

# ANNUAL CORPORATE GOVERNANCE REPORT FOR PUBLIC COMPANIES AND REGISTERED ISSUERS

RECOMMENDATION	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>THE BOARD'S GOVERNANCE RESPONSIBILITIES</b>			
<b>Principle 1. ESTABLISHING A COMPETENT BOARD</b>			
The company should be headed by a competent, working Board to foster the long-term success of the corporation, and to sustain its competitiveness and growth in a manner consistent with its corporate objectives and the long-term best interests of its shareholders/members and other stakeholders.			
<b>Recommendation 1.1</b>			
1	The Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	The attached Annex "A" contains the the Profiles of Directors as stated in the Definitive Information Statement of the Corporation or filed SEC 20-IS of Eagle Ridge Golf and Country Club, Inc. ( the "Company") for 2022.
2	The Board has an appropriate mix of competence and expertise.	COMPLIANT	The 2002 Manual of Corporate Governance of the Company states in Sec. 2.2.1.2 that the "to insure a high standard of best practice for the Corporation and its stakeholders, the Board shall install a process of selection to ensure a mix of competent directors and officers."
3	Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	COMPLIANT	<p><i>Provide information or link/reference to a document containing information on the following:</i></p> <p><i>1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors.</i></p> <p><i>2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance.</i></p> <p>In Article 3, Sections D and E of the 2014 Revised Manual on Corporate Governance of the Company, the required qualification and grounds for disqualification of Directors are stated. Said provisions adopted substantially the provisions of the Manual on Corporate Governance as prescribed by SEC Memorandum Circular No. 6, Series of 2009. Please see attached Certification dated 23 June 2014 (Annex "B" hereof) of the Corporate Secretary of the Company certifying that the Company adopted substantially the provisions of the</p>

				Manual on Corporate Governance as prescribed by SEC Memorandum Circular No. 6, Series of 2009.
<b>Recommendation 1.2</b>				
1	The Board is headed by a competent and qualified Chairperson.	COMPLIANT	<i>Provide information or reference to a document containing information of the Chairperson, including his/her name, qualifications, and expertise.</i>	The Chairman is Mr. Tomas I. Alcantara. His qualifications and expertise are also in the SEC 20-IS filed by the Company for 2022.
<b>Recommendation 1.3</b>				
1	The company provides a policy on training of directors.	COMPLIANT	<i>Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.</i>	The Company provides for the training of its directors in Corporate Governance, among others. Art.3, Section G, second paragraph of the Revised Manual of Corporate Governance of the Company also provide that :  "A director should also keep abreast with industry developments and business trends in order to promote the corporation's competitiveness."
2	The company has an orientation program for first-time directors.	COMPLIANT	<i>Provide information or link/reference to a document containing information of the orientation program and trainings of directors for the covered year, including the number of hours attended and topics covered.</i>	The Manual of Corporate Governance of the Company provides as follows:  "4.2. A director shall, before assuming as such, be required to attend a seminar on corporate governance which shall be conducted by a duly recognized private or government institute."
3	The company has relevant annual continuing training for all directors.	COMPLIANT		Annually, the Company provides for a seminar on Corporate Governance for its directors and their Certificates are submitted to the SEC.
<b>Recommendation 1.4</b>				

1	The Board has a policy on board diversity.	COMPLIANT	<i>Provide information or link/reference to a document containing the company's board diversity policy.</i>  <i>Indicate gender, age and competence composition of the board.</i>	The Company has no formal Board Diversity Policy, but the members of its Board come from different walks of life and consist of both female and male directors.
<b>Recommendation 1.5</b>				
1	The Board is assisted by a Corporate Secretary.	COMPLIANT	<i>Provide information or link/reference to a document containing information of the Corporate Secretary, including his/her name, qualifications, duties and functions.</i>	As set forth in the Company's articles and by-laws, as amended, and shown by its GIS, the Board appoints a Corporate Secretary to assist it.
2	The Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT		The GIS will show that the appointed Corporate Secretary is Mariza R. Santos-Tan, while the appointed Compliance Officer is Atty. Angel M. Esguerra, III. Their qualifications are in Annex "A" hereof and their duties are provided for in the By-Laws of the Company, Manual of Corporate Governance, and Revised Manual of Corporate Governance.
3	The Corporate Secretary is not a member of the Board of Directors.	COMPLIANT		Although the Corporate Secretary is Mariza R. Santos-Tan is a member of the Board, she has an Asst. Corporate Secretary who is not a member of the Board.
4	The Corporate Secretary attends annual training/s on corporate governance.	COMPLIANT		The Corporate Secretary attends annual trainings on corporate governance through the Sta. Lucia training provider.
<b>Recommendation 1.6</b>				
1	The Board is assisted by a Compliance Officer.	COMPLIANT	<i>Provide information or link/reference to a document containing information of the Compliance Officer, including his/her name, position, qualifications, duties and functions.</i>	Both the Manual of Corporate Governance of the Company and its Revised Manual of Corporate Governance provide for the appointment of a Compliance Officer to assist the Board.
2	The Compliance Officer has a rank of Senior Vice-President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT		The appointed Compliance Officer is Atty. Jonathan F. Jimenez who

				has a rank equivalent to the position of a Senior Vice-President.
3	The Compliance Officer is not a member of the board.	COMPLIANT		Atty. Jimenez is not a member of the Board.
4	The Compliance Officer attends annual training/s on corporate governance.	COMPLIANT	<i>Provide information or link/reference to a document containing information of the corporate governance training/s attended, including the date of the training, number of hours and topics covered.</i>	The Compliance Officer attends annual corporate governance seminars.

## Principle 2. ESTABLISHING CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD

The fiduciary roles, responsibilities, and accountabilities of the Board, as provided under the law, the company's articles of incorporation and bylaws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to shareholders/members and other stakeholders.

### Recommendation 2.1

1	The Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company, shareholders and stakeholders.	COMPLIANT	<i>Provide information or reference to a document containing information on how the directors performed their duties (this can include board resolutions and minutes of meetings).</i>	<p>The Manual of Corporate Governance of the Company provides in Section 2.2.1 that "It shall be the Board's responsibility to foster the long-term success of the Corporation and' secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Corporation, its shareholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities."</p> <p>The same is provided Art. 3, Sec. F. 1 of the Revised Manual of Corporate Governance of the Company. Further the Revised Manual of Corporate Governance of the Company directs in Art. 4, first paragraph that:</p> <p>"To enable the members of the Board to properly fulfill their duties and</p>
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				responsibilities, Management should provide them with complete, adequate and timely information about the matters to be taken in their meetings.”
<b>Recommendation 2.2</b>				
1	The Board oversees the development and approval of the company’s business objectives and strategy.	COMPLIANT	<i>Provide information or link/reference to a document containing information on how the directors performed this function (this can include board resolutions and minutes of meetings).</i>	The Board oversees the development of the business objectives and strategy of the Company during the preparation and approval of the Business Plans and Budget for the next year.
2	The Board oversees and monitors the implementation of the company’s business objectives and strategy.	COMPLIANT	<i>Indicate frequency of development of business objectives and strategy.</i>	The Board reviews and monitors the implementation of the Company’s business objectives and strategy in every Board Meeting.
<b>Recommendation 2.3</b>				
1	The Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	<i>Disclose and provide information or link/reference to a document containing the company’s succession planning policies and programs and its implementation.</i>	Art. 3, Section F(a) of the Revised Manual Corporate Governance of the Company which provides that one of the responsibilities, duties and function of the Board is to “adopt an effective succession planning program for Management.”
2	The Board adopts a policy for the retirement of directors and key officers.	COMPLIANT		The Company has a retirement program for employees, which includes its key officers. The retirement of directors occurs if they are not re-elected by the members.
<b>Recommendation 2.4</b>				
1	The Board aligns the remuneration of key officers and board members with the long-term interests of the company.	COMPLIANT	<i>Provide information or link/reference to a document containing the company’s remuneration policy and its implementation, including the relationship between remuneration and performance.</i>	In Art. 3 of the Revised Manual of Corporate Governance, it is provided that:  “J. Remuneration of Directors and Officers  “The levels of remuneration of the corporation should be sufficient to be

