

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is Filed for the Year **December 31, 2013**
2. Exact Name of Registrant as Specified in its Charter **CHEMICAL INDUSTRIES OF THE PHILIPPINES, INC.**
3. **CHEMPHIL BLDG., 851 A. ARNAIZ AVE., MAKATI CITY** **1229**
Address of Principal Office Postal Code
4. SEC Identification Number **14812**
5. (SEC Use Only)
Industry Classification Code
6. BIR Tax Identification Number **047-000-110-888**
7. **063 (2) 8188711**
Issuer's Telephone number, including area code
8. **NOT APPLICABLE**
Former name or former address, if changed from the last report

**AMENDMENTS TO THE
ANNUAL CORPORATE GOVERNANCE REPORT
FOR THE YEAR 2013**

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N. INTERNAL BREACHES AND SANCTIONS

A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	7
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Actual number of Directors for the year	7
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(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) ¹	Elected when (Annual /Special Meeting)	No. of years served as director
1. Antonio M. Garcia	NED			**	23 June 2011	ASM*	**
2. Jesus N. Alcordo	NED	Chemholdings Corporation	Chemholdings Corporation	**	23 June 2011	ASM*	**
3. Ramon M. Garcia	NED	Chemphil Export & Import Corp.	Chemphil Export & Import Corp.	1997	23 June 2011	ASM*	**
4. Paulino C. Alvaro	NED	Philippine Indochem Corporation	Philippine Indochem Corporation	8 Oct 2009	23 June 2011	ASM*	4
5. Ana Maria G. Ordoveza	ED	Philippine Indochem Corporation	Philippine Indochem Corporation	**	23 June 2011	ASM*	**
6. Augusto P. Nilo	ID		Antonio M. Garcia (no relation)	2006	23 June 2011 (1.5 yrs)	ASM*	7***
7. Manuel M. Gamboa	ID		Antonio M. Garcia (no relation)	2009	23 June 2011 (2 yrs)	ASM*	4

*No Annual Stockholders' Meeting (ASM) was held in the year 2013. Directors continue to hold office in a hold-over capacity.

**Records show that these directors have been serving as Board of Directors for more than 10 years.

***Dir. Augusto P. Nilo resigned as Independent Director on June 2013.

C. BOARD MEETINGS & ATTENDANCE

2. Attendance of Directors

¹ Reckoned from the election immediately following January 2, 2012.

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Antonio M. Garcia	*	2	1	50%
Member	Jesus N. Alcordo	*	2	2	100%
Member	Ramon M. Garcia	*	2	2	100%
Member	Ana Maria G. Ordoveza	*	2	2	100%
Member	Paulino C. Alvaro	*	2	2	100%
Independent	Manuel M. Gamboa	*	2	2	100%
Independent	Augusto P. Nilo	*	2	0	0%

**Date of last election was on 06/23/2011*

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

2) Committee Members

(a) Executive Committee

(b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	*Augusto P. Nilo	06.23.11	0	0	0	
Member (ED)						
Member (NED)	Jesus N. Alcordo	06.23.11	0	0	0	
Member (ID)	Manuel M. Gamboa	06.23.11	0	0	0	
Member						
Member	Jose Ricardo C. Garcia	06.23.11	0	0	0	

---There were no meetings of BAC held during the year 2013.

Disclose the profile or qualifications of the Audit Committee members.

The Company's Audit Committee has the following members:

- 1) ***Augusto P. Nilo:** Effective June 2013, Mr. Nilo has resigned as Director of the Company.
- 2) **Jesus N. Alcordo:** Mr. Alcordo is a Filipino, born on 25 December 1936.

Education:

B.S. in Chemical Engineering	1961	University of San Carlos
Doctor of Technology in Energy Management, Honoris Causa	2011	University of San Carlos

Professional Training

Executive Program in Business Administration	1975	Columbia University, New York, USA
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Current Positions:

President and CEO	FDC Utilities, Inc.
Director	Filinvest Development Corp.
Chairman	Communicate Technologies, Inc.

Director	Herradura Resources, Inc. MR Serve Corporation Sinag Energy Corp. Enerplus, Inc. Bonafide Energeia Technology Corp. Chemical Industries of the Philippines, Inc.
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Previous Affiliations:

Director and Fellow - Institute of Corporate Directors (a non-government organization dedicated to promote good governance in public and private institutions).

