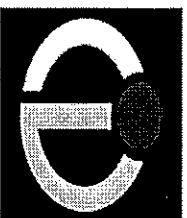




# The 2007 Corporate Governance Scorecard for Publicly-listed Companies

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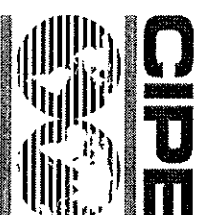
INSTITUTE OF  
CORPORATE  
DIRECTORS

IN COLLABORATION WITH

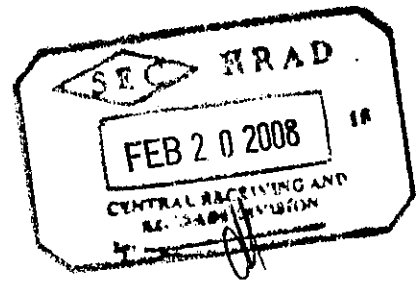


School of Law

SUPPORTED BY



The **2007**  
Corporate Governance Scorecard  
for Publicly-listed Companies



INSTITUTE of  
CORPORATE  
DIRECTORS



Date

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	INTERPHIL LABORATORIES, INC.
Address	Canlubang Industrial Estate, Bo. Pittland Cabuyao, Laguna
Contact Person	Atty. Ana A. Peralta
Designation	Corporate Secretary
Telephone number	8457-480/8457-322
Fax number	893-4038
Email address	aperalta@zuelligpharma.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.

  
ANA A. PERALTA

Name & Signature of Authorized Company Representative

Date: \_\_\_\_\_

# 2007 Corporate Governance Scorecard for Publicly-listed Companies

## RESPONSE FORM

### 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?					
2	Is the decision on the director per diems approved by the shareholders annually?			X	Page 11 of the Definitive Information Statement	Approved by the Directors on July 22, 198 and included in the Definitive Info Statement under Compensation of Directors
3	How is the director per diem presented to the shareholders?			X	Definitive Information Statement	
4	Does the company allow shareholders to elect board members individually?			X	Section 6 of the By-Laws and in all minutes of the Stockholders' Meetings	
5	Quality of Notice to call Shareholders Meeting in the past year.					
5.1	Nomination of directors providing their names and background.			X	Page 6 to 8 of the Definitive Information Statement	The Nominating Committee reviews the qualifications of the nominees for directors and presents the final list to the stockholders
5.2	Is there adequate information on the external auditor? Are their other engagements with the company (tax, consulting, etc.) provided?			X	Page 16 of the Definitive Information Statement	Reported under Item 7 (Independent Public Accountant of the Co's Definitive Info Statement

5.3	Dividend policy, in providing the amount and explanation.			X	Page 9 to 10 of the Code of Corporate Governance	Dividend policy was fully discussed under Item 5 of the Co's Code
5.4	Does the information statement have an executive summary?		X			
6	Quality of Minutes of Shareholders' Meeting					
6.1	Voting method and vote counting system			X	Section 6 (Voting) of the Company's By-Laws	
7	Did the Chairman of the Board attend the last two AGMs?			X	Minutes of the AGM meeting	
8	Did the CEO/Managing Director attend at least one of the last two AGMs?			X	Minutes of the AGM meeting	
9	Is a name list of board members attending the AGM available?			X		
10	Do AGM minutes record that there was an opportunity allowing for shareholders to ask questions/raise issues in the past year?					
10.1	Is there a record of answers and questions?			X	Minutes of the AGM meeting	
10.2	Is there a record of resolutions in the minutes?			X	Minutes of the AGM meeting	
11	Attendance of the Board Committee Chairs					

11.1	Did the Chairman of the Audit Committee attend the last two AGMs?			X	Minutes of the AGM meeting	The Audit Committee Chairman, Mr. Paul Kleiner, was present in the last 2 AGM meetings
11.2	Did the Chairman of the Compensation / Remuneration / Governance Committee attend the last two AGMs?			X	Minutes of the AGM meeting	the Compensation Committee Chairman Francisco R. Billano, was present in the last 2 AGM meetings
11.3	Did the Chairman of the Nomination Committee attend the last two AGMs?			X	Minutes of the AGM MEETING	The Nominating Committee Chairman Ricardo J. Romulo, was present in the last 2 AGM meetings
12	Does the company have anti-takeover defenses?					
12.1	Do Board members collectively own more than 25% of outstanding shares?	X				Total shares held by the Board of Directors is less than 1%
12.2	What is the proportion of outstanding shares that are considered "free float"?	X				only 6.94%

