


I-ACGR Attachments

- **Retirement Policy**
- **Performance Evaluation Policy / HR Memo No. 0036-2018**
- **Related Party Transaction (RPT) Form**
- **Evaluation Form for Performance Assessment**
- **Fraud Policy**
- **ABLE Employee Handbook**
- **Audit Committee Meeting Minutes**
- **Excerpts of Board Meeting Minutes**

Policy No. HR -20	Title of Manual Policy Manual		
Date Prepared: 6 November 2020	Policy Name EMPLOYEE RETIREMENT	Version No. 1	
Effectivity Date: On Release Date		Revision No.	
Prepared by: Maria Rocelle Mag-iba	Reviewed by: Jacqueline Chan Atty. Kristine Margaret Delos Reyes	Approved by: Eng Hun Chuah	

1. Policy Statement

In accordance to the Labor Code of the Philippines, LRWC shall grant provisions to regular employees upon retirement from service that is consistent with the Philippine Retirement Law (R.A. 7641).

2. Coverage

This policy applies to all regular employees of LRWC and its subsidiary companies.

3. Policy

3.1 Regular employees can avail the retirement benefit under the following conditions:

Eligibility	Retirement Type	
	Optional	Mandatory
Age	60	65
Minimum Years of Service	5 years	5 years
Retirement Benefit as monthly multiple	.5	.5


3.2 Optional Retirement can be availed by employees who wishes to retire provided that they have served the company for the prescribed period and have reached the prescribed age.

3.3 Mandatory Retirement shall be imposed to employees as required by law to leave their employment upon reaching the age of sixty-five (65) regardless of their willingness to do so. Further, their retirement benefit requires that they have served the company for at least five (5) years.

4. Procedure

The following procedures shall be complied with in availing the Optional Retirement:


4.1 A regular employee who wishes to avail the Optional Retirement (hereinafter, the "Applicant Retiree"), shall submit a duly signed letter of intent to his respective Department and/or Business Unit (BU) Head at least three (3) months ahead of the intended retirement date.

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- 4.2** The Applicant Retiree’s letter of intent shall be subject to his Department and/or BU Head’s initial approval before the same is endorsed for the final approval by the President of LRWC.
- 4.3** In the event that the endorsement of the Department and/or BU Head is not obtained, the Applicant Retiree will not be entitled to avail the Optional Retirement.
- 4.4** Upon endorsement of the Department and/or BU Head of the Letter of Intent of the Applicant Retiree for approval of the President of LRWC, the latter shall have the absolute discretion to approve the same for processing of the Human Resources Department. No Applicant Retiree shall be entitled to avail the Optional Retirement without the signed approval from the President of LRWC.
- 4.5** Upon approval from the President of the LRWC, the Letter of Intent of the Applicant Retiree shall be forwarded to the Human Resources Department for processing in accordance with the guidelines below.
- 4.6** The effective date of retirement of the Applicant Retiree shall likewise be subject upon the discretion of the Department and/or BU Head, subject upon the approval of the President, taking into consideration business exigencies, work and documents to be turned over, and other operational requirements of the company where the Applicant Retiree is assigned.
- 4.7** If and when a replacement is necessary, HR shall make sure that the Applicant Retiree and his replacement will have at least two (2) months to work together so that the Applicant Retiree may completely train and turn over all his work responsibilities to his replacement.

The following procedures shall be implemented for Mandatory Retirement:

- 4.8** At the beginning of each year, HR shall submit a list to the President of LRWC and/or Business Unit Heads concerned of the impending mandatory retirement of employees (hereinafter, the “Retiree”) including executives during the year.
- 4.9** After the President and/or Business Unit Heads acknowledges the list of Retirees by affixing their signatures, this will be the trigger to find or train the replacement of the Retiree/s.
- 4.10** If and when a replacement is necessary, HR shall make sure that the Retiree and his replacement will have at least two (2) months to work together so that the Retiree may completely train and turn over all his work responsibilities to his replacement.

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4.11 At least two (2) months before the Retiree's last working day, HR shall begin processing the Retiree's clearance and all necessary procedures in preparation of the Retirement Pay of the Retiree.

