

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT

1. Report is Filed for the Year :
2. Exact Name of Registrant as Specified in its Charter : **BDO LEASING AND FINANCE, INC.***
3. 39th FLOOR, BDO CORPORATE CENTER ORTIGAS, 12 ADB AVENUE, ORTIGAS CENTER, MANDALUYONG
CITY 1550
Address of Principal Office Postal Code
4. SEC Identification Number : **97869**
5. (SEC Use Only)
Industry Classification Code

6. BIR Tax Identification Number: **000-486-050-000**
7. **(632) 840 7000**
Issuer's Telephone number, including area code
8. **Not applicable**
Former name or former address, if changed from the last report

*Abbreviated as BDO Leasing, BDOLF, BDOLFI, BLFI

a) Shareholders shall have the right to participate and vote in the Annual Stockholders Meeting including the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code such as changes or amendments to the company's By-Laws and Articles of Incorporation, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code , issuance of additional shares and appointment of the external auditor.

b) Each outstanding share is entitled to one vote unless a preferred share is expressly denied voting entitlement.

c) Cumulative voting shall be used in the election of directors.

d) A director shall not be removed without cause if it will deny minority shareholders representation in the Board.

4. Right to Information

a) Upon request and for a legitimate purpose, the shareholders shall be provided, upon request with information about the Company's directors and officers, their holdings of the Company's shares, and dealings with the Company.

b) The shareholders, including minority shareholders shall have access to any information relating to matters for which the management is accountable.

c) The shareholders, including minority shareholders shall be granted the right to propose items in the agenda of the meeting provided the items is for legitimate business purposes.

5. Right to Dividends (updated)

BDOLF recognizes the importance of providing a stable and sustainable dividend stream consistent with its commitment to shareholders. *In March 2015, the Company paid cash dividend of PHP0.175 per share and will endeavor to do so while maintaining financial flexibility.*

The Board of Directors may, at its discretion and depending on the business results for the year and capital needs of the business, declare and approve the distribution of additional special dividends to all shareholders normally announced at the Annual Stockholders' Meeting.

6. Appraisal Right

The shareholders shall have appraisal right or the right to dissent and demand payment for the fair value of their shares in the manner provided for under Section 82 of the Corporation Code.

1) In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares or of authorizing preferences in any respect superior to those of outstanding shares of any class.

2) In case of the disposition of all or substantially all of the corporate property and assets as provided for in the Corporation Code.

3) In case of sale, lease, exchange, transfer, mortgage, pledge or other merger or consolidation or the extension or shortening the term of corporate existence.

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group:

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Walter C. Wassmer	Mabuhay Vinyl Corporation	Non-Executive

(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

Director's Name	Name of the Significant Shareholder	Description of the relationship
Teresita T. Sy	BDO Unibank, Inc.	All are executive officers of BDO Unibank, Inc.
Nestor V. Tan	BDO Unibank, Inc.	
Antonio N. Cotoco	BDO Unibank, Inc.	
Luis S. Reyes, Jr.	BDO Unibank, Inc.	
Walter C. Wassmer	BDO Unibank, Inc.	

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

(Reference : Corgov Manual)

Multiple Board Seats. Independent Directors may concurrently serve in Boards of other corporations provided the provisions of SEC Memorandum Circular No. 9 series of 2011 (Term Limits for Independent Directors) are strictly observed i.e. no limit if covered companies do not belong to a conglomerate and maximum of 5 companies of a conglomerate (parent company, subsidiary and affiliate). *This limit on board seats applies to the independent directorship in the Company.* Provided further, that the capacity of a director to devote quality time and attention in performing his duties and responsibilities is not compromised.

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	applicable	same
Non-Executive Director	applicable	same
CEO	applicable	same

- Shareholding in the Company

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company:

Management Succession Planning. The Board, in coordination with the Corporate Governance Committee, shall ensure that the Company has in place an appropriate and updated succession planning for key executives to address emergency in the event of extraordinary circumstances and ensure continuity of operations.

The Corporate Governance Committee has direct oversight of the succession planning. The President updated the Committee of this framework on May 23, 2013.

4. Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the board? Please explain. Yes

(Reference: Corgov Manual) (updated)

Selection of Board members. The Nominations Committee is tasked to undertake the process of identifying the qualifications of directors aligned with the company's strategic directions. In evaluating the suitability of individual board member and promoting diversity in the composition of the Board, the Nominations Committee should take into account the relevant qualifications of every candidate nominated for election such as among others, physical/mental fitness, relevant educational and professional background, personal track record, diversity of related experience/training, commitment to contribute, willingness to serve and interest to remain engaged and involved without undue prejudice to race, gender ethnic origin, religion, age and sexual orientation. At least one of the non-executive directors should have prior working experience in the financial industry or a relevant business group. For the reelection of incumbent directors. The Nominations Committee also considers the results of the most recent self-assessment of the Board and peer evaluation, director's attendance record in meetings, participation in Board activities and overall contribution to the functioning of the Board. A former partner or employee of the Company's current external auditing firm will not be qualified for nomination as member of the Board. The Nominations Committee will use to the extent possible, external search firm or external bases in selecting the pool of candidates for the members of the Board.

In the revised Terms of Reference of the Nominations Committee, its primary duty is to lead the process for identifying and make recommendations to the Board on candidates for appointment as Directors of the Company as well as those other positions requiring appointment by the Board of Directors, giving full consideration to succession planning and leadership needs of the Group. It shall make use of external database, e.g. Institute of Corporate Directors or professional search. It shall recommend to the Board of Directors, the slate of nominees for election to the Board of Directors during the Company's annual stockholders' meeting. It also makes recommendations to the Board on the composition and chairmanship of the various committees. It keeps under review the structure, size and composition of the Board, including the balance of skills, knowledge and experience and the independence of the non-executive Directors, and makes recommendations to the Board with regard to any changes.

8 directors out of 11 have over 120 years' combined experience from local banking institutions. 2 directors out of 11 are businessmen who have made their mark in the field of realty and trading businesses. 3 directors out of 11 have held key government positions. 1 out of 11 is a practicing attorney and a managing partner of a law firm.

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain.

Yes. In the existing Board of Directors, one non-executive director and one independent director have actual experiences in the financial services industry.

1. Director Exequiel P. Villacorta, Jr. was previously President and CEO of Banco De Oro Universal Bank and TA Bank of the Philippines, and was Vice President of Private Development Corporation of the Philippines (PDCP). He was Senior Adviser and BSP Controller of Equitable PCI Bank, Inc. and PBCom; and Adviser to the Board of PCI Capital Corporation.