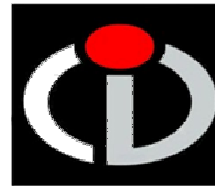


The 2007 Corporate Governance Scorecard for Publicly-listed Companies

A PROJECT OF THE



**INSTITUTE OF
CORPORATE
DIRECTORS**

IN COLLABORATION WITH



School of Law

SUPPORTED BY



The 2007 Corporate Governance Scorecard for Publicly-listed Companies



Date September 21, 2007

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. 2 dated 09 August 2007.

Please find the necessary information in relation to this submission:

COMPANY INFORMATION

Organization Name CENTRO ESCOLAR UNIVERSITY

Address 9 Mendiola St., San Miguel, Manila

Contact Person Atty. Anita S. Regalado

Designation Corporate Secretary/Legal Counsel/Compliance Officer

Telephone number 735-6861 to 71 loc. 233

Fax number 735-6860

Email address asregalado@ceu.edu.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.

ANITA S. REGALADO
Name & Signature of Authorized Company Representative

Date: September 21, 2007

2007 Corporate Governance Scorecard for Publicly-listed Companies
FORM

RESPONSE

Sample:

ITEM	Survey Question	Self-Assessment			Information Source	Remarks
		Poor	Fair	Good		
1	Does the company offer other ownership rights beyond voting?		✓		Paragraph 2, Page 25, 2006 Annual Report	

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
		Poor	Fair	Good		
1	Does the company offer other ownership rights beyond voting?			/	Article VII, CEU By-Laws Item 6, CEU Manual on Corporate Governance (MCG) Item 2, SEC 20-IS	
2	Is the decision on the director per diems approved by the shareholders annually?			/	SEC 17 A, p. 32 SEC 20-IS, p. 12	
3	How is the director per diem presented to the shareholders?			/	SEC 17 A, p. 32 SEC 20-IS, p. 12	

4	Does the company allow shareholders to elect board members individually?			/	Sec. 3, Article CEU By-Laws Item 6, CEU – MCG Items 4 & 19, SEC 20-IS, pp. 3, 14 Minutes of the Stockholders' Meeting (2006)	
5	Quality of Notice to call Shareholders Meeting in the past year.					
5.1	Nomination of directors providing their names and background.			/	Item 5, SEC 20-IS, pp. 6-8 Item 9, SEC 17 a, PP. 23-24	
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?			/	Item 7, SEC 20-IS, pp. 12-13 Management Report to Stockholders, pp. 8-9 Audited Financial Statements (AFS) Item 8, SEC 17 A, pp. 21-22	
5.3	Dividend policy, in providing the amount and explanation.			/	Management Report to Stockholders, pp. 15-16 SEC 17 A, pp. 13-14, AFS	
5.4	Does the information statement have an executive summary?	/			Sec 20-IS	
6	Quality of Minutes of Shareholders' Meeting					
6.1	Voting method and vote counting system			/	Sec. 3, Art. I, CEU By-Laws; Notice of Annual Stockholders Item 6, CEU-MCG Item 19, SEC 20-IS, p. 14	
7	Did the Chairman of the Board attend the last two AGMs?			/	Minutes of Annual Stockholders' Meeting	Vice Chairman of the Board represented the Chairman during Annual Stockholders' Meeting.
8	Did the CEO/Managing Director attend at least one of the last two AGMs?			/	Minutes of the Annual Stockholders' Meeting	New University President was elected on August 18, 2006.

9	Is a name list of board members attending the AGM available?			/	Minutes of the Annual Stockholders' Meeting		
10	Do AGM minutes record that there was an opportunity allowing for shareholders to ask questions/raise issues in the past year?	Minutes of Annual Stockholders' Meeting					
10.1	Is there a record of answers and questions?			/	Minutes of Annual Stockholders' Meeting		
10.2	Is there a record of resolutions in the minutes?			/	Minutes of Annual Stockholders' Meeting		
11	Attendance of the Board Committee Chairs						
11.1	Did the Chairman of the Audit Committee attend the last two AGMs?			/	Minutes of Annual Stockholders' Meeting		
11.2	Did the Chairman of the Compensation / Remuneration / Governance Committee attend the last two AGMs?				N. A.		
11.3	Did the Chairman of the Nomination Committee attend the last two AGMs?			/	Minutes of Annual Stockholders' Meeting		
12	Does the company have anti-takeover defenses?						
12.1	Do Board members collectively own more than 25% of outstanding shares?			/	Item 4.2, SEC 20-IS, p. 5 Item 11.2, SEC 17 A, p. 34		