5. Guidelines

- 5.1 All approved Applicant Retirees and Retirees shall be entitled to a Retirement Pay equivalent to one-half (1/2) latest monthly basic pay for every year of service, a fraction of at least six (6) months being considered as one (1) whole year. A fraction of less than six (6) months shall be counted in proportion to the actual number of years.
- 5.2 The term one-half month basic pay shall mean Monthly Basic Pay/2, plus one-twelfth (1/12) of the 13th month pay (equivalent to 2.5 days), and the cash equivalent of not more than five (5) days of service incentive leave.
- 5.3 In computing the Retirement Pay, the Equivalent Daily Rate (EDR) is computed as follows: $EDR = (\text{Basic Monthly Pay} \times 12) / 313$
- 5.4 Retirement Pay shall likewise include any unused sick leaves, less loan balances, advances and other liabilities of the approved Applicant Retiree and/or Retiree, if any.
- 5.5 Approved and paid leaves such as vacation and sick leaves, including authorized leaves without pay, sabbatical leaves and periods covering community lockdown in the event of natural disasters/catastrophes do not constitute an interruption in the length of service.
- 5.6 Retirement Pay shall be released after the completion of the clearance process and execution of all necessary documents, or on the last working day of the Applicant Retiree and/or Retiree, whichever is later.
- 5.7 Human Resource Department shall be responsible to verify pertinent information (e.g. status of employment, age, years in service, etc.) to determine the eligibility and amount of the Retirement Pay of the Applicant Retiree and/or Retiree.

Human Resource Department

19 January 2018

No: 0036-2018

TO: ALL EMPLOYEES
LRWC & Subsidiaries

Re: **2018 PERFORMANCE EVALUATION POLICY**

As agreed last November 2017 during ManCom and in line with the initiative to effectively monitor employee's performance using measurable parameters, the new template for Performance Evaluation has already been introduced and distributed to BU's and SSU Departments. This template must be used beginning January 2018. Please find below the new guidelines and policies regarding our Performance Evaluation:

1. All regular employees will still undergo semi-annual Performance Evaluation using the new template with the following agreed percentages (template to be emailed separately):

Business Units (JG6 and above- Branch/Office based, JG5 & below – Branch based)	Business Units (JG 5 & below – Office based)	Shared Service Unit (All Job Grades)
50% BU Objective 30% Dept. Objective 10% Individual Objective 10% Co. Policies	20 % BU Objective 60% Dept. Objective 10% Individual Objective 10% Co. Policies	20 % BU Objective 60% Dept. Objective 10% Individual Objective 10% Co. Policies

2. All probationary employees will be evaluated by using another Performance Evaluation with the following agreed percentages (template to be emailed separately):

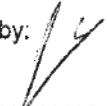
Probationary	40 % Job Competency 40% Personal Competency 20% Co. Policies
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3. Performance Evaluation Form will require a sign-off between the employee and his immediate superior at the beginning of each year to set expectation on performance objectives and at the end of semi-annual evaluation to serve as an agreement on the final rating. This signed form must be emailed to HR.
4. During performance evaluation, employees will rate their own performance against a target but still subject to the approval of their immediate superior.
5. The new passing grade for performance evaluation is set at 2.0 = 70%
6. The average rating of an employee based on his semi-annual performance evaluation will be the basis for computation of performance bonus (if any). But for those who do not make the passing grade will not be entitled to the performance bonus (if in case the Management decides to provide a performance bonus)

We shall schedule training to SSU and BU on how to use the new performance evaluation template.

Thank you.


LOIDA B. TIANGCO
Senior HR Manager

Noted by: 
CHOON SIANG LEE
Administration Head



Related Party Disclosure Form

Name: _____ [] Director [] Officer [] Shareholder

- DigiPlus Interactive Corp.'s Material Related Party Transactions Policy defines **“Related Parties”** as:
- i. the Company’s directors, officers, Substantial Shareholders, as defined herein, and their spouses and relatives within the fourth civil degree of consanguinity or affinity, either by marriage or domestic partnership if these persons have control, joint control or Significant Influence over the Company; and
 - ii. the Company’s parent, Subsidiary, fellow subsidiary, Associate, Affiliate, joint venture or an entity that is controlled, jointly controlled or significantly influenced or managed by a person who is Related Party.

A. Individual Related Parties

Please provide the requested information or put N/A (or tick the box) if not applicable. (Please see Degrees of Relationship on page 4 for reference).