				<p>able to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors may be structured or be based on corporate and individual performance.</p> <p>The corporation may establish formal and transparent procedures for the development of a policy on executive remuneration or determination of remuneration levels for individual directors and officers depending on the particular needs of the corporation. No director should participate in deciding on his remuneration. “</p>
2	The Board adopts a policy specifying the relationship between remuneration and performance.	COMPLIANT		Same as above
3	The Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT		<p>In the same Art. 3, Section J of the Revised Manual of Corporate Governance, it is provided that:</p> <p>“xxx No director should participate in deciding on his remuneration”.</p>
<b>Recommendation 2.5</b>				
1	The Board has a formal and transparent board nomination and election policy.	COMPLIANT	<p><i>Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the candidates are shortlisted and how it encourages nominations from shareholders.</i></p> <p><i>Provide proof if minority shareholders have a right to nominate candidates to the board.</i></p> <p><i>Provide information if there was an assessment of the effectiveness of the Board's processes in</i></p>	<p>Art. VII, Secs. 2c and 2d of the Amended By-Laws of the Company contain its nomination and election policy as follows:</p> <p>“c. Nomination. The Election Committee shall nominate five (5) Regular Members for Directors and, in addition, shall call for and accept nominations in writing from Regular Members, provided, however, that the</p>

			<p><i>the nomination, election or replacement of a director.</i></p>	<p>members of said Committee may not themselves be nominated. The official list of candidates shall be finalized by the Election Committee and posted at the Clubhouse Bulletin Board at least thirty [30] days prior to the date of the annual meeting.</p> <p>Such list shall likewise be attached to the Notice of the Annual Meeting to be sent to all Stockholders.</p> <p>d. Election of Directors. The members of the Board of Directors shall be elected by secret ballot. Each registered owner of Class "A" share, whether a natural person or juridical entity, who is of good standing and non-delinquent in the payment of his/its dues shall have the right to vote in person the number of shares standing in his/its name. The nine (9) candidates with the most number of votes shall be declared elected."</p>
2	The Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT		The Board nomination and election policy is already in the Amended By-Laws of the Company so it need not be disclosed in the company's Manual on Corporate Governance.
3	The Board nomination and election policy includes how the company accepted nominations from shareholders/members.	COMPLIANT		Please refer to Art. VII, Secs. 2c and 2d of the Amended By-Laws of the Company which was quoted above.
4	The Board nomination and election policy includes how the board reviews the qualifications of nominated candidates.	COMPLIANT		The qualifications of directors are reviewed by the Nominations Committee.
5	The Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement/removal of a director.	COMPLIANT		Art. 3, Sec. F. II. of the Revised Manual of Code of Governance of the Company provides that "xxx the following duties and functions:

				<p>f. Adopt a system of check and balance within the Board. A regular review of the effectiveness of the system should be conducted to ensure the integrity of the decision-making and reporting processes at all times.”</p> <p>It is also provided in Art. 7 of the Revised Manual of Code of Governance of the Company that “the Board may create an internal self-rating system that can measure the performance of the Board and Management in accordance with the criteria provided for in this Code.”</p>
6	The Board has a process for identifying the quality of directors/trustees that is aligned with the strategic direction of the company.	COMPLIANT		The qualifications of directors are reviewed by the Nominations Committee.
<b>Recommendation 2.6</b>				
1	The Board has overall responsibility in ensuring that there is a policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	<p><i>Provide information or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs.</i></p> <p><i>Identify transactions that were approved pursuant to the policy.</i></p>	<p>Art. 3, Section F. II of the Revised Manual of Corporate Governance of the Company provides that it is one of the duties and functions of the Board to: “xxx</p> <p>h. Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the corporation and its parent company, joint venture, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and</p>



				of interlocking director relationships by members of the Board.”
2	The RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.			<p>Art. 3, Section H of the Revised Manual of Corporate Governance of the Company provides that:</p> <p>“H. Internal Control Responsibilities of the Board</p> <p>The control environment of the corporation consists of (a) the Board which ensures that the corporation is properly and effectively managed and supervised; (b) a Management that actively manages and operates the corporation in a sound and prudent manner; (c) the organizational and procedural controls supported by effective management information and risk management reporting systems; and (d) an independent audit mechanism to monitor the adequacy and effectiveness of the corporation's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts.”</p>
<b>Recommendation 2.7</b>				
1	The Board is primarily responsible for approving the selection of Management, led by the Chief Executive Officer (CEO) or his/her equivalent, and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive, as may be applicable).	COMPLIANT	<p><i>Provide information or reference to a document containing the Board's policy on approving the selection of management.</i></p> <p><i>Identify the Management team appointed.</i></p>	The Board complies with the Revised Corporation Code, Sec. 24, by electing, immediately after their own election, the officers of the Company, including, but not limited to, the

				President and Chief Executive Officer.
2	The Board is primarily responsible for assessing the performance of Management, led by the CEO or his/her equivalent and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive, as may be applicable).	COMPLIANT	<p><i>Provide information or reference to a document containing the Board's policy on assessing the performance of management.</i></p> <p><i>Provide information on the assessment process and indicate frequency of assessment of performance.</i></p>	The Revised Code of Manual Corporate Governance provides in Art. 7 that "the Board may create an internal self-rating system that can measure the performance of the Board and Management in accordance with the criteria provided for in this Code.
<b>Recommendation 2.8</b>				
1	The Board establishes an effective performance evaluation framework that includes a standard or criteria for assessment and ensures that Management's performance is on par with the standards set by the Board and Senior Management.	COMPLIANT	<p><i>Provide information or link/reference to a document containing the Board's performance evaluation framework for management and personnel.</i></p>	The Revised Code of Manual Corporate Governance provides in Art. 7 that "the Board may create an internal self-rating system that can measure the performance of the Board and Management in accordance with the criteria provided for in this Code.
2	The Board establishes an effective performance evaluation framework that includes a standard or criteria for assessment and ensures that personnel's performance is on par with the standards set by the Board and Senior Management.	COMPLIANT		Same as above
<b>Recommendation 2.9</b>				
1	The Board ensures that an appropriate internal control system is in place.	COMPLIANT	<p><i>Provide information or link/reference to a document showing the Board's responsibility in ensuring that an appropriate internal control system is in place, and what comprises the internal control system.</i></p>	<p>Art. 3, Section H of the Revised Manual of Corporate Governance of the Company provides that:</p> <p>"H. Internal Control Responsibilities of the Board</p> <p>The control environment of the corporation consists of (a) the Board which ensures that the corporation is properly and effectively managed and supervised; (b) a Management</p>