**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?			X	Pages 13 and 14 of the Articles of Inc.	Interphil has Class "A" and "B" shares and both enjoy equal voting rights
14	Does the company have any mechanism that allows minority shareholders to influence board composition?	X				no mechanism in place

15	Has there been any case of insider trading involving company directors and management in the past two years?	X				Interphil directors and officers have never been involved in inside 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?	X				No system in place
17	Has there been any complaint/dispute/problem regarding related-party transaction in the past two years?			X	Page 12 of the Information Statement	No complaint/dispute was filed/received by the co. regarding related party transactions
18	Does the company have a policy that requires management to disclose related-party transaction?		X		Page 23 of the annual report	some information were provided in the annual report
19	Are the nature and extent of transactions with affiliated and related parties communicated to shareholders annually?			X	Page 12 of the Information Statement	
20	Is the company a part of an economic group where the parent / controlling shareholder also controls key suppliers, customers, and/or similar businesses?	X			No	
21	Does the company facilitate voting by proxy?			X	Section 7 (Proxies) of the By-Laws	
22	Does the notice to shareholders specify the documents required to give proxy?			X	Notice of Meeting	

23	Is there any requirement for a proxy appointment to be notarized?	X				Proxy forms are not required to be notarized.
24	How many days in advance does the company send out notice of general shareholder meetings?			X		More than 15 days from date of meeting
24.1	Date of Notice	(dd/mm/yy) <u>April 27, 2007</u>				
24.2	Date of Actual Meeting	(dd/mm/yy) <u>June 14, 2007</u>				

**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?			X		Interphil has an EHS program
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?		X			Interphil does not have an ESOP program but has a Balanced Score card (BSC) Incentive Scheme in plan
27	Does the company provide a retirement plan/fund or its equivalent for its employees?			X	Trust Agreement with Fuitable PCI BANK	



28	Does the company provide a continuing training program for its employees?			X			Yes, Interphil has a comprehensive coverage
29	Does the company explicitly mention the role of customers?			X			Yes, the Company has a comprehensive coverage
30	Does the company explicitly mention the role of suppliers/business partners?		X				yes but only superficial coverage
31	Does the company explicitly mention its obligations to shareholders?			X		Page 9 to 10 of the Code of Corporate Governance	Under Protection of Stockholders
32	Does the company explicitly mention its obligations to creditors?		X				yes, but only superficial coverage
33	Does the company explicitly mention environmental issues in its public communication?			X		Page 13 of the Information Statement	
34	Does the company explicitly mention its broader obligations to society and / or the community?			X			yes, through the EHS program
35	Does the company inform shareholders of material income tax consequences of owning shares of company common shares, ADS, etc.?			X			not applicable

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?			X	Page 15 of the Information Statement	
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**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			X	Pages 3 to 5 of the Information Statement	
37.2	Is it easy to identify beneficial ownership?			X	Pages 3 to 5 of the Information Statement	
37.3	Are directors' shareholdings disclosed?			X	Pages 3 to 5 of the Information Statement	
37.4	Are management's shareholdings disclosed?			X	Pages 3 to 5 of the Information Statement	
38	Does the company have a dispersed ownership structure?	X				No
39	Assess the quality of the Annual Report. In particular, the following:					
39.1	Financial performance			X	Information Statement, Annual Report and Financial Statements	

39.2	Business operations, competitive position, and other non-financial matters			X	Annual Report, Budget Packages	Yes, reports are clear and comprehensive
39.3	Board member background			X	Pages 6 to 7 of the Information Statement	
39.4	Basis of the Board per diems	X				not applicable
39.5	Operating risks			X	Pages 15 of the Information Statement	yes, reports are clear
39.6	Identification of Independent Directors			X	Page 7 of the Information Statement	
39.7	Board meeting attendance of individual directors			X	Pages 16 and 17 of the Information Statement	
39.8	Does the company have a policy requiring full disclosure of details of related-party transactions in public communications?			X		
40	Is there any statement requesting directors to report their transactions of the company shares?	X				not applicable
41	Does the Audit Committee have a Charter?			X	Page 16 of the Information Statement Item 3 of the Code of Corporate Governance	
42	Does the company have an internal audit operation established as a separate unit in the company?	X				Interphil only has Internal Quality Auditors
43	To whom does the internal audit function report, please identify?					Quality Management Representative