Spouse Name			
Employed []	Self-Employed []	Others [] Specify : _____	
Company		Position	
Relative’s Name			
Relationship			
Employed []	Self-Employed []	Others [] Specify : _____	
Company		Position	
Relative’s Name			
Relationship			
Employed []	Self-Employed []	Others [] Specify : _____	
Company		Position	
Relative’s Name			
Relationship			
Employed []	Self-Employed []	Others [] Specify : _____	
Company		Position	
Relative’s Name			
Relationship			
Employed []	Self-Employed []	Others [] Specify : _____	
Company		Position	
<input type="checkbox"/> There are no Individual Related Parties for me to report.			

C. Entities that are controlled or jointly-controlled by you and/or your Related Parties

Control is defined as a person or entity who controls the Company of and only if the person or entity has all of the following, taking into account financial standards, laws, and rules and regulations, namely:

- i. power to govern the financial and operating policies of the Company so as to obtain benefits from its activities;
- ii. exposure or rights to variable returns from its involvement with the Company; and
- iii. the ability to use its power over the Company to affect the amount of the Company’s returns.

Company (e.g., Corp. name, Partnership name)	Relationship to the company	Line of business

Thank you for taking the time to accomplish this form

Privacy Notice

DigiPlus Interactive Corp. will collect, record, store, use, disclose, and process your and Related Party/ies’ personal information consisting of your name and signature and the name/s of your Related Party/ies for the purpose of this Related Party Disclosure Form and for purposes relevant or incidental thereto. Disclosure of said personal information may be made to the SEC, and/or the PSE website for compliance purposes. Said personal information will be retained for a period of five (5) years and afterwards it will be safely destroyed. You and your Related Party/ies have rights under the Data Privacy Act such as the rights to be informed, access, correct, object, withdraw, erasure, data portability, file complaint, and damages. You and your Related Party/ies should be aware that there are risks in the processing of said personal information and for safeguards to protect it, kindly read the DigiPlus Interactive Corp.’s Data Privacy Manual and Data Subject Rights Request Procedure or contact the Data Privacy Executive for the exercise of your right or for any concern.

I hereby certify that all information provided and any attached documents are true, complete, and correct to the best of my knowledge.

Signature above printed name / date

Degrees of Relationship

C
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4th Degree Great Great Grandparent
Great Uncle/Aunt
First Cousin
Grand Nephew/Niece

3rd Degree Great Grandparent
Uncle/Aunt
Nephew/Niece
Great Grandchild

2nd Degree Grandparent
Sibling
Grandchild

1st Degree Parent
Child

YOU / SPOUSE

1st Degree Parent-in-law
Child-in-law

2nd Degree Grandparent-in-law
Sibling-in-law
Grandchild-in-law

3rd Degree Great Grandparent-in-law
Uncle/Aunt-in-law
Nephew/Niece-in-law
Great Grandchild-in-law

4th Degree First Cousin-in-law
Great Great Grandparent-in-law
Grand Nephew/Niece-in-law
Great Uncle/Aunt-in-law

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COMPETENCY COMPONENTS

A. Board Composition/Structure and Processes
B. Roles and Responsibilities
C. Board Committees
D. Director's Self Evaluation

TOTAL/ OVERALL SCORE

Evaluation Summary		
SCORE OUT OF 5	WEIGHT	POINTS
0		0.00
0		0.00
0		0.00
0		0.00
		0%
		0

