached Terms of Reference

Committee Members

Executive Committee

Chairperson	Nestor V. Tan*	April 23, 2014	50	35	70%	6
Member (ED)	Roberto E. Lapid	May 24, 2006	50	46	92%	8
Member (NED)	Teresita T. Sy	April 23, 2014	50	41	82%	8
Member (NED)	Antonio N. Cotoco	April 17, 2002	50	49	98%	11
Member (NED)	Walter C. Wassmer	April 17, 2002	50	41	82%	11

*Appointed as Chairperson on April 23, 2014

(b) Audit Committee

Chairman	Ma. Leonora V. De Jesus	June 1, 2009	12	12	100%	6
Member (ID)	Jesus G. Tirona	July 30, 2007	12	11	92%	8
Member (ID)	Jesse H.T. Andres	May 24, 2006	12	12	100%	9

Disclose the profile or qualifications of the Audit Committee members.

(Reference: 2014 SEC 17-A and Definitive Information Statement) (updated)

Ms. Ma. Leonora V. De Jesus was elected as Independent Director of the Company on May 12, 2008 and is presently the Chairperson of the Company's Board Audit Committee, and a member of the Nomination Committee Corporate Governance Committee and Related Party Transactions Committee. She is also an Independent Director of BDO Capital & Investment Corporation, BDO Elite Savings Bank, Inc. (formerly GE Money Bank, Inc.), and SM Pamantasan ng Lungsod ng Maynila She was formerly Independent Director of Equitable Savings Bank and PCI Capital Corporation. She was a professorial lecturer at the University of the Philippines - Diliman. In addition, she conducts training programs and consultancies on corporate governance best practices for banking institutions and other corporations. Ms. De Jesus was a trustee of the Government Service Insurance System (GSIS) from 1998 until 2004, and was a member of the Cabinet of President Corazon C. Aquino, President Fidel V. Ramos and President Joseph E. Estrada. She holds Bachelor's, Masteral and Doctoral degrees in Psychology from the University of the Philippines. (*PLC).

Atty. Jesse H.T. Andres was elected as Independent Director of the Company on September 20, 2005, and is presently a member of the Company's Board Audit Committee, Corporate Governance Committee and Chairman of the Nomination Committee and the Related Party Transaction Committee. Moreover, he is also serving as Independent Director of Banco de Oro Savings Bank, Inc. (formerly Citibank Savings, Inc.) In September 2004, he was appointed member of the Board of Trustees of the Government Service Insurance System (GSIS) where he also served as the Chairman of the Corporate Governance Committee. He was also Chairman since July 1, 2011, he is the Managing Partner of the Andres Padernal & Paras Law Offices. He was also a Partner in the PECABAR Law Offices from 1996 to 2003 where he became Co-Head of the Litigation Department in 2001. Previously, he was Senior Manager of the Philippine Exporters' Foundation. Atty. Andres holds a Bachelor of Arts Degree in Economics from the UP School of Economics and a Bachelor of Laws degree from the U.P. College of Law.

Mr. Jesus G. Tirona has been elected Independent Director to the Board of the Company since July 30, 2007 and is currently the Chairman of the Company's Corporate Governance Committee, a member of its Board Audit Committee and alternate member of Related Party Transactions Committee. He is an Independent Director of BDO Capital & Investment Corp., Banco De oro Savings Bank (formerly Citibank Savings, Inc.) and Armstrong Securities, Inc., and also formerly of American Express Bank Philippines (A Savings Bank, Inc.) and EBC Investments, Inc. (now BDO Strategic Holdings Inc.). He is a Trustee of the BDO Foundation, Inc. He was formerly the President/CEO of LGU Guarantee Corp. - a private sector led credit guarantee institution jointly owned by the President/CEO of ADB - whose mandate is to provide creditworthy LGUs and the utilities sector access to the capital markets through LGUGC-enhanced local debt instruments. He was also Managing Director/CEO of the Guarantee Fund for SMEs and the BAP Credit Guaranty Corp., - both entities promoting SME development. He has a long extensive experience in banking and finance, having built a career with Citibank as well as with other large domestic financial institutions. He is a scholar of the Asian Productivity Organization in Corporate Social Responsibility and is a Fellow of the Institute of Corporate Directors.