				that actively manages and operates the corporation in a sound and prudent manner; (c) the organizational and procedural controls supported by effective management information and risk management reporting systems; and (d) an independent audit mechanism to monitor the adequacy and effectiveness of the corporation's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts.”
2	The internal control system includes a mechanism for monitoring and managing potential/actual conflicts of interest of the board members/trustees, management and shareholders/members.	COMPLIANT		Same as above
3	The Board adopts an Internal Audit Charter.	COMPLIANT	<i>Provide reference or link to the company's Internal Audit Charter.</i>	The Manual of Corporate Governance and Revised Manual of Corporate Governance of the Company also serve as its Internal Audit Charter.
<b>Recommendation 2.10</b>				
1	The Board ensures that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	<i>Provide information or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.</i>  <i>Provide proof of effectiveness of risk management strategies, if any.</i>	Art. 3, Section H of the Revised Manual of Corporate Governance of the Company provides that:  “H. Internal Control Responsibilities of the Board  The control environment of the corporation consists of (a) the Board which ensures that the corporation is properly and effectively managed and supervised; (b) a Management

				that actively manages and operates the corporation in a sound and prudent manner; (c) the organizational and procedural controls supported by effective management information and risk management reporting systems; and (d) an independent audit mechanism to monitor the adequacy and effectiveness of the corporation's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts.”
2	The risk management framework guides the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	COMPLIANT		Same as above
<b>Recommendation 2.11</b>				
1	The Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties.	COMPLIANT	<i>Provide link to the company's website where the Board Charter is disclosed and/or other proof that it is publicly available.</i>	The Articles, Amended By-Laws, its Manual of Corporate Governance and the revised Revised Manual of Corporate Governance act as the Company's Board Charter have provisions on the responsibilities and accountabilities of the Board. Thus, they can act as guides for the directors in the performance of their functions.
2	The Board Charter serves as a guide to the directors/trustees in the performance of their functions.	COMPLIANT		Same as above
3	The Board Charter is publicly available.	NON-COMPLIANT		The Company still has to work on its website to make available its Articles, Amended By-Laws, its Manual of Corporate Governance and the

revised Revised Manual of Corporate Governance act as the Company's Board Charter.

**Principle 3. ESTABLISHING BOARD COMMITTEES**

The board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, compliance and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all the board committees should be contained in their respective board committee charters.

**Recommendation 3.1**

1	The Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	<p><i>Provide information or link/reference to a document containing information of all board committees established by the company.</i></p>	<p>The different Board Committees and their composition were reported to the SEC in the duly filed SEC 17-C of the Company after its Organizational Meeting. The following are the Committees of the Board for the year 2022-2023:</p> <ul style="list-style-type: none"> <li>A. Nomination Committee</li> <li>B. Audit Committee</li> <li>C. Compensation Committee</li> <li>D. Executive Committee</li> <li>E. House Committee</li> <li>F. Grounds Committee</li> <li>G. Human Resources &amp; Development Committee</li> <li>H. Legal and Legislative Committee</li> <li>I. Membership Committee</li> <li>J. Construction and Maintenance Committee</li> <li>K. Finance Committee</li> <li>L. Sports and Special Event Committee</li> <li>M. Ways and Means Committee</li> </ul>
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**Recommendation 3.2**

1	<p>The Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>	<p><i>Provide information or link/reference to a document containing information of the Audit Committee, including its functions.</i></p> <p><i>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</i></p>	<p>Art. 3, Sec. K of the Revised Manual on Corporate Governance of the Company provides that:</p> <p>"The Board shall constitute the proper committees to assist it in good corporate governance.</p> <p>I. The Audit Committee xxx. The committee shall have the following functions:</p> <p>a. Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;</p> <p>b. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the corporation. This function shall include regular receipt from Management of information on risk exposures and risk management activities;</p> <p>c. Perform oversight functions over the corporation's internal and external auditors. It should ensure that the internal and external auditors act are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;</p>	<p>COMPLIANT</p>
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d. Review the annual internal audit plan to ensure its conformity with the objectives of the corporation. The plan shall include the audit scope, resources and budget necessary to implement it;

e. Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination of more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;

f. Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;

g. Monitor and evaluate the adequacy and effectiveness of the corporation's internal control system, including financial reporting control and information technology security;

h. Review the reports submitted by the internal and external auditors;

i. Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:

- Any change/s in accounting policies and practices
- Major judgmental areas
- Significant adjustments resulting from the audit
- Going concern assumptions
- Compliance with accounting standards
- Compliance with tax, legal and regulatory requirements.

j. Coordinate, monitor and facilitate compliance with laws, rules and regulations;

k. Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the corporation's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the corporation's annual report;

l. Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee.

The Audit Committee shall ensure that, in the performance of the work



				<p>of the Internal Auditor, he shall be free from interference by outside parties.</p> <p>For Philippine branches or subsidiaries of foreign corporations covered by this Code, their Internal Auditor should be independent of the Philippine operations and should report to the regional or corporate headquarters.”</p>
2	<p>The Audit Committee is composed of at least three (3) qualified non-executive directors, the majority of whom, including the Chairperson, are independent directors.</p>	<p>COMPLIANT</p>	<p><i>Provide information or link/reference to a document containing information of the members of the Audit Committee, including their qualifications and type of directorship.</i></p>	<p>Art. 3, Sec. K of the Revised Manual on Corporate Governance of the Company provides that:</p> <p>“The Board shall constitute the proper committees to assist it in good corporate governance.</p> <p>I. The Audit Committee shall consist of at least three (3) directors, who shall preferably have accounting and finance backgrounds, one of whom shall be an independent director and another with audit experience. The chair of the Audit Committee should be an independent director.”</p> <p>The Audit Committee has only 1 independent director in the Committee because the Company spreads out its independent directors among its many committees. The composition of the Audit Committee for 2022 is as follows:</p> <ol style="list-style-type: none"> <li>1. Miguel Rene A. Dominguez-Chairman</li> <li>2. Ramil L. Villanueva</li> </ol>