Overall Rating Description

Strongly Agree
 Agree
 Somewhat Agree
 Disagree
 Strongly Disagree/Not True

Score Range

5.0
 4.0
 3.0
 2.0
 1.0

SECTION II: Questionnaire

A. Board Composition/Structure and Processes **SCORE**

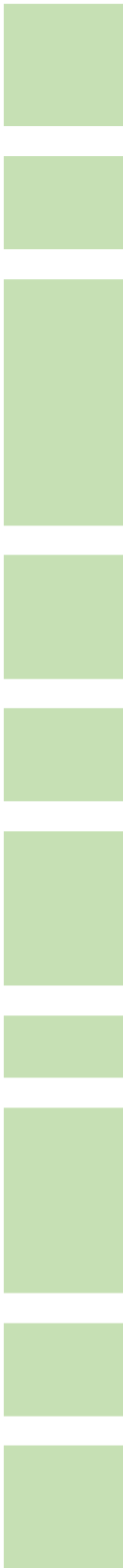
- A.1 The Board consists of a sufficient number of members, with the appropriate mix of diversity, experience, age, gender, knowledge and skills.
- A.2 The Board encourages and operates independently of the shareholders/owners by having the sufficient number of executive directors, non-executive directors, independent directors.
- A.3 The Chairman presides during all meetings of the Board and of the stockholders, follows the approved agenda and effectively controls all proceedings to ensure transparency open discourse, full participation of all members, deliberation on all matters for approval and, that meetings/members are orderly, disciplined and professional.
- A.4 Meetings are regularly called/held and are of sufficient length to allow for a thorough discussion of all matters in the agenda and of other important matters.
- A.5 Directors are given adequate notice of proposed meeting dates and conflicts are avoided as much as possible in order to ensure attendance and full participation of all directors.
- A.6 Directors are given advance notice of the agenda as well as copies of the materials/readings to be discussed.
- A.7 Meeting length/duration is appropriate for the agenda, and the Board is given sufficient materials, information and time to discuss policies, issues and matters for approval.
- A.8 The minutes of every meeting are distributed to the directors in a timely manner, and are complete, correct and accurate.
- A.9 The directors receive, or are encouraged to receive, continuing education and attend trainings/seminars which allow them to be informed of current developments related to their expertise relevant to the company, and to improve knowledge, qualifications and experience on the same.

Other comments:

B. Roles and Responsibilities **SCORE**

- B.1 The Board only acts/approves resolutions/actions on the affirmative vote of at least a majority of the directors at meetings where there is a sufficient quorum.

- B.2 The Board applies the highest ethical standards, honesty, and integrity, taking into consideration the interests of all stakeholders involved, in the conduct of proceedings and in making decisions.
- B.3 The Board adheres to the Corporation's Code of Corporate Governance, Code of Business Conduct and Ethics, and other relevant company policies.
- B.4 The Board deliberates and addresses, in a timely manner, all proposed plans/strategies, and those involving critical issues.
- B.5 The Board consistently and continuously monitors previously approved actions/plans to check for completion and/or if there is a need to adjust/adapt to changing times/conditions.
- B.6 The Board establishes the company's mission and vision and regularly reviews the same to ensure that these are consistent with the company's policies and the Board's decisions.
- B.7 The Board always considers the interests of all stakeholders, including minority stockholders, in its decision-making processes.
- B.8 The Board has in place a clear and defined internal control system to avoid conflicts of interest, ensure proper discussion and approvals of related-party transactions, proper risk management, and other similar circumstances.
- B.9 There is a clear distinction between the role of the chairman and the chief executive officer/management.
- B.10 The Board makes personnel actions and appointments based on merit, fitness and objective qualifications/experience and provides adequate and sufficient compensation consistent with the roles/responsibilities of the said role and in accordance with the Corporation Code and SEC rules.
- B.11 The Board is always held accountable to its stakeholders for all decisions which are validly passed and agreed upon, regardless of outcome.
- B.12 The Board ensures the adoption and regular implementation of the Board/director performance evaluation for purposes of checking and improving on the Board's policies, proceedings and procedures.



Other comments:

C. Board Committees	SCORE	0
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- C.1 The Board has an effective committee structure which is compliant with the requirements of the Manual on Corporate Governance and applicable to the specific needs of the company.
- C.2 The delegation/delineation of functions to the different committees is clear, with each committee having defined roles, functions and mandates/charters.
- C.3 The committee members and chairpersons are elected based on their respective qualifications, capabilities, expertise and competencies and which are appropriate for the assigned committee and always in compliance with the requirements of the by-laws and the Manual on Corporate Governance.
- C.4 The committees provide the Board with regular reports with sufficient information/updates or matters needing Board attention/approval.



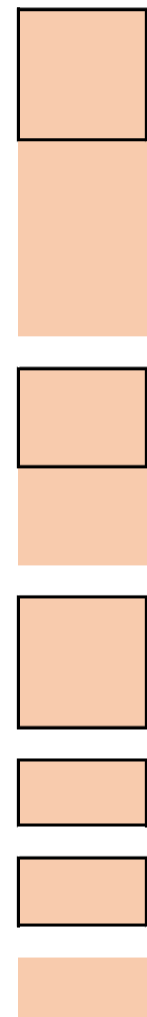
- C.5 The committees are given sufficient resources and time by the Board to hold meetings, discussions and to properly/fully discharge its functions, *i.e.* proper funding, etc.
- C.5 The committees are given sufficient resources and time by the Board to hold meetings and discussions to properly/fully discharge its functions.