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

(Reference: Terms of Reference)

The Board Audit Committee recommends to the Board the appointment, re-appointment and/or change of external auditor. It discusses with the external auditor the nature, scope and expenses of the audit prior to the commencement of the audit work. It reviews the management letter submitted by the external auditor, as well as management's response to the external auditor's findings and Bangko Sentral ng Pilipinas' Report of Examination and recommendations before endorsing the same to the Board for its approval. It also evaluates non-audit work if any is done by the external auditors and disallow it if it will conflict with their duties as external auditors.

(c) Nominations Committee

Chairman	Jesse H.T. Andres	May 24, 2006	2	2	100%	9
Member (ED)	Antonio N. Cotoco	July 30, 2007	2	2	100%	8
Member (ID)	Ma. Leonora V. De Jesus	May 12, 2008	2	2	100%	7

(d) Remuneration Committee

Chairman	Not Applicable					
Member (ED)						
Member (ED)						
Member (ED)						
Member (ID)						

(e) Risk Management Committee

Chairman	Nestor V. Tan	July 30, 2007	4	4	100%	7
Member (ED)	Jesse H.T. Andres	April 23, 2014	4	4	100%	1.67
Member (ED)	Antonio N. Cotoco	May 24, 2006	4	4	100%	9

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

(f) Corporate Governance Committee

	Jesus G. Tirona	April 18, 2012	4	4	100%	3
D)	Jesse H.T. Andres	May 24, 2006	4	4	100%	9
D)	Ma. Leonora V. De Jesus	May 12, 2008	4	4	100%	7

Party Transactions Committee

	Jesse H. T. Andres	January 14, 2015	4	4	100%	
	Jeci A. Lopus	January 14, 2015	4	3	75%	
D)	Jesus G. Tirona	January 14, 2015	4	4	100%	
D)	Ma. Leonora V. De Jesus	January 14, 2015	4	4	100%	
	Antonio C. Cotoco	January 14, 2015	4	4	100%	

Changes in Committee Members

any changes in committee membership that occurred during the year and the reason for the changes:

	Nestor V. Tan Teresita T. Sy	Chairman – newly appointed Member – replaced by Mr. Tan as Chairperson
	none	
	none	
Management	Nestor V. Tan	Replaced by Atty. Jesse H.T. Andres
Governance	Jesse H.T. Andres Antonio N. Cotoco	Independent member, newly appointed last April 23, 2014 Resignation

Work Done and Issues Addressed

Describe the work done by each committee and the significant issues addressed during the year.
(Reference: 2014 Annual Report) (updated)

	Approved/confirmed credit proposals, investments, disposal of acquired assets and other projects or initiatives that enhanced the	To ensure proper approval of significant credit exposures, investments and sale of acquired assets.
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I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure (updated)

(d) Holding 5% shareholding or more

A. Common Shares

Shareholder	Number of Shares	Percentage	Shareholder's Name
BDO Unibank, Inc.	1,840,116,232	85.09%	BDO Unibank, Inc.
PCD Nominee Corp. (Filipino)	231,284,922	10.69%	Various Stockholders

A. Preferred Shares

Not Applicable			

(Note: No Officer owns more than 5% of shares)

Not applicable	Not applicable	Not applicable	
TOTAL			

2) Does the Annual Report disclose the following:

Key risks	Yes, in the 2014 Notes to the Financial Statements
Corporate objectives	Yes
Financial performance indicators	Yes, in the Financial Highlights of the Annual Report
Non-financial performance indicators	Yes, in the Corporate Website
Dividend policy	Yes, in the Corporate Website
Details of whistle-blowing policy	Yes, in the Corporate Governance Report and Corporate Website
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Yes in the Annual Report under Director's Profile
Training and/or continuing education program attended by each director/commissioner	Yes, in the Definitive Information Statement / Annual Corporate Governance Report
Number of board of directors/commissioners meetings held during the year	Yes, in the Annual report and ACGR

There is no manner of voting prescribed in the By-Laws of BDOLF. Hence, voting may be done viva voce, by show of hands, or by balloting. In the election of directors, the election must be by ballot if requested by any voting shareholder.

