

BOULEVARD HOLDINGS, INC.
CORPORATE GOVERNANCE REPORT 2010

Compliance with Leading Practice on Corporate Governance

The Company adopted a Manual on Corporate Governance to institutionalize the rules and principles of good corporate governance. A copy of the initial Manual was submitted to SEC and PSE on August 30, 2002. The first revision of the Manual was submitted to the governing agencies on June 22, 2008. The amendment pertained to the inclusion of requiring a director before assuming office to attend a seminar on corporate governance conducted by a duly recognized private or government institution. On June 24, 2010 the Company submitted the latest Amended Manual on Corporate Governance to PSE and SEC.

Pursuant to the Manual, three Board committees – namely Nomination, Compensation and Remuneration, and Audit were created to aid in complying with the principles of good corporate governance.

Under the Manual on Corporate Governance of the Company, the Compliance Officer directly is responsible for monitoring compliance with the provisions and requirements, as well as violations of the Manual of Corporate Governance and issues a certification regarding the level of compliance of the Company. A Compliance Officer, directly reporting to the Chairman of the Board, was appointed to monitor compliance with the provision and requirements of the Manual, and who issues a certification every January 30 on the extent of compliance for the last completed year. A Self-Rating System on Corporate Governance was implemented and submitted to SEC and PSE in 2003. The Company, through its Compliance Officer, Atty. Lorenzo R. Tañada III has monitored the Company's compliance with SEC Memorandum Circular No. 2 dated April 5, 2002 and the relevant SEC Circulars on Corporate Governance and noted that no substantive or major deviations occurred.

The Company complies with regulations and issuances issued by government authorities pertaining to corporate governance. The Company's directors and officers have complied with the practice and policies contained in the performance assessment sheet in compliance with SEC's requirements. No sanction has been imposed on any director, officer or employee on account of non-compliance.

As of May 31 2010, all BHI directors have attended the seminar on corporate governance. There were no major deviations from the Company's Manual of Corporate Governance. The Company has adopted in the Manual of Corporate Governance the leading practices and principles of good corporate governance and full compliance therewith have been made since the adoption of the Manual.

Among measures undertaken by the Company in order to fully comply with the provisions of the leading practices on good corporate governance adopted in its Manual on Corporate Governance are monitoring and evaluation of the internal control system for corporate governance. The Company is committed to good corporate governance and continues to improve and enhance its evaluation system for purposes of determining the level of compliance by the Company with its Manual on Corporate Governance.

BOARD STRUCTURE AND PROCESS

Key Roles

Boulevard Holdings, Inc. is led by a Board which is the highest authority in matters of governance and in managing the business of the Company. The Board establishes the vision, strategic objectives, key policies and procedures for the management of the Company, as well as the mechanism for monitoring and evaluating Management's performance. The board also ensures the presence and adequacy of internal control mechanisms for good governance.

Composition

The board consists of nine members who are each elected by stockholders entitled to vote at the annual meeting. The board members hold office for one year and until their successors are elected and qualified in accordance with the By-laws of the Company.

The Board represents a mix of business, legal, and finance competencies, with each director capable of adding value and rendering independent judgment in relation to the formulation of sound corporate policies. All the Board members have participated in the required training on Corporate Governance. The names and profiles of the individual director are found in the Board of Directors section of BHI Annual Report and.

None of the members of the Company's directors and management directly own 2.0% or more of the outstanding capital stock of the Company.

Independent Director

As a publicly listed company, Boulevard Holdings, Inc. conforms with the legal requirement to have at least two (2) independent directors or at least twenty nine percent (29%), of its board size whichever is lesser. Director Reynaldo Y. Maulit and Director Ricardo S. Pascua sit as independent directors.

The Company defines an independent director as holding no interests or relationships with the Corporation that may hinder their independence from the Corporation or Management or would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The company complies with the rules of the Securities and Exchange Commission with regard to the nomination and election of the independent directors.

Chairman and Chief Executive Officer

The Chairman of the Board of Directors, Chief Executive Officer and President is Jose Marcel Panlilio who assumed the position in 1995 and 2005 respectively. The Chairman of the Board and President/CEO attended all Annual General Meetings of the shareholders. Decision making at the board level adheres to an objective process that does not undermine the independence and integrity of judgment of each individual director.