Other comments:

D. Director's Self Evaluation	SCORE	0
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- D.1 I understand my role, including all policies and procedures I/the Board is subjected to, as director and committee member and faithfully perform this role and adopt these policies/procedures.
- D.2 I avoid conflict of interest situations or, if unavoidable, I make prompt and complete disclosures, abstain from the voting and deliberations and actively do everything not to exert any undue influence on the other members of the Board.
- D.3 I apply the highest ethical standards, honesty, and integrity taking into consideration the interests of all stakeholders involved in the Corporation's business.
- D.4 I exercise objective and independent judgment on all corporate affairs I oversee and/or decide upon.
- D.5 I come to Board and committee meetings prepared by devoting sufficient time to be familiar with the company's business and matters for discussion, and actively participate therein.
- D.6 I attend all scheduled Board and committee meetings (promptly) and maintain a good attendance record.
- D.7 as a director and always in the best interest of the Corporation.
- D.8 I respect the differing opinions of the other directors and willingly abide by Board decisions made collegially.



Other comments:

LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES FRAUD POLICY

BACKGROUND

The Corporate Fraud Policy is established to facilitate the development of controls which will aid in the detection, prevention and prosecution of fraud against LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES (hereinafter called the Company). It is the intent of the Company to promote consistent honest organizational behavior by providing guidelines and assigning responsibility for the development of internal controls and the conduct of investigations.

SCOPE OF POLICY

This policy applies to any fraud or suspected fraud involving employees of the Company as well as its shareholders, directors, officers, consultants, vendors, contractors and any outside agencies or other parties with a business relationship with the Company.

ACTS CONSTITUTING FRAUD

Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to the injury of the Company, its shareholders, directors, officers, employees or any third person. Fraud can range from minor employee theft and unproductive behavior to misappropriation of assets and fraudulent financial reporting.

The terms defalcation, misappropriation, and other fiscal wrongdoings refer to, but are not limited to:

- Any dishonest or fraudulent act
- Manipulation, falsification or alteration of any records, document or account belonging to the Company
- Forgery or alteration of a check, bank draft, or any other financial document
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Fraudulent financial reporting
- Recording of transactions without substance
- Intentional misapplication of accounting policies irrespective of whether or not the wrongdoer derives material benefit from it,
- Suppression or omission of the effects of transactions from records or documents
- Intentional deviation from the Company's operational procedures resulting in losses, damage or injury to the Company irrespective of whether or not the

- wrongdoer derives material benefit from it.
- Profiteering as a result of insider knowledge of company activities
- Disclosing confidential and proprietary information to outside parties
- Disclosing securities activities engaged in or contemplated by the company to any third party.
- Accepting or seeking anything of material value from contractors, vendors or persons providing services/materials to the Company with the exception of gifts less than Php200 in value.
- Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related inappropriate conduct

POLICY

The Company shall adopt and maintain a policy of "Zero Tolerance for Fraud and Unethical Behavior". Management is responsible for designing and implementing systems and procedures for the prevention and detection of fraud and for ensuring a culture and environment that promotes honesty and ethical behavior. Strong emphasis shall be placed on *fraud prevention*, which may reduce opportunities for fraud to take place, and *fraud deterrence*, which could persuade individuals that they should not commit fraud because of the likelihood of detection and punishment.

It is Management's responsibility to create a culture of honesty and high ethics and to clearly communicate acceptable behavior and expectations from each employee. Management shall adopt and enforce a code of conduct with a strong value system founded on the fundamental principle that all its business affairs shall be conducted legally, ethically and with strict observance of the highest integrity and propriety. Management must show employees through its words and actions that dishonest or unethical behavior will not be tolerated, even if it results in benefits to the Company. Management must also show that all employees will be treated equally, regardless of their position.

Management shall be proactive in reducing fraud opportunities by (1) identifying and measuring fraud risks, (2) taking steps to mitigate identified risks, and (3) implementing and monitoring appropriate preventive and detective internal controls and other deterrent measures.

In devising and adopting a system of internal controls and procedures, Management shall see to it that: (1) there is appropriate segregation of duties and authority to effectively promote a system of checks and balances; (2) there are written policies and procedures for each department covering critical business processes and transactions; (3) there are efficient information systems and procedures that will ensure timely and accurate information.