Member, Board of Advisors – University of the Philippines, Cebu Chapter

Member, Board of Trustees – Cebu Arts Council

President and Member of the Board of Directors – Global Business Power Corporation (GBPC)

President and Director – Cebu Energy Development Corporation

President and Director – Panay Energy Development Corporation

Director - Toledo Power Company (one of the older power plants built by GBPC)

Chairman of the Board of Trustees	2001 – Sept 2010	University of San Carlos
Commissioner	Oct 2003-July 2006	Energy Regulatory Commission
Special Advisor	Feb 2002- Nov 2002	Department of Energy
President	Feb 2001-Jan 2002	National Power Corporation
President and CEO	July 1999–Dec 2000	East Asia Power Resources Corp
President and CEO	July 1998-July 1999	WG&A Shipping Lines
Chairman and CEO	Jan 1995–May 1998	East Asia Power Resources Corp
Chairman of the Board	1992-1996	Pilipino Telephone Corp (PILTEL)
President and CEO	Jan 1990-Dec 1994	Reynolds Aluminum Corp.
Managing Director	1986-1989	PT Aribhawana Utama, Indonesia
President/Director	1984-1985	Union Carbide, Indonesia
President and General Manager	1980-1983	Union Carbide, Costa Rica
General Manager	1978-1980	Union Carbide, Philippines
Manufacturing Director	1976-1978	Union Carbide, Indonesia
Plant Manager	1974-1975	Union Carbide, Mandaluyong
Plant Manager	1972-1974	Union Carbide, Cebu City
Personnel Manager	1970	Weyerhaeuser Phils., Inc. Cotabato
Associate Consultant	1969-1970	Economic Dev Foundation
Shipping Manager	1969	Reynolds Phils. Corp.
Manager	1966	P&G, Tacloban, Leyte
Production Manager, HOD	1962-1965	P&G, Tondo, Metro Manila
Job Study Engineer	1961	P&G, Tondo, Metro Manila

- c) **Manuel M. Gamboa:** Mr Gamboa is Filipino, born on 24 November 1943. He is a licensed Geologist having passed the Board of Examiners for Geologist in December 1970.

Education:

B.S in Geology	1965	University of the Philippines
Management Dev. Program	1986	Asian Institute of Management
Strategic Management Course	1988	Wharton School of Economics

Career history:

Exploration Geologist	1965-66	Iligan Integrated Steel Mills
Supervising Geologist	1966-75	A. Soriano Corporation
Project Manager & Chief Geologist	1976-79	San Miguel Corp.
Business Manager, Mining Operation	1979-86	San Miguel Corp.
Asst. Vice-President and	1986-91	San Miguel Corp.

Bus. Manager, Mining Operation		
Sr. Executive Asst to the President, Packaging Products	1991-99	San Miguel Corp.
Consultant to the Presidential Commission on Flagship Program and Projects	1997-98	Office of the President Republic of the Philippines

Organizations

UP Geological Society	1962	President
Association of Filipino Amateur Geologist	1962	Founding Member
Upsilon Sigma Phi Fraternity	1962	Member
Geological Society of the Phils.	1986	President
The Hanapbuhay Foundation	2000	Chairman
Sand Burst Phils, Inc.	1999	President and CEO
Phil. Chamber of Commerce and Industries (PCCI)	1991-98	Vice-chair, SME Committee
APEC Philippine Commission	1996	SME Shepherd
Federation of Phil. Industries	1991-98	Working Representative
UP Alumni Association		Member

d) **JOSE RICARDO C. GARCIA** – Mr. Garcia is a Filipino born on 23 April 1970.

Education:

B.S. Business Management	1986-90	Ateneo de Manila University
High School	1984-86	Ateneo de Manila High School
	1982-84	La Salle Military Academy, Long Island, NY, USA

Work Experience

Executive Vice-President	Sept 1999-Dec 2007	Diversified Plastic Film System, Inc.
President	July 1999-Dec 2007	Diversified Securities, Inc.
Exec Asst. to Chairman & Director	Oct 1999-Sept 1999	Diversified Plastic Film Systems, Inc.
Executive Vice-President	Jun 1996- June 1999	Diversified Securities Inc.
Sr. Manager	June 1994-May 1996	Diversified Securities, Inc.
Financial Analyst	Aug 1991-May 1994	San Miguel Corporation
Financial Analyst	Oct 1990-April 1991	AB Capital & Investment Corp.
Exec. Asst. & Trainee	April 1990-Sept 1990	Chemical Inds. of the Phils. Inc

Directorships

Diversified Plastic Film Systems, Inc.
Diversified Securities, Inc.
Diversified Technology Systems, Inc.
Diversified Technology Systems International, Inc.
Diversified Ecozone Corporation
Modern Packaging Films, Inc.
Cuyapo Rural Bank
Chemical Industries of the Phils. Inc.
LMG Chemicals Inc.
CAWC, Inc.
Visions Insurance & Brokerage Inc.
RG Holdings, Inc.
Overseas Chemical & Machinery Corp.
Ferro-Chemicals Inc.
Philippine Minerals & Alloy Corp.
Seminars Attended/Accreditations
SEC-licensed broker & salesman
Seminar on Good Governance for the Banking Sector

