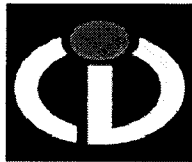


The 2009 Corporate Governance Scorecard for Publicly Listed companies

A PROJECT OF



**INSTITUTE OF
CORPORATE
DIRECTORS**

IN COLLABORATION



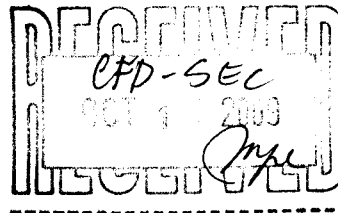
School of Law

The 2009 Corporate Governance Scorecard for Publicly Listed companies



Date: 22 September 2009

THE DIRECTOR
Corporation Finance Department
Securities and Exchange Commission
EDSA
Mandaluyong City



We are pleased to submit the accomplished Corporate Governance (CG) Survey for publicly-listed companies pursuant to SEC Memorandum Circular No. 8 dated 10 October 2008.

Please find the necessary information in relation to this submission:

COMPANY INFORMATION

Organization Name
PHILWEB CORPORATION
Address
17/F Tower I, The Enterprise Center, 6766 Ayala Avenue, Makati City
Contact Person
Cliburn Anthony A. Orbe
Designation
Assistant Corporate Secretary
Telephone number
338-5599
Fax number
886 - 6008
Email address
caorbe@philweb.com.ph

ATTESTATION:

I attest that, to the best of my knowledge, all information in this assessment is accurate and truthful, and that all supporting documents are adequately provided.

CLIBURN ANTHONY A. ORBE
Name & Signature of Authorized Company Representative

Date: 15 October 2009

2009 Corporate Governance Scorecard for Publicly-listed Companies

RESPONSE FORM

Sample:

ITEM	Survey Question	Self-Assessment			Information Source	Remarks
		Adequate	Better	Best		
1	Does the company offer other ownership rights beyond voting?		✓		Paragraph 2, Page 25, 2006 Annual Report	The company offers ownership rights beyond voting (e.g. right to information, dividends et.)

IMPORTANT NOTE: For validation purposes, please submit a copy of all documents used in the Self Assessment.

Part I. THE RIGHT OF SHAREHOLDERS

ITEM	Survey Question	Self-Assessment			Information Source	Remarks
		Adequate	Better	Best		
1	Does the company offer other ownership rights beyond voting?			✓	Sec. 6, Manual on Corporate Governance	
2	Is the policy on the directors' remuneration disclosed to the shareholders?			✓	2008 SEC Form 20 – IS page 14-15	
3	How is the directors' remuneration presented to the shareholders?			✓	2008 SEC Form 20 – IS page 14-15	
4	Does the company allow shareholders to elect board members individually?			✓	Sec. 6.1.2.1, Manual on Corporate Governance	

5	Quality of Notice to call Shareholders' Meeting in the past year.				
5.1	Nomination of directors providing their names and background.			✓	SEC Form 20 – IS, pages 6 - 10
5.2	Is there adequate information on the external auditor? Are their name(s), profile, detail of fees and other engagements with the company (tax, consulting, etc.) provided?			✓	SEC Form 20 – IS, page 17; SEC Form 20 – IS, Management Report, page 14
5.3	Dividend policy, in providing the amount and explanation.			✓	Sec. 6.1.6, Manual on Corporate Governance
5.4	Does the information statement have an executive summary?			✓	Letter to Shareholders, 2008 Annual Report
6	Quality of Minutes of Shareholders' Meeting				
6.1	Voting method and vote counting system			✓	SEC Form 20 – IS, page 2
6.2	Issues and Motions			✓	2008 Minutes of the Stockholders Meeting
6.3	Agreements arrived at during the meeting;			✓	2008 Minutes of the Stockholders Meeting
6.4	Corporate acts which were approved or disapproved by the stockholders.			✓	2008 Minutes of the Stockholders Meeting
7	Did the Chairman of the Board attend the last two AGMs?			✓	Certification of Board Attendance, January 26, 2009

8	Did the CEO/Managing Director attend at least one of the last two AGMs?				✓	Certification of Board Attendance, January 26, 2009	
9	Is a name list of board members attending the AGM available?				✓	Certification of Board Attendance, January 26, 2009	
10	Do AGM minutes record that there was an opportunity allowing shareholders to ask questions/raise issues in the past year?						
10.1	Is there a record of answers and questions?	✓					
10.2	Is there a record of resolutions in the minutes?				✓	2008 Minutes of the Annual Shareholders Meeting	
11	Attendance of the Board Committee Chairs						
11.1	Did the Chairman of the Audit Committee attend the last two AGMs?				✓	Certification of Board Attendance, January 26, 2009	
11.2	Did the Chairman of the Compensation / Remuneration / Governance Committee attend the last two AGMs?				✓	Certification of Board Attendance, January 26, 2009	
11.3	Did the Chairman of the Nomination Committee attend the last two AGMs?				✓	Certification of Board Attendance, January 26, 2009	