OVERSIGHT FUNCTION OF THE AUDIT COMMITTEE

The Audit Committee shall exercise overall oversight function with respect to the Company's financial reporting process and the system of internal control. The Audit Committee shall evaluate (1) management's identification of fraud risks, (2) the implementation of antifraud measures, and (3) the creation of positive workplace environment and the appropriate "tone at the top" setting the proper example. In exercising this oversight responsibility, the Audit Committee shall consider the potential for management override of controls or other inappropriate influence over the financial reporting process.

As part of its oversight responsibilities, the Audit Committee shall encourage management to provide a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violations of the Company's code of conduct or ethics policy. The committee shall receive periodic reports describing the nature, status, and eventual disposition of any fraud or unethical conduct.

The Audit Committee shall ensure that:

- A thorough investigation of each incident is conducted.
- Appropriate and consistent actions are taken against violators.
- Relevant controls are assessed and improved.
- There is sufficient training about the Company's values and its code of conduct and that such training include "fraud awareness" – the duty to report or communicate actual or suspected acts of fraud.
- Continuous training occurs to reinforce the Company's values, code of conduct, and expectations.
- There are effective policies that minimize the chance of hiring or promoting individuals with low levels of honesty, especially for positions of trust.
- Each department has its own written operational procedures and these are properly disseminated to all the employees concerned.

The Audit Committee shall have the authority to order the investigation of any alleged or suspected wrongdoing brought to its attention or any matters within the scope of its responsibilities. Any fraud that is detected or suspected will be immediately referred to the Internal Auditor, who shall conduct all investigations in coordination with the Legal Department and Human Resources Department.

ROLE OF THE INTERNAL AUDITOR

The Internal Auditor shall assist the Audit Committee in the exercise of its oversight functions over the Company's financial reporting process and its system of internal control. The Internal Auditor shall assist in the deterrence of fraud by examining and evaluating the adequacy and the effectiveness of the system of internal control, commensurate with the extent of the potential exposure or risk in the various segments of the Company's operations. For this purpose, all departments shall furnish the Internal Auditor with their respective operational procedures and shall immediately inform the Internal Auditor of any amendments or revisions thereto and/or any deviations from or non-implementation of any operational procedure. The Internal Auditor shall have an independent reporting line directly to the Audit Committee, to be able to express any concerns about management's system of internal controls or to report suspicions or allegations of fraud involving senior management.

The Internal Auditor has the *primary responsibility* for the investigation of all suspected fraudulent acts as defined in the policy. The Internal Auditor has the authority to retain legal, accounting, and other professional advisers as needed to provide advice and assist in its investigation. The Internal Auditor is also authorized to hire the services of Fraud Investigators to strengthen its fraud investigating capabilities. If the investigation substantiates that fraudulent activities have occurred, the Internal Auditor will issue the proper reports to the President and to the Audit Committee with the proper recommendations on the action to be taken on the matter.

Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the Company.

Decisions to prosecute or refer the investigation results to the appropriate law enforcement and/or regulatory agencies for independent investigation/prosecution will be made in conjunction with the Corporate Legal Counsel.

Suspected improprieties concerning an employee's moral, ethical, or behavioral conduct that does not constitute fraud should be referred to the Human Resource Department rather than the Internal Auditor. Any question as to whether an action constitutes fraud shall be resolved by the Audit Committee.

AUTHORIZATION FOR INVESTIGATING SUSPECTED FRAUD

The Internal Auditor shall, in the investigation of all suspected fraudulent acts as defined in the policy, have the following powers and authority:

1. Free and unrestricted access to all Company records and premises, whether owned or rented;
2. The authority to examine, copy, and/or remove all or any portion of the contents of files, computers, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigation;
3. The authority to summon any employee and require him/her to submit a written statement on the incident subject of the investigation; and
4. The authority to place under preventive suspension any employee subject of the investigation.

REPORTING PROCEDURES

Great care must be taken in the investigation of suspected improprieties or wrongdoing so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity is duty bound to inform the Internal Auditor immediately. The Internal Auditor shall have a telephone *hotline* and an Email address where any employee may report any suspected fraudulent activity. The informant or other complainant may remain anonymous and Management shall take all steps necessary to protect the identity of the informant. Management shall also take all necessary steps to ensure the safety of the informant against possible reprisals from the suspected wrongdoer.