Organizations/Clubs:

- Member Philippine-Japan Society
- Wack-Wack Golf & Country Club
- Alabang Country Club

G. INTERNAL AUDIT AND CONTROL

2) Internal Audit

(a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
Examination and evaluation of the adequacy and effectiveness of the system of internal control	Internal control audit	In-house	Vacant in 2013 <i>Note: In July 2011, upon the resignation of the Group Controller at that time, the Internal Auditor was named the Group Controller of the Chemphil Group. Since then, the Management of the Company decided that having the services of an External Auditing Firm, i.e., SGV, is sufficient with the audit requirements of the Company and therefore does not need to maintain a separate Internal Auditor. This is also a cost conservation measure of the Company.</i>	The Chief Internal Auditor reports functionally to the Board Audit Committee and administratively to senior management.
Appraisal of the quality of performance in carrying out assigned responsibilities of the	Operations audit	In-house	-same-	-same-

various organizational components				
Follow-up review, asset verification/confirmation	Routine/Mandatory audit	In-house	-same-	-same-
Loss/fraud investigation	Special audit	In-house	-same-	-same-

I. DISCLOSURE AND TRANSPARENCY

2) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
SGV & Co.	P 225,000.00	P 0.00

7) Disclosure of RPT

RPT	Relationship	Nature	Value
Due from related parties	Affiliates, stockholders	Management fees, shared services fees, interest bearing loans	P 142,918,335
Due to related parties	Affiliates	Advances	P 181,302,511
Notes payable	Affiliates	Interest bearing loans	P 0
Other receivables	Stockholders	Advances	P 16,857,274

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

Management fees and shared services fees are covered by Operating Agreements and advances are interest bearing.

J. RIGHTS OF STOCKHOLDERS

1) Right to participate effectively in and vote in Annual/Special Stockholders' Meetings

(d) Stockholders' Participation

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:**

Not applicable because of the non-holding of AGM for the year 2013.

b. **Date of the Annual Meeting:**

None

Special Stockholders' Meeting: None

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

5. **Result of Annual/Special Stockholders' Meeting's Resolutions**

Not applicable due to non-holding of any annual/special stockholders' meetings in the year 2013.

6. **Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:**

Not applicable because of the non-holding of the AGM for the year 2013.

(f) **Stockholders' Attendance**

(i) **Details of Attendance in the Annual/Special Stockholders' Meeting Held:**

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	No meeting for 2013					
Special	No meeting for 2013					

(i) **Definitive Information Statements and Management Report**

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	All stockholders
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	Not applicable for the year 2013
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	Not applicable for the year 2013
State whether CD format or hard copies were distributed	The company observes the distribution of hard copies of Definitive Information Statements and Management Reports
If yes, indicate whether requesting stockholders were provided hard copies	Not applicable for the year 2013

(j) **Does the Notice of Annual/Special Stockholders' Meeting include the following:**

Each resolution to be taken up deals with only one item.	Yes
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Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	No*
The auditors to be appointed or re-appointed.	Yes
An explanation of the dividend policy, if any dividend is to be declared.	No**
The amount payable for final dividends.	No***
Documents required for proxy vote.	Yes****

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

* The company has file records of the profile of its directors. The information is not usually included in the Notice of the meeting but is readily available when requested. However, for its succeeding Annual Stockholders' meetings, the Company will include the said information in the Notice of the meeting.

** The Company has no specific and special Dividend Policy. However, it subscribes and abides with the Dividend Policy embodied in the Corporation Law, i.e. dividend should be declared from the unrestricted retained earnings of the company.

*** For the year 2013, no dividend was declared or paid.

**** The Company requires the following documents for proxy vote:

- a) Proxy Form for individual
- b) Secretary's Certificate for corporation

N. INTERNAL BREACHES AND SANCTIONS

Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees

Violations	Sanctions
<p>At present, the company refers to the Code of Conduct, Organizational Discipline and Ethics or CCODE for any violation or breach of the corporate governance manual. This applies to officers, management and employees of the Company. The CCODE provides the process or the system on how an erring management, officer and employee of the Company is treated and how the sanctions, if there are any, are imposed. Sanctions are based on the schedule of penalties which may vary from giving counsel and constructive advice to warn ill-effects and consequences (for minor infractions) to suspension from work without pay or termination (for repeated or grave infractions).</p> <p>The same CCODE will be proposed by the Corporate Governance Committee to the Board that it will also be made applicable to the Directors of the Company to comply with the requirements of the Corporate Governance policy of SEC.</p>	