12	Does the company have anti-takeover defenses?				
12.1	Do Board members collectively own more than 25% of outstanding shares?			✓	Public Ownership report , June 30, 2009
12.2	What is the proportion of outstanding shares that are considered "free float"?			✓	Public ownership report, June 30, 2009 Free float is 25.17%

Part II. EQUITABLE TREATMENT OF SHAREHOLDERS

ITEM	Survey Question	Self-Assessment			Information Source	Remarks
		Adequate	Better	Best		
13	For the same class of shares, does the principle of one share one vote apply?			✓	SEC Form 20 – IS, page 2	
14	Does the company have any mechanism that allows minority shareholders to influence board composition?			✓	SEC Form 20 – IS, page 2; Sec. 6.1.2.2 of the Manual on Corporate Governance	
15	Has there been any case of insider trading involving company directors and management in the			✓		No report of Insider Trading.

16		Has the company established a system to prevent the use of material inside information and inform all employees, management, and board members of this system?					✓	Sections 5 & 8, Manual on Corporate Governance	
17		Has there been any complaint/dispute/problem regarding related-party transaction in the past two years?					✓		No report of related party dispute.
18		Does the company have a policy that requires management to disclose related-party transaction?					✓	Sec. 5.2, Manual on Corporate Governance	
19		Are the nature and extent of transactions with affiliated and related parties communicated to shareholders annually?					✓	SEC Form 20 – IS, page 12	
20		Is the company a part of an economic group where the parent / controlling shareholder also controls key suppliers, customers, and/or similar businesses?					✓	Annual Report SEC Form 17-A, Business and General Information	Controlling stockholder does not control key suppliers, customers, and/or similar businesses
21		Does the company facilitate voting by proxy?					✓	SEC Form 20-IS, Notice of Annual Stockholders Meeting, April 30, 2009	

22	Does the notice to shareholders specify the documents required to give proxy?		✓	SEC Form 20-IS, Notice of Annual Stockholders Meeting, April 30, 2009	
23	Is there any requirement for a proxy appointment to be notarized?		✓	None.	None.
24	How many days in advance does the company send out notice of general shareholder meetings?		✓	Annual Report, SEC Form 17-A, Salaries and Benefits	Other sources will include: Definitive Information Statement (covers the Pension Liability and also Salaries and Benefits); Website (under Careers page)
24.1	Date of Notice	04/30/09			
24.2	Date of Actual Meeting	05/28/09			

Part III. THE ROLE OF STAKEHOLDERS IN CORPORATE GOVERNANCE

ITEM	Survey Question	Self-Assessment			Information Source	Remarks
		Adequate	Better	Best		
25	Does the company explicitly mention the safety and welfare of its employees?			✓	www.philweb.com.ph, under Careers page; Annual Report SEC Form 17-A, Operational and Financial Information, Item 6, Pension Liability, Salaries and Benefits;	
26	Does the company provide an ESOP (Employee Share Option Program), or other long-term employee incentive plan linked to shareholder value creation, to employees?			✓	SEC Form 20-IS, Management Report for 2009 ASM, Pension Liability, Salaries and Benefits, p.3; SEC Form 20 – IS, page 16; Annual Report SEC Form 17-A, Business and General Information, Item 1, Labor	
27	Does the company provide a retirement plan/fund or its equivalent for its employees?			✓	SEC Form 20 – IS, Management report, page 3	

28	Does the company provide a continuing training program for its employees?				✓	http://www.philweb.com.ph/careers.asp	
29	Does the company explicitly mention the role of customers?				✓	SEC Form 17 – A, pages 8-9	
30	Does the company explicitly mention the role of suppliers/business partners?				✓	SEC Form 17 – A, pages 8-9	
31	Does the company explicitly mention its obligations to shareholders?				✓	Sec. 6.1.8, Manual on Corporate Governance	
32	Does the company explicitly mention its obligations to creditors?				✓		The Company has no credit agreement with any creditor.
33	Does the company explicitly mention environmental issues in its public communication?				✓	SEC Form 17 – A, page 10	
34	Does the company explicitly mention its broader obligations to society and / or the community?				✓	SEC Form 17 – A, page 10	
35	Does the company disclose pending legal and tax proceedings, tax assessment notices and voluntary assessment program availments that it considers to be potentially material to its business?				✓	SEC Form 20 – IS, page 13 - 14	