BDOLF's Corporate Secretary is tasked and authorized to count votes on any matter properly brought to the vote of the shareholders, including the election of directors. Securities Transfer Services, Inc., BDOLF's stock transfer agent, an independent party, is tasked to count votes on any matter properly brought to the vote of the shareholders, including the election of directors.

Shareholders holding BDOLF common shares as of record date are entitled to vote on the matters indicated in the Notice and Agenda.

3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up? Yes

a. Date of sending out notices: March 2, 2015

b. Date of the Annual/Special Stockholders' Meeting: April 22, 2015

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

V. Open Forum (updated)

After the Vice-Chairman and the President's presentation, the Chairman of the meeting opened the floor to give the stockholders the opportunity to ask questions or give comments regarding Mr. Lapid's Report and the Financial Statements of BDOLF, or related matters.

Mr. Philip Turner, stockholder, inquired on the type of assets /properties to which BDOLF was exposed to Century Properties Group. Mr. Lapid replied that these were corporate securities/notes with a term of three (3) years. It was explained that the investment had been evaluated and found acceptable by Management based on the term and return. On the query of Mr. Turner on the decline in the value of club shares owned by BDOLF, Mr. Tan replied that Management would get back to him to provide the details. Mr. Lapid also explained the allowance of impairment to address the question of Mr. Turner. BDOLF has set up specific provisions and general provisions to protect the Corporation's assets from any market or economic shock that could adversely affect its portfolio. Mr. Tan added that the provisions were not made in anticipation of a definite or known crisis or problem but was in compliance with the requirement of the BSP and would be similar to saving or a rainy day.

Another stockholder, Mr. Jose T. Ferrer, reported that he has yet to receive the dividends declared in March 2015. He also requested for the conversion of his PCI Leasing certificate of stock to BDO Leasing. Mr Turner manifested that he also experienced delay in receiving his dividend checks particularly those from his broker. Mangment referred the concern of Mr. Ferrer to the Office of Corporate Secretary and the stock transfer agent to look at the process and determine the cause of delay.

After the discussions were concluded, there being questions from the floor, Mr. Manolo O. Diaz, proxy holder, moved for the notation and approval of the Report on the result of the operations of the corporation for the year ended December 31, 2014 and the audited financial statements for the same period.

Ms. Vanessa C. Benavidez, proxy holder, seconded the motion.

There being no objection, the Stockholders adopted the following resolution:

Stockholders' Resolution No. 2015-02

RESOLVED, That the Stockholders do hereby note and approve the Report on the Result of the Operations of BDO Leasing and Finance, Inc. and the Audited Financial Statements for the year ended December 31, 2014.

The Chairman of the meeting directed the Corporate Secretary to have the minutes reflect the tabulation of votes to include proxies that have cast their vote in favor of the approval of the Report on the Results of Operations of BDOLF for the fiscal year ended December 31, 2014 and the Audited Financial Statements for the same period, and to note the proxies that have chosen to abstain on voting for, or have voted against, the approval of the said Report and the Audited Financial Statements.

Based on P&A's tabulation, the following were the results of the voting by poll, showing the number of votes cast and received on the approval of the Report on the Results of Operations of BDOLF for the fiscal year ended December 31, 2014 and the Audited Financial Statements for the same period were as follows:

Total Outstanding Shares	Total Votes Cast	Votes in favor	Votes Against	Abstention
2,162,475,312	1,843,762,677	1,843,752,677	0	10,000 (0.00054)

