



THE PHILODRILL CORPORATION

QUAD ALPHA CENTRUM, 125 PIONEER, MANDALUYONG CITY, PHILIPPINES
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25 January 2012

THE DISCLOSURE DEPARTMENT

2/F or 3/F Tower One and Exchange Plaza, Ayala Triangle
Ayala Avenue, Makati City

Attention: **MS. JANET A. ENCARNACION**
Head – Disclosure Department

Gentlemen:

We are pleased to submit the accomplished PSE Corporate Governance Guidelines Disclosure Template for listed companies for the year 2011.

This formal written advise is submitted in compliance with the rules and regulations of the Philippine Stock Exchange.

Very truly yours,


ROSANNE MARIE D. RAMIREZ
Asst. Corporate Secretary



**THE PHILIPPINE STOCK
EXCHANGE, INC.**

**Corporate Governance Guidelines
for**

Listed Companies

Disclosure Template

| | COMPLY | EXPLAIN |
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| Guideline No. 1: DEVELOPS AND EXECUTES A SOUND BUSINESS STRATEGY | | |
| 1.1 Have a clearly defined vision, mission and core values. | Yes | The Company has its vision, mission and core values which are clearly stated in its annual reports and Company website http://www.philodrill.com |
| 1.2 Have a well developed business strategy. | Yes | The Company annually utilizes its December Board meetings for evaluation of past year's performance and discussion/formulation of business strategy for the succeeding years. |
| 1.3 Have a strategy execution process that facilitates effective performance management, and is attuned to the company's business environment, management style and culture. | Yes | The business plans developed include strategy and benchmarks to determine achievement of goals against given set objectives. |
| 1.4 Have its board continually engaged in discussions of strategic business issues. | Yes | The Board meets regularly at least once a month to discuss strategic business issues. |
| Guideline No. 2: ESTABLISHES A WELL-STRUCTURED AND FUNCTIONING BOARD | | |
| 2.1. Have a board composed of directors of proven competence and integrity. | Yes | The qualifications of the Company's directors are compliant with the criteria set by the Corporation Code, the Securities Regulation Code, and the Company's Revised Corporate Governance Manual. The qualifications of each director are set forth in the Company's SEC Form 17-A and SEC Form |

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| | | 20-15 sent to stockholders annually. |
| 2.2. | Be led by a chairman who shall ensure that the board functions in an effective and collegial manner. | Yes The Board is led by a Chairman whose experience and qualifications ensure that the Board functions in an effective and collegial manner. |
| 2.3 | Have at least three (3) or thirty percent (30%) of its directors as independent directors. | No The Company has two (2) independent directors which constitute more than 20% of the Board, as required under the Revised Code of Corporate Governance, SEC Memo Circular No. 6. |
| 2.4 | Have in place written manuals, guidelines and issuances that outline procedures and processes. | Yes The Company has its Revised Manual on Corporate Governance and Company SOP Handbook. |
| 2.5 | Have Audit, Risk, Governance and Nomination & Election Committees of the board. | Yes The Board has constituted an Audit Committee (Audit, Risk and Governance), a Nomination & Election committee and a Compensation & Remuneration Committee headed by independent directors. |
| 2.6 | Have its Chairman and CEO positions held separately by individuals who are not related to each other. | No The position of Chairman and CEO are unified but proper checks and balances were laid down to ensure that the Board gets the benefits of independent views and perspective. |
| 2.7 | Have a director nomination and election process that ensures that all shareholders are given the opportunity to nominate and elect directors individually based on the number of shares voted. | Yes The Company has a director nomination and election process that is implemented every annual general meeting (AGM) which ensures that all shareholders are given the opportunity to nominate and elect directors individually based on the number of shares voted. |