Part IV. DISCLOSURE AND TRANSPARENCY

ITEM	Survey Question	Self-Assessment			Information Source	Remarks
		Adequate	Better	Best		
36	Does the company have a transparent ownership structure					
36.1	Breakdown of shareholdings			✓	SEC Form 20 – IS, pages 3 – 5	
36.2	Is it easy to identify beneficial ownership?			✓	SEC Form 20 – IS, pages 3 - 5	
36.3	Are directors' shareholdings disclosed?			✓	Public ownership report, June 30, 2009	
36.4	Are management's shareholdings disclosed?			✓	SEC Form 20 – IS, page 4 - 5	
37	Does the company have a dispersed ownership structure?			✓	Public ownership report, June 30, 2009	
38	Assess the quality of the Annual Report, in particular, the following:					
38.1	Financial performance			✓	2008 Annual Report	
38.2	Business operations, competitive position, and other non-financial matters			✓	2008 Annual Report	
38.3	Board member background			✓	2008 Annual Report; SEC 17-A	
38.4	Basis of the Board compensation			✓	Annual Report SEC 17-A, Control and Compensation, Item 10	

38.5	Operating risks				Annual Report SEC 17-A, Operational and Financial Information	✓	
38.6	Identification of Independent Directors				SEC Form 20 – IS, page 10	✓	1. Tomas I. Alcantara 2. Benito R. Araneta 3. Mario J. Oreta
38.7	Board meeting attendance of individual directors				Certification of Board Attendance, January 26, 2009	✓	
38.8	Does the company have a policy requiring full disclosure of details of related-party transactions in public communications?				Annual Report SEC 17-A, Exhibit Consolidated Financial Statements	✓	All related party transactions are fully disclosed to the SEC via the Independent Auditor, KPMG Manabat and Sanagustin Other sources: Sec. 5.2, Manual on Corporate Governance
39	Is there any statement requesting directors to report their transactions of the company shares?				Sec. 5.2, Manual on Corporate Governance	✓	
40	Does the company have an internal audit operation established as a separate unit in the company?				Sec. 2.3.5.1, Manual on Corporate Governance	✓	
41	Does the internal auditor report to the board audit committee?				Sec. 2.3.5.2, Manual on Corporate Governance	✓	
42	Does the internal audit function provide an independent evaluation of the internal control processes of the company?				Sec. 2.3.5, Manual on Corporate Governance	✓	

43	Does the company perform an annual audit using SEC accredited external auditors?				✓	Annual Report SEC Form 17-A, Statement of Management Responsibility Definitive Information Statement, p. 17	KPMG Manabat Sanagustin & Co.
44	Is the financial report disclosed in a timely manner during the past year?				✓	Annual Report SEC Form 17-A, Audited Financial Statements	Date of Submission: 15 April 2009
45	Are there any accounting qualifications in the audited financial statements apart from the Qualification on Uncertainty of Situation?				✓	Annual Report SEC Form 17-A, Item 8; Definitive Information Statement, p. 17	“There were neither changes in nor disagreements with accountants on accounting/financial disclosure.”; “The Company has not had any disagreements on accounting and financial disclosures with its current external auditors for the same periods or any subsequent interim period.”
46	Does the company website disclose up-to-date information on:						
46.1	Business operation				✓	http://www.philweb.com.ph/products.asp	
46.2	Financial statements				✓	http://www.philweb.com.ph/investors.asp	
46.3	Press release				✓	http://www.philweb.com.ph/newspage.asp	
46.4	Shareholding structure				✓	http://www.philweb.com.ph/disclosures.asp	
46.5	Organization structure				✓	http://www.philweb.com.ph/disclosures.asp	
46.6	Corporate group structure (N/A for a company that does not belong to corporate grouping)						N/A

46.7	Downloadable annual report				✓	http://www.philweb.com.ph/index.asp	
46.8	Notice to call shareholders' meeting				✓	http://www.philweb.com.ph/disclosures.asp , PSE Disclosure, 15 April 2009	
47	Does the company provide contact details for a specific Investor Relations person or unit that is easily accessible to outside investors?					http://www.philweb.com.ph/newspage.asp	Rafael G. Ongpin, SVP For Marketing
48	Does the company offer multiple channels of access to information? Multiple channels include:						
48.1	Annual report				✓	2008 Annual Report	
48.2	Company website				✓	http://www.philweb.com.ph/	
48.3	Analyst briefing(s)		✓				
48.4	Press conference(s) / press briefing(s)				✓	http://www.philweb.com.ph/newspage.asp	

Part V. BOARD RESPONSIBILITY

ITEM	Survey Question	Self-Assessment			Information Source	Remarks
		Adequate	Better	Best		