All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the Internal Auditor or the Legal Department. No information concerning the status of an investigation will be given out until final disposition of the case.

The reporting individual should be advised of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with *anyone* unless specifically asked to do so by the Legal Department or the Internal Auditor.

CONFIDENTIALITY OF INFORMATION

The Internal Auditor shall treat all information received *confidentially*. Any employee who suspects dishonest or fraudulent activity will notify the Internal Auditor immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act.

Investigation results will not be disclosed to or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the Company from potential civil liability.

DISCIPLINARY ACTIONS

If an investigation results in a recommendation to impose sanctions or disciplinary action upon the employee found guilty of committing a fraudulent act, the recommendation will be forwarded to the Legal Department, which shall make its comments on the recommendation citing the weight of the evidence against the guilty employee and the prospects of a successful prosecution of the said employee. The recommendation of the Internal Auditor, together with the comments of the Legal Department, shall be forwarded to the President for proper disposition.

The Internal Auditor does not have the authority to terminate an employee. The decision to terminate an employee shall be made by the President.

Disciplinary action may also be taken against the following:-

1. Supervisor, managers and executives, who condone, permit or have knowledge of the fraudulent or unethical conduct by those reporting to them and do not take corrective action.;
2. Employees who make false statements in connection with any investigation of any suspected fraudulent activity;
3. Employees who obstruct or impede the investigation of the suspected fraudulent activity; and
4. Employees who refuse to cooperate in the investigation of the case.

ADMINISTRATION

The Audit Committee is responsible for the administration, revision and

**LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES
FRAUD POLICY**

Page 7 of 7

interpretation of this policy. The policy will be reviewed annually and revised as needed.

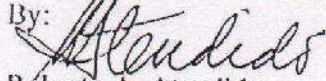
EFFECTIVE DATE:

This Fraud Policy is approved for immediate adoption by Leisure & Resorts World Corporation and subsidiaries on this 26th day of April, 2005.

Pasig City, Philippines

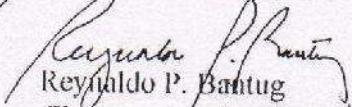
Leisure & Resorts World Corporation

By:



Roberto A. Atendido

Chairman, Board of Directors

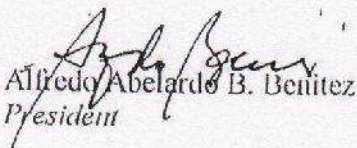


Reynaldo P. Bantug

Chairman, Audit Committee

AB Leisure Exponent, Inc.

By:



Alfredo Abelardo B. Benitez

President

**ACKNOWLEDGEMENT OF
EMPLOYEE HANDBOOK
AB LEISURE EXPONENT, INC. (ABLEI)**

I, the undersigned, acknowledge the receipt of the Employee Handbook for all the employees of AB Leisure Exponent, Inc. (ABLEI) and its subsidiaries.

I understand that I am required to read and become familiar with all the provisions of these policies.

I further understand that neither this handbook nor any provision of this handbook is or implies an employment contract or any other type of contract. I also understand that my employment is for an indefinite term and may be terminated at any time at the will of either the employee or ABLEI and its subsidiaries subject to the provisions of the Labor Code of the Philippines.

Printed Name

Signature

Date

THIS HANDBOOK BELONGS TO:

NAME: _____

DEPARTMENT/BRANCH: _____

ORIENTATION DATE: _____

FROM THE PRESIDENT'S TABLE

To our valued employees,

Congratulations to all of you for receiving today a copy of the Employee's Handbook. It should serve you well in matters that concern your employment with AB Leisure Exponent, Inc. and its subsidiaries.

This handbook was prepared to acquaint you with policies regarding your employment. It also aims to provide an understanding of what we expect from one another so that we may work together effectively.

Please read this handbook carefully and keep it for reference. It should come in handy at any time that you may need to know information about your employment.

We are committed to fostering a work environment that promotes efficiency, productivity, and growth. Hence, we institute measures to create such environment. Knowing what is expected of us is one of the many ways by which this can be achieved.

Let us use this handbook properly. Let it guide us as we do our work in the achievement of our personal as well as corporate goals.

A handwritten signature in black ink, appearing to read "Raymond P. Smith". The signature is written in a cursive style with a large initial "R".