44	Does the company perform an annual audit using SEC accredited external auditors?			X		SEC Group A Auditor
45	Is the financial report disclosed in a timely manner during the past year?			X		Complies with local standards every time
46	Are there any accounting qualifications in the audited financial statements apart from the Qualification on Uncertainty of Situation?	X				None
47	Does the company website disclose up-to-date information on:	Date when website was examined (dd/mm/yy)				
47.1	Business operation	X				not applicable
47.2	Financial statement	X				not applicable
47.3	Press release	X				not applicable
47.4	Shareholding structure	X				not applicable
47.5	Organization structure	X				not applicable
47.6	Corporate group structure (N/A for a company that does not belong to corporate grouping)	X				not applicable
47.7	Downloadable annual report	X				not applicable
47.8	Notice to call shareholders' meeting	X				not applicable

48	Does the company provide contact details for a specific Investor Relations person or unit that is easily accessible to outside investors?	X					not applicable
49	Does the company offer multiple channels of access to information? Multiple channels include:						
49.1	Annual report	X					not applicable
49.2	Company website	X					not applicable
49.3	Analyst briefing(s)	X					not applicable
49.4	Press conference(s) / press briefing(s)	X					not applicable

**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?			X	Code of Corporate Governance	
51	Does the Board of Directors provide code of ethics or statement of business conduct for all directors and employees?			X		
52	Does the company have a corporate vision/mision/values?			X		Interphil has corporate purpose, visions and values

53	Does the PSE have any evidence of non-compliance of the company with PSE rules and regulations over the two years?				X		Interphil has always been in compliance with the PSE rules
54	Assess the quality of the Audit Committee Report in the Annual Report:						
54.1	Attendance				X		
54.2	Internal control				X		
54.3	Proposed auditors				X		
54.4	Financial report review				X		
54.5	Legal compliance				X		
54.6	Over-all concluding opinion				X	Only 1 director has not yet attended the seminar on Corporate Governance	
55	Have board members participated in the training on Corporate Governance (i.e. PDP, CGOP, Corporate Retreat, etc.)?				X		
56	Have senior management executives attended training on Corporate Governance?				X		
57	What is the attendance performance of the board members during the past 12 months?				X		more than 95% attendance
58	Does the company provide a risk management policy?				X		yes but the Company has a Business Continuing Program (BCP)
59	Does the company clearly distinguish the roles and responsibilities of the board and management?				X	By-Laws (for Board pages 3 to 4) for Officers (pages 7 to 9)	

60	Does the board conduct an annual self-assessment?			X			
61	Does the company conduct an annual performance assessment of the CEO/President?	X					
62	How many board meetings are held per year?	No. of Board Meetings: <u>average of 10 meetings</u>					
62.1	Does the firm report board meeting attendance of individual directors?			X	through Certification submitted to PSE and SEC annually		
63	Is the Chairman a non-executive director?			X		Yes, the Chairman is a non-executive director	
64	Does the board appoint committees with independent members to carry out various critical responsibilities such as:						
64.1	Audit. If yes, are the following items disclosed?						
64.1.1	Charter/ Role and responsibilities			X	Page 16 of the Information Statement		
64.1.2	Profile / Qualifications			X	Page 7 of the Code of Corporate Governance		
64.1.3	Independence			X	Page 7 of the Code of Corporate Governance		
64.1.4	Performance / Meeting Attendance			X	Page 7 of the Code of Corporate Governance		
64.2	Compensation / Remuneration. (Compensation/ Remuneration Committee) If yes, are the following items disclosed?						
64.2.1	Charter/Role and Responsibilities	X					

64.2.2	Is the Committee composed of a majority of Independent directors?	X				No Messrs. Billano, Jamias and Romulo are not Independent Directors
64.2.3	Is the Chairman of the Committee an independent director?	X				No
64.2.4	Performance / Meeting Attendance		X			
64.3	<i>Nomination Committee. If yes, are the following items disclosed?</i>					
64.3.1	Charter/Role and Responsibilities	X				
64.3.2	Is the Committee composed of a majority of independent directors?	X				Only 2 members are Independent Directors
64.3.3	Is the Chairman of the Committee an independent director?	X				The Chairman, Atty. Ricardo J. Romulo is not an Independent Director
64.3.4	Performance / Meeting Attendance		X			
65	How many board members are independent directors?				2 directors are Independent Directors	
66	Does company state in its Annual Report the definition of "independence" for identifying independent directors in public communications?	X				
67	Does the company have a separate Board of Director's Report describing their responsibilities in reviewing the firm's financial statements?	X				