				3. Mariza Santos-Tan
3	All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	COMPLIANT	<i>Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.</i>	All the members of the Audit Committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance as shown in the Profile of Directors attached as Annex "A" hereof.
4	The Chairperson of the Audit Committee is not the Chairperson of the Board or of any other committee.	COMPLIANT	<i>Provide information or link/reference to a document containing information of the Chairperson of the Audit Committee.</i>	The Chairman of the Audit Committee is not the Chairperson of the Board. But he is also the Chairperson of the Nomination Committee.
<b>Recommendation 3.3</b>				
1	The Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	COMPLIANT	<i>Provide information or reference to a document containing information of the Corporate Governance Committee, including its functions.</i>  <i>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</i>	The Board carries on the function of a Corporate Governance Committee, with the help of its Compliance Officer, due to the fact that Board has many committees already.
2	The Corporate Governance Committee is composed of at least three (3) members, majority of whom, including the Chairperson, should be independent directors.	COMPLIANT	<i>Provide information or link/reference to a document containing information of the members of the Corporate Governance Committee, including their qualifications and type of directorship.</i>	Same as above
<b>Recommendation 3.4</b>				
1	The Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	COMPLIANT	<i>Provide information or link/reference to a document containing information of the Board Risk Oversight Committee (BROC), including its functions</i>	Due to the size of the Company, the Audit Committee performs the functions of a Board Risk Oversight Committee (BROC).
2	The BROC is composed of at least three (3) members, the majority of whom should be independent directors, including the Chairperson.	COMPLIANT	<i>Provide information or link/reference to a document containing information of the members of the BROC, including their qualifications and type of directorship.</i>	The Audit Committee has 3 members, and one of them is an independent director.
3	At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	<i>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.</i>	The members of the Audit Committee have relevant thorough

				knowledge and experience on risk and risk management.
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**Recommendation 3.5**

1	All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	COMPLIANT		The Amended By-Laws of the Company serve as the Charter of the Committees because they already provide for the functions of each Committee.
2	The Committee Charters provide standards for evaluating the performance of a committee and its members.	COMPLIANT	<i>Provide information or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.</i>	The Revised Code of Manual Corporate Governance provides in Art. 7 that "the Board may create an internal self-rating system that can measure the performance of the Board and Management in accordance with the criteria provided for in this Code.

**Principle 4. FOSTERING COMMITMENT**

To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

**Recommendation 4.1**

1	The Directors attend and actively participate in all meetings of the Board, Committees and shareholders/members in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	COMPLIANT	<p><i>Provide information or link/reference to a document containing the process and procedure for tele/videoconferencing board and/or committee meetings.</i></p> <p><i>Provide information or link/reference to a document containing the attendance and participation of directors to Board, Committee and shareholders' meetings.</i></p>	<p>Art. 3, Sec. F.II of the Revised Manual of Corporate Governance of the Company provides that:"</p> <p>"To ensure a high standard of best practice for the corporation and its stockholders, the Board should conduct itself with honesty and integrity in the performance of, among others, the following duties and functions:</p> <p>k. Meet at such times or frequency as may be needed. The minutes of such meetings should be duly recorded. Independent views during Board meetings should be</p>
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			encouraged and given due consideration.”
			Thus, the Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through teleconferencing or videoconferencing conducted in accordance with the rules and regulations of the Securities and Exchange Commission.
2	The Directors review meeting materials for all Board and Committee meetings.	COMPLIANT	<p>Art. 3, Sec. G.II of the Revised Manual of Corporate Governance of the Company provides that:</p> <p>“A director should observe the following norms of conduct: xxx</p> <p>II. Devote the time and attention necessary to properly and effectively perform his duties and responsibilities.</p> <p>A director should devote sufficient time to familiarize himself with the corporation's business. He should be constantly aware of and knowledgeable with the corporation's operations to enable him to meaningfully contribute to the Board's work. He should attend and actively participate in Board and committee meetings, review meeting materials and, if called for, ask questions or seek explanation.”</p>
3	The Directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	<p><i>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors</i></p> <p>Same as above</p>
<b>Recommendation 4.2</b>			

1	<p>Non-executive directors concurrently serve in not more than ten (10) public companies and/or registered issuers. If concurrently sitting in at least three (3) publicly listed companies, the maximum concurrent directorships shall be five (5) public companies and/or registered issuers.</p>	COMPLIANT	<p><i>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</i></p> <p><i>Provide information or reference to a document containing information on the directorships of the company's directors in listed companies, registered issuers and public companies.</i></p>	<p>The Revised Manual of Corporate Governance of the Company provides in Art. 3, Sec. B that:</p> <p>“B. Multiple Board Seats</p> <p>The Board may consider the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock corporations. The optimum number should take into consideration the capacity of a director to diligently and efficiently perform his duties and responsibilities.</p> <p>The Chief Executive Officer (“CEO”) and other executive directors may be covered by a lower indicative limit for membership in other boards. A similar limit may apply to independent or non-executive directors who, at the same time, serve as full-time executives in other corporations. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised.”</p>
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**Recommendation 4.3**

1	<p>The Directors notify the company's board before accepting a directorship in another company.</p>	COMPLIANT	<p><i>Provide copy of/reference to the written notification to the board or minutes of board meeting wherein the matter was discussed.</i></p>	<p>The Independent Director has undertaken to notify the Company's Board if there is any change about to occur in his qualifications, including the acceptance of a directorship in another company.</p>
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**Principle 5. REINFORCING BOARD INDEPENDENCE**

The Board should endeavor to exercise an objective and independent judgment on all corporate affairs.

**Recommendation 5.1**

1	The Board is composed of a majority of non-executive directors who possess the necessary qualifications.	COMPLIANT	<i>Identify or provide link/reference to a document identifying the directors, the type of their directorships and their qualifications.</i>	Annex "A" hereof shows that the Board is composed of a majority of non-executive directors who possess the necessary qualifications.
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**Recommendation 5.2**

1	The Board has at least two (2) independent directors or such number as to constitute one-third (1/3) of the board, whichever is higher.	COMPLIANT	<i>Provide information or link/reference to a document containing the number of independent directors in the board.</i>	The Board has 2 independent directors elected for the year 2022-2023 and they are Director Ramil L. Villanueva and Benjamin R. Almario. This was duly reported in the Company's 2022 General Information Sheet (GIS) filed with the SEC.
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**Recommendation 5.3**

1	The independent directors possess all the qualifications and none of the disqualifications to hold the position.	COMPLIANT	<i>Provide information or link/reference to a document containing the qualifications of independent directors.</i>	Please see Annex "A".
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**Recommendation 5.4**

1	The company perpetually bars an independent director from serving in such capacity after the term limit of nine (9) years.	COMPLIANT	<i>Provide information or link/reference to a document containing the company's policy on term limits for its independent director.</i>	The Company tracks the term limits of its independent directors and bars them from serving in such capacity after the term limit of nine (9) years.
2	In the instance that the company retains an independent director in the same capacity after nine (9) years, the Board provides meritorious justification and seeks shareholders'/members' approval during the annual regular meeting.	COMPLIANT	<i>Provide reference to the meritorious justification and proof of shareholders'/members' approval during the annual regular meeting.</i>	In the last Annual Stockholders Meeting, the Company provided a meritorious justification for the retention of its 2 independent directors and the same was approved by majority of the stockholders/members of the Company.