12.2	What is the proportion of outstanding shares that are considered "free float"?			/	Item 4.2, SEC 20-IS, p. 5 Item 11.2, SEC 17 A, p. 34 Report to PSE on Computation of Public Ownership	
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Part II. EQUITABLE TREATMENT OF SHAREHOLDERS

ITEM	Survey Question	Self-Assessment			Information Source	Remarks
		Poor	Fair	Good		
13	Does the company offer one-share-one-vote?			/	Sec. 3, Art. I, CEU By-Laws Item 6, CEU-MCG Notice to Annual Stockholders' Meeting Item 19, SEC 20-IS, p. 14	
14	Does the company have any mechanism that allows minority shareholders to influence board composition?			/	Sec. 3, Art. I, CEU By-laws Item 6, CEU-MCG Notice to Annual Stockholders' Meeting Items 4 & 19, SEC 20-IS, pp. 13-14	
15	Has there been any case of insider trading involving company directors and management in the past two years?			/	SEC 17 A SEC 20-IS	
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?			/	CEU-MCG	
17	Has there been any complaint/dispute/problem regarding related-party transaction in the past two years?			/	SEC 20-IS SEC 17 A Notes to AFS	
18	Does the company have a policy that requires management to disclose related-party transaction?			/	Item 5.a.5, SEC 20-IS, pp. 10-11 Item 12, SEC 17 a, P. 35 Notes to AFS	

19	Are the nature and extent of transactions with affiliated and related parties communicated to shareholders annually?			/	Item 5.a.5, SEC 20-IS, pp. 10-11 Item 12, SEC 17 a, P. 35 Notes to AFS	
20	Is the company a part of an economic group where the parent / controlling shareholder also controls key suppliers, customers, and/or similar businesses?			/	Item 5.a.5, SEC 20-IS, pp. 10-11 Item 12, SEC 17 a, P. 35 Notes to AFS	
21	Does the company facilitate voting by proxy?			/	Sec. 3, Art. I, CEU By-laws Item 6, CEU-MCG Notice to Annual Stockholders' Meeting Items 4 & 19, SEC 20-IS, pp. 3, 14 Proxy Form	
22	Does the notice to shareholders specify the documents required to give proxy?			/	Sec. 3, Art. I, CEU By-laws Item 6, CEU-MCG Notice to Annual Stockholders' Meeting Items 4 & 19, SEC 20-IS, pp. 3, 14 Proxy Form	
23	Is there any requirement for a proxy appointment to be notarized?		/		Sec. 3, Art. I, CEU By-laws Item 6, CEU-MCG Notice to Annual Stockholders' Meeting Items 4 & 19, SEC 20-IS, pp. 3, 14 Proxy Form	
24	How many days in advance does the company send out notice of general shareholder meetings?			/	Sec. 4, Art. I, CEU By-laws Notice to Annual Stockholders' Meeting SEC 20-IS, pp. 1-2	
24.1	Date of Notice	(dd/mm/yy) 4 July 2007			Sec. 4, Art. I, CEU By-laws Notice to Annual Stockholders' Meeting SEC 20-IS, pp. 1-2	
24.2	Date of Actual Meeting	(dd/mm/yy) 24 July 2007			Sec. 4, Art. I, CEU By-laws Notice to Annual Stockholders' Meeting SEC 20-IS, pp. 1-2	