Board Performance

Regular Board meetings of the Board of directors shall be held at least once every two months, at such time(s) and place(s) as the Board shall from time to time by resolution determine. Special meeting of the Board shall be held when called by the Chairman, President or by the Secretary at the request of a director.

Discussions during the Board meetings are open and independent views are given due consideration. In 2009, the Board had four (4) meetings. The record of attendance of the Company's directors during the

Board meeting held during the year met the Securities and Exchange Commission's requirement of more than 50% attendance.

Name of Director	Date of Board Meetings			
	08/03/2009	09/18/2009	11/25/2009	12/18/2009
Jose Marcel Panlilio	/	/	/	/
Lorenzo Tanada III	/	/	/	/
Nicole Panlilio-Morris	/	/	/	A
Alfredo S. Joaquin	/	/	/	/
Reynaldo Y. Maulit	/	/	/	/
Ricardo S. Pascua	/	/	/	A
Victor V. Benavidez	/	/	/	/
Christopher M. Gotanco	/	/	/	/
Alfonso S. Anggala	/	/	/	A

Board Committees

Four committees support the board in the performance of specific functions and to aid in good governance.

Executive Committee. There shall be an Executive Committee ("EXCOM") which shall be composed of four (4) members who shall be appointed by the Board from among themselves in the manner agreed upon, and shall exercise such powers as the board may lawfully delegate to the EXCOM from time to time. The act of the majority of the members of the EXCOM present at a meeting, provided there is a quorum, shall be the act of the EXCOM and shall bind the Corporation as though it were an act of the Board.

Compensation Committee. The Compensation Committee establishes a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provides oversight over remuneration of senior management and other key personnel.

Nomination Committee. The Nomination Committee's main function is to install and maintain a process to ensure that all directors to be nominated for election at the annual stockholders' meeting have all the qualifications and none of the disqualifications for directors as stated in the By-Laws, the Manual of Corporate Governance of the Company and the pertinent rules of the Securities & Exchange Commission. Also, the Committee is tasked to review and evaluate the qualifications of all persons nominated to positions in the Company which require appointment by the Board.

Audit Committee. The Audit Committee oversees BHI's internal control, financial reporting and risk management process on behalf of the Board of Directors.

Audited Financial Statements of the Company are prepared by the external auditors Sycip Gorres Velayo & Co (SGV). The Committee likewise gave its recommendation on the appointment of SGV as the Company's external auditors for 2009 and the propose remuneration.

Committee members

The members of each Committee are set forth in the matrix below:

Name of Director	Executive Committee	Nomination Committee	Compensation Committee	Audit Committee
Jose Marcel Panlilio	Head	Head		
Lorenzo R. Tañada III*				
Nicole Panlilio-Morris	Member	Member		
Alfredo S. Joaquin	Member	Member		
Reynaldo Y. Maulit**		Member	Head	Head
Ricardo S. Pascua**	Member			Member
Victor V. Benavidez	Member		Member	
Christopher M. Gotanco				Member
Alfonso S. Anggala			Member	

*compliance officer

**independent director

Management

Management is primarily accountable to the Board of Directors for the operations of the Company. It puts the company's targets in concrete terms and formulates the basic strategies for achieving these targets.

Accountability and Audit

The Audit Committee provides oversight to external and internal auditors. The role and responsibilities of the Audit committee are clearly defined in the Audit Committee Charter while the internal audit function is governed by a separate Internal Audit Charter.

Independent Public Accountants and Other Related Matters

Independent Public Accountants

In 2010, the principal accountants and external auditors of the Company is the Accounting firm of Sycip, Gorres Velayo & Company (SGV & Co.).

Pursuant to the General Requirements of SRC Rule 68, Par. 3 (Qualifications and Reports of Independent Auditors), the Company has engaged SGV & Co. as external auditors of the Company. Mr. Manolito F. Gonzales was the lead engagement partner from audit years 2003 to 2005 and Mr. Jose Pepito E. Zabat III from audit years 2006 to 2008. Mr. Alvin M. Pinpin was the Partner-In-Charge for audit year 2009. For 2010 audit engagement, it is Jose Pepito E. Zabat III who acts as the lead partner.