**Recommendation 5.5**

1	The positions of Chairperson of the Board and Chief Executive Officer (or its equivalent) are held by separate individuals.	COMPLIANT	<i>Identify the company's Chairperson of the Board and Chief Executive Officer (or its equivalent).</i>	The Chairperson of the Board is Director Tomas I. Alcantara, while the President or CEO is Director Exequiel Robles.
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2	<p>The Chairperson of the Board and Chief Executive Officer (or its equivalent) have clearly defined responsibilities.</p>	<p>COMPLIANT</p>	<p><i>Provide information or link/reference to a document containing the roles and responsibilities of the Chairperson of the Board and Chief Executive Officer (or its equivalent). Identify the relationship of the Chairperson and CEO.</i></p>	<p>The responsibilities of the Chairman of the Board, and the President are clearly defined in Art. VIII of the Company's Amended By-laws as follows:</p> <p>” Sec. 2. Chairman of the Board. The Chairman of the Board of Directors shall have the following powers:</p> <p>a. to preside at the stockholders/members' meetings and meetings of the Board of Directors;</p> <p>b. to cast the deciding vote in case of a tie in the meeting of members and to cast the last vote in the meetings of the Board of Directors; and</p> <p>c. to exercise such other powers which are given him by these By-laws.</p> <p>Sec. 3. The President. The President shall preside at all general meetings of the members and all meetings of the Board of Directors in the absence of the Chairman of the Board. He shall be the chief executive officer of the Club, and, as such, shall have control and general supervision of all affairs of the Club and, with the assistance of the other three Club officers and of the respective committees, shall enforce these By-Laws and the orders and resolutions approved by the Board of Directors. He shall, with the approval of the Board, appoint and supervise the employees of the Club. He shall within fifty (50) days</p>
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				after the organizational meeting, submit to the Board an annual expense and cash budget and plantilla of personnel, and subsequently such supplemental budget as he may deem necessary. He shall review all accounts, approve all expense vouchers, sign all approved contracts for and in the name of the Club; sign together with the Treasurer, all checks issued by the Club and submit to the general meeting an annual report of the Club's activities and status.”
<b>Recommendation 5.6</b>				
1	The Board designates a lead director among the independent directors if the Chairperson of the Board is not an independent director.	COMPLIANT	<i>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any. Indicate if Chairperson is an independent director.</i>	Due to the fact that the Board has only 2 independent directors, there is no need to appoint a lead director.
<b>Recommendation 5.7</b>				
1	The Directors/Trustees with material interest in a transaction affecting the corporation fully disclose his/her adverse interest, abstain from taking part in the deliberations for the same, and recuse from voting on the approval of transaction.	COMPLIANT	<i>Provide proof of full disclosure and abstention, if any, of the interested director/trustee.</i>	The Company strictly complies with the Revised Corporation Code, Sec. 32, which governs dealings by Directors, if any, with the Company.
<b>Recommendation 5.8</b>				
1	The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance, and risk functions, without any executive directors present.	COMPLIANT	<i>Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings.</i>	Not applicable because all the directors meet with the external auditor, heads of internal audit, compliance and risk functions as a Board.
2	The meetings are chaired by the lead independent director, if applicable.	COMPLIANT		Not applicable
<b>Principle 6. ASSESSING BOARD PERFORMANCE</b>				
The best measure of the Board’s effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.				
<b>Recommendation 6.1</b>				



1	The Board conducts an annual self-assessment of its performance as a whole.	COMPLIANT	<i>Provide proof of self-assessments conducted by the whole board, the individual members, the Chairperson and the Committees.</i>	The Revised Code of Manual Corporate Governance provides in Art. 7 that “the Board may create an internal self-rating system that can measure the performance of the Board and Management in accordance with the criteria provided for in this Code.”  The Board assesses its performance in Executive sessions.
2	The Chairperson conducts an annual self-assessment of his performance.	COMPLIANT		Same as above
3	The individual members conduct a self-assessment of their performance.	COMPLIANT		Same as above
4	Each committee conducts a self-assessment of its performance.	COMPLIANT		Same as above
<b>Recommendation 6.2</b>				
1	The Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors/trustees and committees.	COMPLIANT	<i>Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders/members.</i>	Same as above
2	The system allows for a feedback mechanism from the shareholders/members.	COMPLIANT		Same as above
<b>Principle 7. STRENGTHENING BOARD ETHICS</b>				
The Board directors are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.				
<b>Recommendation 7.1</b>				
1	The Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of board members.	COMPLIANT	<i>Provide information or link/reference to the company's Code of Business Conduct and Ethics.</i>	Art. 3 of the Revised Code of Corporate Governance of the Company contains its norms of conduct as follows:  “G. Specific Duties and Responsibilities of a Director  A director's office is one of trust and confidence. A director should act in

the best interest of the corporation in a manner characterized by transparency, accountability and fairness. He should also exercise leadership, prudence and integrity in directing the corporation towards sustained progress.

A director should observe the following norms of conduct:

I. Conduct fair business transactions with the corporation, and ensure that his personal interest does not conflict with the interests of the corporation.

The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process. A director who has a continuing material conflict of interest should seriously consider resigning from his position.

A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the corporation, or stands to acquire or

gain financial advantage at the expense of the corporation.

II. Devote the time and attention necessary to properly and effectively perform his duties and responsibilities.

A director should devote sufficient time to familiarize himself with the corporation's business. He should be constantly aware of and knowledgeable with the corporation's operations to enable him to meaningfully contribute to the Board's work. He should attend and actively participate in Board and committee meetings, review meeting materials and, if called for, ask questions or seek explanation.

III. Act judiciously.

Before deciding on any matter brought before the Board, a director should carefully evaluate the issues and, if necessary, make inquiries and request clarification.

IV. Exercise independent judgment.

A director should view each problem or situation objectively. If a disagreement with other directors arises, he should carefully evaluate and explain his position. He should not be afraid to take an unpopular position. Corollarily, he should support plans and ideas that he

				<p>thinks are beneficial to the corporation.</p> <p>V. Have a working knowledge of the statutory and regulatory requirements that affect the corporation, including its articles of incorporation and by-laws, the rules and regulations of the Commission and, where applicable, the requirements of relevant regulatory agencies.</p> <p>A director should also keep abreast with industry developments and business trends in order to promote the corporation's competitiveness.</p> <p>VI. Observe confidentiality.</p> <p>A director should keep secure and confidential all non-public information he may acquire or learn by reason of his position as director. He should not reveal confidential information to unauthorized persons without the authority of the Board.”</p>
2	The Code is properly disseminated to the members of Board.	COMPLIANT	<i>Provide information or discuss how the company disseminated the Code to the members of the Board.</i>	The Revised Manual of Corporate Governance containing its norms of conduct was approved by and disseminated to the members of the Board.
3	The Code is disclosed and made available to the public through the company website.	NOT COMPLIANT	<i>Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.</i>	The Company will work with its IT Department to post its Revised Manual of Corporate Governance containing its norms of conduct on its website.
<b>Recommendation 7.2</b>				

1	The Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	<p><i>Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics.</i></p> <p><i>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</i></p>	<p>The Revised Code of Manual Corporate Governance of the Company provides in Art. 7 that “the Board may create an internal self-rating system that can measure the performance of the Board and Management in accordance with the criteria provided for in this Code.”</p> <p>Hence, the Board ensures proper and efficient implementation of the Code by asking the directors and officers to do a self-rating of their compliance with the same.”</p>
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**DISCLOSURE AND TRANSPARENCY**

**Principle 8. ENHANCING COMPANY DISCLOSURE POLICIES AND PROCEDURES**

The Board should establish corporate disclosure policies and procedures that are practical and in accordance with generally accepted best practices and regulatory expectations.