5. Result of Annual/Special Stockholders' Meeting's Resolutions (Voting Results)

I. Call to Order			
II. Certification of Notice and Quorum			
III. Approval of the Minutes of the Previous Stockholders' Meeting			
IV. Presentation of the Annual Report and Approval of the 2013 Audited Financial Statements			
V. Approval and Ratification of Acts and Proceedings of the Board of Directors, the duly Constituted Committees and Corporate Officers			
V. Election of Directors			
1. Teresita T. Sy	85.26%		
2. Roberto E. Lapid	85.26%		
3. Jesse H. T. Andres	85.26%		
4. Antonio N. Cotoco	85.26%		
5. Ma. Leonora V. De Jesus	85.26%		
6. Jeci A. Lapus	85.26%		
7. Luis S. Reyes Jr.	85.26%		
8. Nestor V. Tan	85.26%		
9. Jesus G. Tirona	85.26%		
10. Exequiel P. Villacorta Jr.	85.26%		
11. Walter C. Wassmer	85.26%		
VI. Appointment of External	85.26%		

Auditor			
VII. Other Matter/s			
VIII. Adjournment			

6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:
April 22, 2015

f. Modifications

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

None	none
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g. Stockholders' Attendance (updated)

(i) Details of Attendance in the Annual/Special Stockholders' Meeting Held: April 22, 2015

Meeting Type	Meeting Date	Attendance	Percentage	Percentage
Annual	April 22, 2015	<u>Board of Directors:</u> 1. Jesse H. T. Andres 2. Antonio N. Cotoco 3. Ma. Leonora V. De Jesus 4. Roberto E. Lapid 5. Luis S. Reyes, Jr. 6. Teresita T. Sy 7. Nestor V. Tan 8. Jesus G. Tirona 9. Exequiel P. Villacorta, Jr. 10. Walter C. Wassmer 11. Jeci A. Lapus <u>Officers:</u> ➤ Joseph Jason M. Natividad (Corp. Secretary) ➤ Angelita L. Ortega (Asst. Corporate Secretary) ➤ Elmer B. Serrano	85.26%	85.26%

- The shareholders shall be provided, upon request with information about the Company's directors and officers, their holdings of the Company's shares, and dealings with the Company.
- The shareholders, including minority shareholders shall have access to any information relating to matters for which the management is accountable.
- The shareholders, including minority shareholders shall be granted the right to propose items in the agenda of the meeting, provided the items is for legitimate business purposes.

5. Right to Dividends (updated)

- BDOLF recognizes the importance of providing a stable and sustainable dividend stream consistent with its commitment to shareholders. In March 2015, the Company paid cash dividend of PHP0.175 per share and will endeavor to do so while maintaining financial flexibility.

The Board of Directors may, at its discretion and depending on the business results for the year and capital needs of the business, declare and approve the distribution of additional special dividends to all shareholders normally announced at the Annual Stockholders' Meeting.

6. Appraisal Right

The shareholders shall have appraisal right or the right to dissent and demand payment for the fair value of their shares in the manner provided for under Section 82 of the Corporation Code.

- In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares or of authorizing preferences in any respect superior to those of outstanding shares of any class.
- In case of the disposition of all or substantially all of the corporate property and assets as provided for in the Corporation Code.
- In case of sale, lease, exchange, transfer, mortgage, pledge or other merger or consolidation or the extension or shortening the term of corporate existence.

B. The Board of Directors shall be transparent and fair in the conduct of the annual and special stockholders' meetings.

a. The stockholders (both individual and institutional) shall be encouraged to attend personally or by proxy such meetings of the stockholders in a place accessible to all investors. They shall be given the opportunity to ask and receive answers to their questions relating to the Company. A summary of questions asked and answers given will be included in the Minutes of the Annual Stockholders Meeting and posted on the corporate website.

b. The rights of the stockholders shall be promoted and impediments to the exercise of those rights shall be removed. An adequate avenue shall be provided for the stockholders to seek timely redress for breach of such rights.

c. Appropriate steps shall be taken to remove excessive or unnecessary costs and other administrative impediments to the stockholders' participation in meetings whether in person or by proxy.

d. Accurate and timely information shall be made available to the stockholders to enable them to make sound judgment on all matters brought to their attention for consideration or approval. The Office of the Corporate Secretary will issue the Notice of Annual Stockholders Meeting at least 28 business days before the meeting date which includes the time, place and proposed agenda items together with a brief