Part III. THE ROLE OF STAKEHOLDERS IN CORPORATE GOVERNANCE

ITEM	Survey Question	Self-Assessment			Information Source	Remarks
		Poor	Fair	Good		
25	Does the company explicitly mention the safety and welfare of its employees?		/		Item 1, CEU-MCG SEC 17 A., pp. 9-10, 27-30	
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 17 A SEC 20-IS	
27	Does the company provide a retirement plan/fund or its equivalent for its employees?			/	Notes to AFS	
28	Does the company provide a continuing training program for its employees?			/	Item 4, CEU-MCG Item 1, SEC 17A, p. 9	
29	Does the company explicitly mention the role of customers?		/		Item 1, SEC 17 A, pp. 2-9	
30	Does the company explicitly mention the role of suppliers/business partners?		/		SEC 17 A Management Report to Stockholders Notes to AFS	
31	Does the company explicitly mention its obligations to shareholders?		/		CEU By-laws Item 6., CEU-MCG Item 4, SEC 17 A, pp. 13-14; Item 6, SEC 20-IS, pp. 15-16	
32	Does the company explicitly mention its obligations to creditors?		/		SEC 17 A Management Report to Stockholders Notes to AFS	

33	Does the company explicitly mention environmental issues in its public communication?		/		Item 1, SEC 17 A, p. 9	
34	Does the company explicitly mention its broader obligations to society and / or the community?		/		Item 1, CEU-MCG Item 1, SEC 17 A, pp. 2-3	
35	Does the company inform shareholders of material income tax consequences of owning shares of company common shares, ADS, etc.?			/	SEC 17 A	
36	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?			/	Item 5.4, SEC 20-IS, p. 10 Item 3 & 9, SEC 17 A, pp. 11, 30-31	

Part IV. DISCLOSURE AND TRANSPARENCY

ITEM	Survey Question	Self-Assessment			Information Source	Remarks
		Poor	Fair	Good		
37	Does the company have a transparent ownership structure					
37.1	Breakdown of shareholdings			/	Item 5, 11.2, SEC 17 A, pp. 12, 34 Management Report to Stockholders Item 4.1, SEC 20-IS, pp. 4-5	
37.2	Is it easy to identify beneficial ownership?			/	Item 5, 11.2, SEC 17 A, pp. 12, 34 Management Report to Stockholders Item 4.1, SEC 20-IS, pp. 4-5 Report of Top 100 Stockholders	

37.3	Are directors' shareholdings disclosed?			/	Item 4.2, SEC 20-IS, p. 5 Item 11.2, SEC 17 A, p. 34	
37.4	Are management's shareholdings disclosed?			/	Item 11.2, SEC 17 A, p. 34 Item 4.2, SEC 20-IS, p. 5	
38	Does the company have a dispersed ownership structure?			/	Item 4.2, SEC 20-IS, p.5 Item 11.2, SEC 17 A, p. 34 Quarterly Report to PSE of Computation of Public Ownership	
39	Assess the quality of the Annual Report. In particular, the following:					
39.1	Financial performance			/	SEC 17 A Management Report to Stockholders	
39.2	Business operations, competitive position, and other non-financial matters			/	SEC 17 A Management Report to Stockholders	
39.3	Board member background			/	SEC 17 A SEC 20-IS	
39.4	Basis of the Board per diems		/		Item 6, SEC 20-IS Item 10, SEC 17 A	
39.5	Operating risks			/	SEC 17 A Management Report to Stockholders	
39.6	Identification of Independent Directors			/	Sec. 7, Art. I, CEU By-laws Item 5, SEC 20-IS, pp. 7-8	
39.7	Board meeting attendance of individual directors			/	Certificate of Board Attendance	
39.8	Does the company have a policy requiring full disclosure of details of related-party transactions in public communications?			/	Item 5.5, SEC 20-IS, pp. 10 Items 1 & 12, SEC 17 A, pp. 9, 35 Notes to AFS	
40	Is there any statement requesting directors to report their transactions of the company shares?			/	SEC 23-A, 23-B, 18-A submitted to SEC and PSE	