49	Does the company have its own written Corporate Governance Manual that clearly describes its value system and board responsibilities?				✓	SEC Form 17 – C Manual on Corporate Governance	
50	Does the Board of Directors provide code of ethics or statement of business conduct for all directors and employees?				✓	Sec. 1 & 2, Manual on Corporate Governance	
51	Does the company have corporate vision/mission/values?				✓	2008 Annual Report, Letter to Shareholders	
52	Does the PSE have any evidence of non-compliance of the company with PSE rules and regulations in the last year?				✓		No non-compliance report form PSE.
53	Assess the quality of the Audit Committee Report in the Annual Report:						
53.1	Attendance				✓	Certification of Board Attendance, January 26, 2009	
53.2	Internal control		✓				
53.3	Proposed auditors		✓				
53.4	Financial report review		✓				
53.5	Legal compliance		✓				
54	Have board members participated in the training on Corporate Governance?				✓	PSE Disclosure, January 30, 2009	

55	Have senior management executives attended training on Corporate Governance?					✓	PSE Disclosure, January 30, 2009
56	What is the attendance performance of the board members during the past 12 months?					✓	Certification of Board Attendance, January 26, 2009
57	Does the company provide a risk management policy?					✓	Annual Audited Financial Statement, page 22
58	Does the company clearly distinguish the roles and responsibilities of the board and management?					✓	Sec. 2.2.1.2, Manual on Corporate Governance
59	Does the board conduct an annual self-assessment?					✓	Sec. 2.2.1.2, Manual on Corporate Governance
60	Does the company conduct an annual performance assessment of the CEO/President?					✓	http://www.philweb.com.ph/
61	How many board meetings are held per year?				No. of Board Meetings: at least 4 (quarterly)		By-laws, Article III Board of Directors Sec. 5
61.1	Does the firm report board meeting attendance of individual directors?					✓	Certification of Board Attendance, January 26, 2009
62	Is the Chairman a non-executive director?				✓		Annual Report SEC Form 17-A, Part III- Control and Compensation Information, Item 9

63	Does the board appoint committees with independent members to carry out various critical responsibilities such as:						
63.1	<i>Audit:</i> If yes, are the following items disclosed?						
63.1.1	Charter/ Role and responsibilities			✓	Sec. 2.2.2.3.2, Manual on Corporate Governance	Members: Mario A. Oreta George H. Tan Benito R. Araneta	
63.1.2	Profile / Qualifications			✓	SEC Form 20 – IS, pages 7 - 9		
63.1.3	Independence			✓	http://www.philweb.com.ph/disclosures.asp , May 28, 2009	2 Independent Directors: Mario A. Oreta Benito R. Araneta	
63.1.4	Is the Chairman of the Committee an independent director?			✓	http://www.philweb.com.ph/disclosures.asp , May 28, 2009	Mario A. Oreta	
63.1.5	Performance / Meeting Attendance			✓	http://www.philweb.com.ph/disclosures.asp , January 30, 2009		
63.2	<i>Compensation / Remuneration:</i> (Compensation/ Remuneration Committee) If yes, are the following items disclosed?						
63.2.1	Charter/Role and Responsibilities			✓	Sec. 2.2.2.2, Manual on Corporate Governance	Members: Roberto V. Ongpin Benito R. Araneta	

								Craig Ehrlich
63.2.2	Is the Committee composed of a majority of independent directors?		✓			Sec. 2.2.2.2, Manual on Corporate Governance; http://www.philweb.com.ph/disclosures.asp , May 28, 2009		1 Independent Director, Benito R. Araneta; Manual on Corporate Governance policy only requires 1 independent member
63.2.3	Performance / Meeting Attendance					Certification of Board Attendance, January 26, 2009	✓	
63.3	<i>Nomination Committee</i> . If yes, are the following items disclosed?							
63.3.1	Charter/Role and Responsibilities					Sec. 2.2.2.1, Manual on Corporate Governance	✓	Members: Delfin J. Wenceslao, Jr. Mario A. Oreta Tomas I. Alcantara
63.3.2	Is the Committee composed of a majority of independent directors?					PSE Disclosure dated May 29, 2008	✓	2 Independent Directors: Mario A. Oreta Tomas I. Alcantara
63.3.3	Performance / Meeting Attendance					Certification of Board Attendance, January 26, 2009	✓	
64	How many board members are independent directors?		✓			PSE Disclosure dated May 29, 2008		Three Independent Directors: Tomas I. Alcantara Benito R. Araneta Mario A. Oreta

65	Does company state in its Annual Report the definition of "independence" for identifying independent directors in public communications?			✓	Definitive Information Statement, SEC Form 20-IS, p.10	
66	Does the board conduct assessment of what skills and trainings the directors need?			✓	Sec. 2.2.1.2, Manual on Corporate Governance	
67	Does the Company have a separate statement the Board of Directors describing their responsibilities in reviewing the firm's financial statement?	✓				None.