**Recommendation 8.1**

1	The Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders/members and other stakeholders that gives a fair and complete picture of a company’s financial condition, results and business operations.	COMPLIANT	<p><i>Provide information or link/reference to the company’s disclosure policies and procedures including reports distributed/made available to shareholders/members and other stockholders.</i></p>	<p>The Revised Manual on Corporate Governance of the Company provide in Art. 5 that:</p> <p>“A. The Board is primarily accountable to the stockholders. It should provide them with a balanced and comprehensible assessment of the corporation’s performance, position and prospects on a quarterly basis, including interim and other reports that could adversely affect its business, as well as reports to regulators that are required by law.</p> <p>Thus, it is essential that Management provide all members of the Board with accurate and timely information that would enable the Board to</p>
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				<p>comply with its responsibilities to the stockholders.</p> <p>Management should formulate, under the supervision of the Audit Committee, the rules and procedures on financial reporting and internal control xxx.”</p>
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**Recommendation 8.2**

1	The company has a policy requiring all directors to disclose/report to the company any dealings in the company’s shares within five (5) business days.			<p>The Revised Manual on Corporate Governance provide in Art. 8, second paragraph that:</p> <p>“It is therefore essential that all material information about the corporation which could adversely affect its viability or the interests of the stockholders should be publicly and timely disclosed. Such information should include, among others, earnings results, acquisition or disposition of assets, off balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board Management. All such information should be disclosed through the appropriate Securities and Exchange Commission mechanisms and submissions to the Commission.”</p>
		COMPLIANT	<p><i>Provide information or link/reference to the company’s policy requiring directors and officers to disclose their dealings in the company’s shares.</i></p> <p><i>Indicate actual dealings of directors involving the corporation’s shares including their nature, number/percentage and date of transaction.</i></p>	
2	The company has a policy requiring all officers to disclose/report to the company any dealings in the company’s shares within five (5) business days.			<p>Same as above</p>
		COMPLIANT		

**Recommendation 8.3**

1	The company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	<p><i>Provide link to the company's website where the Manual on Corporate Governance is posted.</i></p>	<p>The Revised Manual on Corporate Governance provide in Art. 9 that:</p> <p>"All covered corporations shall establish and implement their corporate governance rules in accordance with this Code. The rules shall be embodied in a manual that can be used as reference by the members of the Board and Management. The manual should be submitted to the Commission for its evaluation within one hundred eighty (180) business days from the date this Code becomes effective to enable the Commission to determine its compliance with this Code taking into consideration the nature, size and scope of the business of the corporation; provided, however, that corporations that have earlier submitted their manual may, at their option, continue to use the said manual as long it complies with the provisions of this Code.</p> <p>The manual shall be made available for inspection by any shareholder at reasonable hours on business days."</p>
2	The company's MCG is submitted to the SEC.	COMPLIANT		<p>The first Manual of Corporate Governance of the Company was submitted to the SEC on 30 August 2002. While its Revised Manual of Corporate Governance was submitted to the SEC on 23 January 2014.</p>
3	The company's MCG is posted on the company website.	NON-COMPLIANT		<p>The Company will coordinate with its IT department to post its MCG on the Club website.</p>

**Recommendation 8.4**

1	The company's corporate governance policies and practices and all relevant information are disclosed in its Annual Corporate Governance Report (ACGR).	COMPLIANT	<i>Provide link to the company's website where the Annual Corporate Governance Report is posted.</i>	The Company is working on its ACGR to include its corporate governance policies and practices and all relevant information.
2	The company's ACGR is submitted to the SEC.	COMPLIANT		After the ACGR is completed, the Company will submit it to the SEC on or before the deadline of 30 June 2023.
3	The company's ACGR is posted on the company website.	NON-COMPLIANT		The Company will coordinate with its IT department to post its ACGR on the Club website after its filing with the SEC.

### Principle 9. STRENGTHENING EXTERNAL AUDITOR'S INDEPENDENCE AND IMPROVING AUDIT QUALITY

The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

#### Recommendation 9.1

1	The Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of external auditors.	COMPLIANT	<i>Provide information or link/reference to a document containing the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.</i>	The Revised Manual on Corporate Governance provide in Art. 5 that:  "B. The Board, after consultations with the Audit Committee, shall recommend to the stockholders an external auditor duly accredited by the Commission who shall undertake an independent audit of the corporation, and shall provide an objective assurance on the manner by which the financial statements shall be prepared and presented to the stockholders. The external auditor shall not, at the same time, provide internal audit services to the corporation. Non-audit work may be given to the external auditor, provided it does not conflict with his duties as an independent auditor, or does not pose a threat to his independence.
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				<p>If the external auditor resigns, is dismissed or ceases to perform his services, the reason/s for and the date of effectivity of such action shall be reported in the corporation's annual and current reports. The report shall include a discussion of any disagreement between him and the corporation on accounting principles or practices, financial disclosures or audit procedures which the former auditor and the corporation failed to resolve satisfactorily. A preliminary copy of the said report shall be given by the corporation to the external auditor before its submission.</p> <p>If the external auditor believes that any statement made in an annual report, information statement or any report filed with the Commission or any regulatory body during the period of his engagement is incorrect or incomplete, he shall give his comments or views on the matter in the said reports.”</p>
2	The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and the shareholders/members.	COMPLIANT	<i>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</i>	The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, and approved by the shareholders/members during the Annual Stockholders Meeting of the Company.
3	For the removal of external auditor, the reasons for such removal or change are disclosed to the SEC, the shareholders/members, and the public through the company website and required disclosures.	COMPLIANT	<i>Provide information or link/reference to a document containing the company's reason for removal or change of external auditor.</i>	Please see Revised Manual on Corporate Governance provide in Art. 5, Sec. B which was quoted above.