41	Does the Audit Committee have a Charter?			/	Audit Committee Charter	
42	Does the company have an internal audit operation established as a separate unit in the company?			/	Item 2.3.5.1, CEU-MCG Internal Audit Charter	
43	To whom does the internal audit function report, please identify?			/	Item 2.3.5.2. CEU-MCG Internal Audit Charter	
44	Does the company perform an annual audit using SEC accredited external auditors?			/	SEC 20-IS SEC 17 a AFS	
45	Is the financial report disclosed in a timely manner during the past year?			/	SEC 20-IS SEC 17 A SEC 17 Q	
46	Are there any accounting qualifications in the audited financial statements apart from the Qualification on Uncertainty of Situation?			/	AFS	
47	Does the company website disclose up-to-date information on:	Date when website was examined (dd/mm/yy) 20 September 2007			CEU website	
47.1	Business operation	/			CEU website	
47.2	Financial statement	/			CEU website	
47.3	Press release			/	CEU website	
47.4	Shareholding structure	/			CEU website	
47.5	Organization structure			/	CEU website	

47.6	Corporate group structure (N/A for a company that does not belong to corporate grouping)				N. A.	
47.7	Downloadable annual report	/			CEU website	
47.8	Notice to call shareholders' meeting	/			CEU website	
48	Does the company provide contact details for a specific Investor Relations person or unit that is easily accessible to outside investors?			/	SEC 20-IS SEC 17 A	
49	Does the company offer multiple channels of access to information? Multiple channels include:					
49.1	Annual report			/	SEC 17 A	
49.2	Company website			/	CEU website	
49.3	Analyst briefing(s)			/	SEC 17 A	
49.4	Press conference(s) / press briefing(s)			/	CEU website	

Part V. BOARD RESPONSIBILITY

ITEM	Survey Question	Self-Assessment			Information Source	Remarks
		Poor	Fair	Good		
50	Does the company have its own written Corporate Governance Manual that clearly describes its value system and board responsibilities?			/	CEU-MCG SEC 17 A	

51	Does the Board of Directors provide code of ethics or statement of business conduct for all directors and employees?			/	CEU-MCG SEC 17 A	
52	Does the company have a corporate vision/mission/values?			/	CEU-MCG SEC 17 A	
53	Does the PSE have any evidence of non-compliance of the company with PSE rules and regulations over the two years?			/	Reports to/Record of PSE	
54	Assess the quality of the Audit Committee Report in the Annual Report:					
54.1	Attendance			/	SEC 20-IS, p. 8 Item 8, SEC 17 A, pp. 21-22	
54.2	Internal control			/	SEC 20-IS, p. 8 Item 8, SEC 17 A, pp. 21-22	
54.3	Proposed auditors			/	SEC 20-IS, p. 8 Item 8, SEC 17 A, pp. 21-22	
54.4	Financial report review			/	SEC 20-IS, p. 8 Item 8, SEC 17 A, pp. 21-22	
54.5	Legal compliance			/	SEC 20-IS, p. 8 Item 8, SEC 17 A, pp. 21-22	
54.6	Over-all concluding opinion			/	SEC 20-IS, p. 8 Item 8, SEC 17 A, pp. 21-22	
55	Have board members participated in the training on Corporate Governance (i.e. PDP, CGOP, Corporate Retreat, etc.)?	/			Item 9, SEC 17 A, pp. 23-24 Item 5, SEC 20-IS, pp. 6-7	
56	Have senior management executives attended training on Corporate Governance?	/			Item 9, SEC 17 A, pp. 25-26 Item 5, SEC 20-is, PP. 8-10	

57	What is the attendance performance of the board members during the past 12 months?			/	Certificate of Board Attendance		
58	Does the company provide a risk management policy?			/	Notes to AFS		
59	Does the company clearly distinguish the roles and responsibilities of the board and management?			/	CEU-MCG		
60	Does the board conduct an annual self-assessment?			/	CEU-MCG Item 7, SEC 20-IS, pp. 16-17 Item 13, SEC 17 A, p. 35		
61	Does the company conduct an annual performance assessment of the CEO/President?			/	CEU-MCG Item 7, SEC 20-IS, pp. 16-17 Item 13, SEC 17 A, p. 35		
62	How many board meetings are held per year?	No. of Board Meetings: 12					
62.1	Does the firm report board meeting attendance of individual directors?			/	Certificate of Board Attendance		
63	Is the Chairman a non-executive director?			/	CEU-MCG Item 5, p. 6, SEC 20-IS Item 9, p. 23, SEC 17 A		
64	Does the board appoint committees with independent members to carry out various critical responsibilities such as:						
64.1	<i>Audit.</i> If yes, are the following items disclosed?						