**SURVEY ON CURRENT ETHICAL STANDARDS  
IN PHILIPPINE CORPORATIONS**

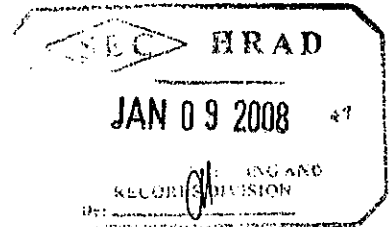
1. We have a formal code of ethics in our company.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Yes, but not in one comprehensive manual  Included in the Company's mission  the company produce quality products  Corporate HR Manager
2. Our code of ethics includes a statement on obligation to:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
• Employees	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
• Shareholders	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
• Suppliers	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
• Customers	<input checked="" 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.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
4. We allocate resources for ethical activities such as:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
• Training	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
• Internal Communications	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
• Ethics Audit	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
5. Ethics expectations are communicated to our:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
• Suppliers/Vendors	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
• Business Partners	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
• Consultants	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
• Contractors	<input checked="" 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.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
7. Ethical conduct has an impact on an employee's performance evaluation in our company.	<input checked="" 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.	<input checked="" 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.*



REPUBLIC OF THE PHILIPPINES)  
MAKATI CITY ) SS.



**CERTIFICATION**

I, **ATTY. ANA L. A. PERALTA**, being the duly appointed, qualified and incumbent Compliance Officer and Corporate Secretary of **INTERPHIL LABORATORIES, INC.** (the "Corporation"), do hereby certify that Interphil Laboratories, Inc. has been in full compliance of its commitments to the Code of Corporate Governance as contained in its Manual on Corporate Governance. In relation to this, I hereby attest that the following directors have attended the Seminar on Corporate Governance, particulars of which are as follows:

Name	Date Elected	Seminar Attended	Date of Seminar	Accredited Provider
Ricardo J. Romulo	05-29-1996	Corporate Governance For Philippine Banks	Nov. 22 & 23, 2002	Bankers Institute of The Phils., Inc.
Jose O. Juliano	01-09-1987	Corporate Governance: The New Performance Standard	Nov. 27, 2003	Knowledge Institute SGV & Co.
Kasigod V. Jamias	07-09-1991	Corporate Governance: The New Performance Standard	Nov. 27, 2003	Knowledge Institute SGV & Co.
Renato B. Magadia	01-19-1994	Seminar on Corporate Governance	August 2, 2002	Securities & Exchange Commission
Paul Kleiner	12-02-1974	Corporate Governance: The New Performance Standard	Nov. 27, 2003	Knowledge Institute SGV & Co.
Michael Leo T. Luna-	06-11-2003	Corporate Governance: The New Performance Standard	Nov. 27, 2003	Knowledge Institute SGV & Co.

That Mr. Gordon Emslie has just been elected Director of the Corporation last June 14, 2007 and has not yet attended any seminar on Corporate Governance.

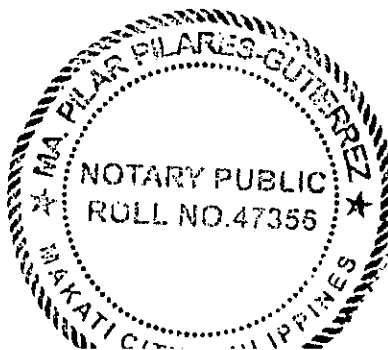
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my signature this 7<sup>th</sup> day of January, 2008 at Makati City.

*aperalta*  
**ANA A. PERALTA**  
Corporate Secretary

JAN 09 2007

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of January, 2008 at Makati City, affiant exhibiting to me her Passport No. LL711217 issued in Manila on August 11, 2003 and valid until August 11, 2008.

Doc. No. 74;  
Page No. 1;  
Book No. 1;  
Series of 2008.



*aperalta*  
**MA. PILAR PILARES-GUTIERREZ**  
Appointment No. M-297  
Notary Public - City of Makati  
Until 31 December 2008  
Castille Laman Tan Pantaleon  
& San Jose Law Firm  
The Valero Tower, 122 Valero Street  
Salcedo Village, Makati City  
PTR No. 0267797; 01-02-07; Makati City  
IBP No. 693465; 01-02-07; Quezon City Chapter