Recommendation 9.2

<p>1</p>	<p>The Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors;</li> <li>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</li> <li>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</li> </ul>	<p>COMPLIANT</p>	<p><i>Provide link/reference to the company's Audit Committee Charter.</i></p>	<p>The Revised Manual on Corporate Governance provide in Art. 3, Section K that:</p> <p>"I. The Audit Committee shall xxx. The committee shall have the following functions:</p> <ul style="list-style-type: none"> <li>a. Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;</li> <li>b. xxx</li> <li>c. Perform oversight functions over the corporation's internal and external auditors. It should ensure that the internal and external auditors act are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;</li> <li>d. xxx;</li> <li>e. Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination of more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;</li> </ul>
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				<p>f. xxx</p> <p>g. Monitor and evaluate the adequacy and effectiveness of the corporation's internal control system, including financial reporting control and information technology security;</p> <p>h. Review the reports submitted by the internal and external auditors;</p> <p>i. Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:</p> <ul style="list-style-type: none"> <li>• Any change/s in accounting policies and practices</li> <li>• Major judgmental areas</li> <li>• Significant adjustments resulting from the audit</li> <li>• Going concern assumptions</li> <li>• Compliance with accounting standards</li> <li>• Compliance with tax, legal and regulatory requirements.</li> </ul> <p>j. Coordinate, monitor and facilitate compliance with laws, rules and regulations;</p> <p>k. xxx”</p>
2	The Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	COMPLIANT		Same as above
Recommendation 9.3				

1	The company discloses the nature of non-audit services performed by its external auditor in the Annual Report to manage potential conflict of interest cases.	COMPLIANT	<p><i>Disclose the nature of non-audit services performed by the external auditor, if any.</i></p>	<p>The Revised Manual on Corporate Governance provide in Art. 3, Section K that:</p> <p>“k. Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the corporation's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the corporation's annual report; xxx”</p>
2	The Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor’s objectivity.	COMPLIANT	<p><i>Provide link or reference to guidelines or policies on non-audit services.</i></p>	Same as above

**Principle 10. INCREASING FOCUS ON NON-FINANCIAL AND SUSTAINABILITY REPORTING**

The Board should ensure that the company discloses material and reportable non-financial and sustainability issues.

**Recommendation 10.1**

1	The Board has a clear and focused strategy on the disclosure of non-financial information.	COMPLIANT	<p><i>Disclose or provide link to the company's policies and practices on the disclosure of non-financial information, including EESG issues.</i></p>	<p>The Revised Manual on Corporate Governance provide in Art. 8, second paragraph that:</p> <p>“It is therefore essential that all material information about the corporation which could adversely affect its viability or the interests of the stockholders should be publicly and timely disclosed. xxx All such information should be disclosed through the appropriate Securities</p>
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				and Exchange Commission mechanisms and submissions to the Commission.”
2	The company discloses to all shareholders/members and other stakeholders the company’s strategic and operational objectives with emphasis on the management of environmental, economic, social and governance (EESG) issues of its business which underpin sustainability.	COMPLIANT	<i>Provide link or reference to the company’s disclosure of strategic and operational objectives, with emphasis on EESG matters.</i>	Same as above

**Principle 11. PROMOTING A COMPREHENSIVE AND COST-EFFICIENT ACCESS TO RELEVANT INFORMATION**

The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for an informed decision-making by investors, stakeholders and other interested users.

**Recommendation 11.1**

1	The company has a website to ensure a comprehensive, cost-efficient, transparent and timely manner of disseminating relevant information to the public.	COMPLIANT	<i>Provide link to the company’s website.</i>	<a href="https://eagle-ridge.com.ph/">https://eagle-ridge.com.ph/</a>
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**INTERNAL CONTROL AND RISK MANAGEMENT FRAMEWORKS**

**Principle 12. STRENGTHENING INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS**

To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management system.

**Recommendation 12.1**

1	The company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	<i>List quality service programs for the internal audit functions.</i>  <i>Indicate frequency of review of the internal control system.</i>	The Revised Manual on Corporate Governance provide in Art. 3 that:  “H. Internal Control Responsibilities of the Board  The control environment of the corporation consists of (a) the Board which ensures that the corporation is properly and effectively managed and supervised; (b) a Management that actively manages and operates the corporation in a sound and prudent manner; (c) the organizational and procedural controls supported by effective
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management information and risk management reporting systems; and (d) an independent audit mechanism to monitor the adequacy and effectiveness of the corporation's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts.

I. The minimum internal control mechanisms for the performance of the Board's oversight responsibility may include:

a. Definition of the duties and responsibilities of the CEO who is ultimately accountable for the corporation's organizational and operational controls;

b. Selection of the person who possesses the ability, integrity and expertise essential for the position of CEO;

c. Evaluation of proposed senior management appointments;

d. Selection and appointment of qualified and competent management officers; and

e. Review of the corporation's human resource policies, conflict of

			<p>interest situations, compensation program for employees, and management succession plan.</p> <p>II. The scope and particulars of the systems of effective organizational and operational controls may differ among corporations depending on, among others, the following factors: nature and complexity of the business and the business culture, volume, size and complexity of transactions; degree of risks involved; degree of centralization and delegation of authority; extent and effectiveness of information technology; and extent of regulatory compliance. “</p>
2	The company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT	<p><i>Identify international framework used for Enterprise Risk Management.</i></p> <p><i>Provide information or reference to a document containing information on:</i></p> <ol style="list-style-type: none"> <li><i>1. Company's risk management procedures and processes.</i></li> <li><i>2. Key risks the company is currently facing.</i></li> <li><i>3. How the company manages the key risks.</i></li> </ol> <p><i>Indicate frequency of review of the enterprise risk management framework.</i></p>
<b>Recommendation 12.2</b>			
1	The company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	COMPLIANT	<p>The Revised Manual on Corporate Governance also provide in Art. 3, Section H that:</p> <p>“III. The corporation may establish an internal audit system that can reasonably assure the Board, Management and stockholders that its key organizational and operational controls are faithfully complied with. The Board may</p>

appoint an Internal Auditor to perform the audit function, and may require him to report to a level in the organization that allows the internal audit activity to fulfill its mandate. The Internal Auditor shall be guided by the International Standards on Professional Practice of Internal Auditing.”

Consequently, the Company had set up an internal audit team for this purpose.

**CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS/MEMBERS**

**Principle 13. PROMOTING SHAREHOLDER/MEMBER RIGHTS**

The company should treat all shareholders/members fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.

**Recommendation 13.1**

1	The Board ensures that basic shareholder/member rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	<p><i>Provide link or reference to the company's Manual on Corporate Governance where shareholders'/members' rights are disclosed.</i></p>	<p>The Revised Manual on Corporate Governance provide in Art. 6 that:</p> <p>“A. The Board shall respect the rights of the stockholders as provided for in the Corporation Code; namely:</p> <p>I. Right to vote on all matters that require their consent or approval;</p> <p>II. Pre-emptive right to all stock issuances of the corporation;</p> <p>III. Right to inspect corporate books and records;</p> <p>IV. Right to information;</p> <p>V. Right to dividends; and</p>
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				VI. Appraisal right”
<b>Recommendation 13.2</b>				
1	The Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders’/Members’ Meeting with sufficient and relevant information at least twenty-one (21) days before the meeting.	COMPLIANT	<p><i>Indicate the number of days before the annual or special stockholders’/members’ meeting when the notice and agenda were sent out. Provide link to the Agenda included in the company’s Information Statement (SEC Form 20-IS).</i></p>	<p>The Revised Manual on Corporate Governance also provide in Art. 6 that:</p> <p>“B. The Board should be transparent and fair in the conduct of the annual and special stockholders’ meetings of the corporation. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be appraised ahead of time of their right to appoint a proxy. Subject to the requirements of the by-laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholders’ favor.”</p> <p>Thus the Company sends Notices of its Annual Stockholders Meeting at least 21 days before the Meeting.</p>
<b>Recommendation 13.3</b>				
1	The Board encourages active shareholder/member participation by making the result of the votes taken during the most recent Annual or Special Shareholders’/Members’ Meeting publicly available the next working day.	COMPLIANT	<p><i>Provide information or reference to a document containing all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</i></p>	The Company announces the results of the voting on the same day of the Annual Stockholders Meeting by posting it in its bulletin board at the Club.
2	The minutes of the Annual and Special Shareholders’/Members’ Meetings were made available on the company website within five (5) business days from the date of the meeting.	NON-COMPLIANT	<p><i>Provide link to minutes of meeting in the company website.</i></p> <p><i>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</i></p>	The Company will coordinate with its IT department to post copies of its Annual and Special Shareholders’/Members’ Meetings on the Club website after its filing with the SEC.