64.1.1	Charter/ Role and responsibilities			/	CEU-MCG, Audit Committee Charter		
64.1.2	Profile / Qualifications			/	CEU-MCG, Audit Committee Charter		
64.1.3	Independence			/	CEU-MCG, Audit Committee Charter		
64.1.4	Performance / Meeting Attendance			/	CEU-MCG, Audit Committee Charter		
64.2	<i>Compensation / Remuneration.</i> (Compensation/ Remuneration Committee) If yes, are the following items disclosed?	N. A.					
64.2.1	Charter/Role and Responsibilities				N.A.		
64.2.2	Is the Committee composed of a majority of independent directors?				N.A.		
64.2.3	Is the Chairman of the Committee an independent director?				N.A.		
64.2.4	Performance / Meeting Attendance				N.A.		
64.3	<i>Nomination Committee.</i> If yes, are the following items disclosed?"						
64.3.1	Charter/Role and Responsibilities			/	Nomination Committee's Guidelines		
64.3.2	Is the Committee composed of a majority of independent directors?	/			SEC 17 A SEC 20-IS		
64.3.3	Is the Chairman of the Committee an independent director?	/			SEC 17 A SEC 20-IS		
64.3.4	Performance / Meeting Attendance			/	Nomination Committee's Guidelines Item 5, SEC 20-IS, p. 8		

65	How many board members are independent directors?		/		Sec. 7, Art. I, CEU By-laws Item 5, SEC 20-IS, p. 8	
66	Does company state in its Annual Report the definition of "independence" for identifying independent directors in public communications?		/		Sec. 7, Art. I, CEU By-laws Item 5, SEC 20-IS, p. 8	
67	Does the company have a separate Board of Director's Report describing their responsibilities in reviewing the firm's financial statements?			/	Statement of Management Responsibility AFS	

SURVEY ON CURRENT ETHICAL STANDARDS IN PHILIPPINE CORPORATIONS

* CEU is in the process of formulating its Code of Ethics. In the meantime, the University is guided by its Manual on Corporate Governance and employees' manual.

1. We have a formal code of ethics in our company.	N.A.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2. Our code of ethics includes a statement on obligation to:			
• Employees		<input type="checkbox"/> Yes	<input type="checkbox"/> No
• Shareholders		<input type="checkbox"/> Yes	<input type="checkbox"/> No
• Suppliers		<input type="checkbox"/> Yes	<input type="checkbox"/> No
• Customers	N.A.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
• The general community		<input type="checkbox"/> Yes	<input type="checkbox"/> No
3. We have an ethics officer in our company.	N.A.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
4. We allocate resources for ethical activities such as:			
• Training		<input type="checkbox"/> Yes	<input type="checkbox"/> No
• Internal Communications		<input type="checkbox"/> Yes	<input type="checkbox"/> No
• Ethics Audit	N.A.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
5. Ethics expectations are communicated to our:			
• Suppliers/Vendors		<input type="checkbox"/> Yes	<input type="checkbox"/> No
• Business Partners		<input type="checkbox"/> Yes	<input type="checkbox"/> No
• Consultants		<input type="checkbox"/> Yes	<input type="checkbox"/> No
• Contractors	N.A.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6. We have a reporting mechanism in place in the company to allow all employees to report or express ethical concerns/violations.	N.A.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
7. Ethical conduct has an impact on an employee's performance evaluation in our company.	N.A.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
8. We have mechanisms in place in the company that ensure our suppliers and partners adhere to highest standards of business ethics.	N.A.	<input type="checkbox"/> Yes	<input type="checkbox"/> No

The Institute of Corporate Directors is currently conducting a survey on ethical standards in Philippine Corporations. We would highly appreciate your participation in this survey. Thank you.