Audit and Audit-related Services

The consolidated fees billed for the audit of the Company's annual financial statements amounted to P.830 million in 2010 exclusive of VAT, and P.770 million in 2009 exclusive of VAT.

Tax Fees and Services

There were no separate tax fees billed and no other products and services provided by SGV & Co. for the last two fiscal years.

Audit Committee's Approval

All the above service has been approved by the Audit Committee. The Committee is composed of Director Reynaldo Y. Maulit as chairman and Director Ricardo S. Pascua and Director Christopher M. Gotanco as members. The board and stockholders approved the Audit Committee's recommendation.

Compliance Officer

Mr. Lorenzo R. Tañada III, who is the Vice Chairman of the Board of Director is the Compliance Officer designated to ensure adherence to corporate principles and best practices. The responsibilities of the Compliance Officer include identifying, monitoring, and controlling compliance risks, operationalizing and monitoring compliance with the provisions and requirements of the Manual on Governance; and issuing a yearly certification on the extent BHI's compliance with the said Manual.

Disclosure and Transparency

BHI is committed to high standards of disclosure and transparency to enable the investment community to understand the true financial condition of the Company and the quality of its corporate governance.

Ownership Structure

The Company has a transparent ownership structure. It annually discloses the top 20 holders of the common equity securities of the Company. In addition, disclosure is also made annually of the security ownership structure of certain record and beneficial owners owning more than 5% of directors and management. This information is contained in the Definitive Information Statement sent to shareholders.

Content and timing of Disclosures

BHI updates the investing public with strategic, operating and financial information through adequate and timely disclosures filed with the Securities and Exchange Commission and the Philippine Stock Exchange. Consolidated audited financial statements for the latest financial year are submitted to the Securities and Exchange Commission and Philippine Stock Exchange every September 28 as required. In 2010, the Annual Report was submitted on scheduled submission date.

Interim (ie. Quarterly financial statements) are released between 40 to 50 days from end of the financial period and are disclosed to the SEC and PSE through On line Disclosure System (Odisy).

Financial Reporting

BHI's financial statements comply with Philippine Standards on Auditing and Philippine Financial Reporting Standards.

The annual consolidated financial statements provide a breakdown of total assets, revenues, operating net income attributable to BHI's equity holders and minority interests. A more extensive, transparent disclosure of segment results such as assets, liabilities and revenues is provided to enable shareholders to appreciate various businesses and their impact on overall value enhancement. Transactions entered into with associates and other related parties in their conduct of business are on an arms length basis. Sales and purchases of goods and services to and from related parties are made at normal market

prices. Related party transactions are discussed and quantified in the Notes to the Consolidated Financial Statements.

Reporting of Transactions

BHI is compliant with the requirement of the Securities and Exchange Commission and Philippine Stock Exchange for directors and principal officers to report any acquisition, disposal, or change in the company's shareholdings to the Securities and Exchange Commission and to report changes in ownership of company shares within five trading days.

Stakeholders Relations

BHI seeks to adhere to a high level of moral conduct and fair dealings with all its shareholders, customers, employees and business partners as a basis for building long-term, mutually beneficial relationships.

Shareholders Meeting and Voting Procedures

Stockholders are informed at least fifteen (15) business days in advance of the scheduled date of the general meetings. Notice of regular or special meetings contain, in addition to the date, hour and place of the meeting, and a statement of the matters to be transacted at the meeting. The notice to stockholders also set the date, time and place of the validation of proxies which is prescribed to be no less than five (5) business days prior to the annual stockholders' meeting. Each share of stock entitles the person in whose name it is registered on the books of the Corporation to one vote, provided the conditions as regards payment have been complied with.

Employee Relations

BHI is committed to promoting the safety and welfare of its employees. It believes in inspiring its employees, developing their talents, and recognizing their needs as business partners. Strong and open lines of communications are maintained to relay the Company's concern for their welfare and safety, and deepen their understanding of the Company's value creating proposition.

Others

Anti-money laundering. BHI does not face issues of anti-money laundering. The Company strictly observes and is committed to complying with the provisions of the Anti Money laundering law.