			<p><i>Indicate also if the voting on resolutions was by poll.</i></p> <p><i>Include whether there was opportunity to ask question and the answers given, if any.</i></p>
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**Recommendation 13.4**

1	The Board makes available, at the option of a shareholder/member, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	COMPLIANT	<p><i>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes.</i></p> <p><i>Provide link/reference to where it is found in the Manual on Corporate Governance.</i></p>	<p>The Revised Manual on Corporate Governance in Art. 3, Section F, also provide that:</p> <p>“II. Duties and Functions</p> <p>To ensure a high standard of best practice for the corporation and its stockholders, the Board should conduct itself with honesty and integrity in the performance of, among others, the following duties and functions:</p> <p>xxx</p> <p>j. Establish and maintain an alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including the regulatory authorities; xxx”</p>
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**Recommendation 13.5**

1	The Board establishes an Investor Relations Office (IRO) or Customer Relations Office (CRO) or its equivalent to ensure constant engagement with its shareholders/members.	COMPLIANT	<p><i>Disclose the contact details of the officer/office responsible for investor relations, such as:</i></p> <p>1. Name of the person</p> <p>2. Telephone number</p> <p>3. Fax number</p> <p>4. E-mail address</p>	<p>The Revised Manual on Corporate Governance also provide in Art. 3, Section F that:</p> <p>“II. Duties and Functions</p>
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				<p>To ensure a high standard of best practice for the corporation and its stockholders, the Board should conduct itself with honesty and integrity in the performance of, among others, the following duties and functions:</p> <p>xxx</p> <p>d. Establish and maintain an investor relations program that will keep the stockholders informed of important developments in the corporation. If feasible, the corporation's CEO or chief financial officer shall exercise oversight responsibility over this program.”</p> <p>The IRO of the Company is the Membership Affairs Manager of the Club.</p>
2	The IRO or CRO or its equivalent is present at every shareholders'/members' meeting.	COMPLIANT	<i>Indicate if the IRO or CRO or its equivalent was present during the ASM.</i>	The Membership Affairs Manager of the Club attends every shareholders'/members' meeting.
<b>DUTIES TO STAKEHOLDERS</b>				
<b>Principle 14. RESPECTING RIGHTS OF STAKEHOLDERS AND EFFECTIVE REDRESS FOR VIOLATION OF STAKEHOLDER'S RIGHTS</b>				
The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.				
<b>Recommendation 14.1</b>				
1	The Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	COMPLIANT	<i>Identify the company's stakeholders and provide information or reference to a document containing the company's policies and programs for its stakeholders.</i>	<p>The Revised Manual on Corporate Governance in Art. 3, Section F, also provide that:</p> <p>“II. Duties and Functions</p> <p>To ensure a high standard of best practice for the corporation and its</p>

				<p>stockholders, the Board should conduct itself with honesty and integrity in the performance of, among others, the following duties and functions:</p> <p>xxx</p> <p>e. Identify the sectors in the community in which the corporation operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them.”</p>
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**Recommendation 14.2**

1	The Board establishes clear policies and programs to provide a mechanism on the fair treatment, protection and enforcement of the rights of stakeholders.	COMPLIANT	<p><i>Identify policies and programs for the protection, fair treatment and enforcement of the rights of the company's stakeholders.</i></p>	<p>The Revised Manual on Corporate Governance in Art. 6, last paragraph, also provide that:</p> <p>“Although all stockholders should be treated equally or without discrimination, the Board should give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the corporation.”</p>
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**Principle 15. ENCOURAGING EMPLOYEES' PARTICIPATION**

A mechanism for employee participation should be developed to create a symbiotic working environment consistent with the realization of the company's objectives and good corporate governance goals.

**Recommendation 15.1**

1	The Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	COMPLIANT	<p><i>Provide information or link/reference to company policies, programs and procedures that encourage employee participation.</i></p>	<p>The Company encourage employees to actively participate in the realization of the company's goals and in its governance thru its Vision and Mission Statements and the Employees Handbook/ Code of Conduct.</p>
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**Recommendation 15.2**

1	The Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Business Conduct and Ethics.	COMPLIANT	<i>Identify or provide link/reference to the company's policies, programs and practices against corruption.</i>	The Revised Manual on Corporate Governance also provide in Art. 8, first paragraph, that:  “The essence of corporate governance is transparency. The more transparent the internal workings of the corporation are, the more difficult it will be for Management and dominant stockholders to mismanage the corporation or misappropriate its assets.”  In addition, the Company has an Internal Audit team which investigates corrupt practices or transactions.
2	The Board disseminates the policy and program to employees across the organization through trainings to embed them in the company’s culture.	COMPLIANT	<i>Identify how the board disseminated the policy and program to the employees across the organization.</i>	The Board disseminates its Code of Conduct to employees of the Company through the Club’s Mission and Vision statements and in the training sessions conducted through the Company's Human Resources Department.
<b>Recommendation 15.3</b>				
1	The Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation.	NON-COMPLIANT	<i>Disclose or provide link/reference to the company whistleblowing policy and procedure for employees.</i>	The Board of the Company still has to approve and adopt a Whistleblowing Policy.
2	The Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	NON-COMPLIANT	<i>Indicate if the framework includes procedures to protect the employees from retaliation.</i>  <i>Provide contact details to report any illegal or unethical behavior.</i>	Same as above
3	The Board supervises and ensures the enforcement of the whistleblowing framework.	NON-COMPLIANT	<i>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</i>	Same as above
<b>Principle 16. ENCOURAGING SUSTAINABILITY AND SOCIAL RESPONSIBILITY</b>				

The company should be socially responsible in all its dealings with the communities in which it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

**Recommendation 16.1**

1	<p>The company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>	<p>COMPLIANT</p>	<p><i>Provide information or reference to a document containing the company's community involvement and environment-related programs.</i></p>	<p>The Revised Manual on Corporate Governance also provide in Art. 3, Section F, that:</p> <p>“II. Duties and Functions</p> <p>To ensure a high standard of best practice for the corporation and its stockholders, the Board should conduct itself with honesty and integrity in the performance of, among others, the following duties and functions:</p> <p>xxx</p> <p>e. Identify the sectors in the community in which the corporation operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them.”</p> <p>The Company granted a one-time financial assistance to caddies, agency contractors, and new employees during the Enhanced Community Quarantine. It also supported the Covid-19 vaccination efforts of the local government unit where it operates.</p>
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