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INTRODUCTION

We believe that a company's most important resource is its human resource. A major factor in a company's growth and stability is its ability to provide and nurture a work environment that is conducive to both personal and professional growth of its human resources.

This manual was developed to document all human resources policies of the company. It intends to provide all employees with the necessary information on conditions for employment, responsibilities of employees to the Company, responsibilities of the Company to employees, employee benefits and other programs of the Company aimed at fostering an environment of personal and professional growth for its employees.

Another purpose of this manual is to facilitate decision-making on recurrent situations and generally promote consistent and uniform treatment of such situations.

Due to the dynamic nature of the business, no manual can embody policies that are all-encompassing or anticipate every circumstance. The Company therefore, reserves the right to revise, supplement, or rescind any policy or portions thereof as the need arises, at its sole discretion, in accordance with existing laws. This manual will be updated to reflect such changes.

All other existing human resources policies that may not have been incorporated into this manual at the time of its publication, particularly those that are internal to a particular division, shall continue to be in force and in effect.

Managers and Officers are given comprehensive manuals and are expected to take time to read the manual, understand its provision and explain them to employees who may have questions regarding them. Further clarifications may be sought from the Human Resource Department.

COMPANY HISTORY

A.B. Leisure Exponent, Inc. (ABLE), doing business as Bingo Bonanza Corporation (BBC), is the pioneer in professional bingo gaming in the Philippines. It is operating under a Grant of Authority from the Philippine Amusement Gaming Corporation, issued on September 8, 1995. As the first company to offer the bingo game to the public in the convenience of large and modern bingo halls, it has elevated the game into a professional, trustworthy and legitimate source of entertainment for communities.

BBC had its humble beginnings on May 16, 1993, when it offered weekend bingo sessions of ten games, utilizing a space along a corridor in SM Megamall in Mandaluyong City. In only five years, BBC turned its operations from weekly to daily gaming. Today, the company offers daily bingo sessions of seven games, attracting an average of 30,000 players a day who have the chance to win prizes.

In October 1999, ABLE became a wholly owned subsidiary of Leisure and Resorts World Corporation, a company listed with the Philippine Stock Exchange.

BBC has maintained its leadership in the bingo business in the Philippines through innovative and trailblazing strategies. BBC brought state-of-the-art bingo equipment and communication technology to its bingo halls across the country, allowing bingo enthusiasts to play electronically linked games. This enabled players in one parlor to enjoy bingo simultaneously and interactively with players in other bingo parlors, with bigger prizes at stake. BBC takes pride in this gaming product, as it is the first of its kind in Asia.

In 2002, the BBC successfully introduced Electronic Bingo, an electronic alternative to the more popular paper cards currently used in all bingo parlors nationwide. The Electronic Bingo terminal is the most advanced equipment of its kind in the market and is in use in the United States, Latin America and in other countries where the popularity of Bingo has reached newfound heights. This product line is presently making a very substantial contribution to the revenue streams of the Company.

Today, ABLE and its subsidiaries and affiliates operate a total of forty seven (47) bingo parlors and seventy (70) bingo boutiques nationwide. Most of the bingo parlors are located in major shopping malls in Metro Manila and key provincial cities.

COMPANY VISION AND MISSION

OUR VISION

Bingo Bonanza Corporation will be the provider of a total bingo experience.

OUR MISSION

We are a leading bingo and entertainment company committed to provide our customers the best value in bingo products and services.

To fulfill this vision and mission, we fully commit to our stakeholders:

To our Customers:

- Provide wholesome and innovative bingo entertainment
- Provide the ultimate bingo experience

To our Employees:

- Recognize and reward them for exemplary contribution
- Provide programs that will enhance their quality of life

To our Shareholders:

- Provide a fair share on return on investment

To the Community:

- Be continuously involved in socio-civic projects

To the Government:

- Operate within the government regulatory framework

OUR VALUES

We adhere to these values which we all, as one company, agree to the ties that bind us. These principles define us as individuals and as an organization.

LOYALTY -We believe that loyalty is borne and sealed through relationships based on mutual benefit. The company recognizes the worth and industry of each individual and strives to support employee's development to help them achieve their career goals. From this emanates our zeal to uphold its corporate objectives and advance its mission and vision.

EMPOWERMENT -We espouse the philosophy of enabling an individual to think, behave, take action and make decisions in an autonomous way consistent with the principles of participative management leadership.

INTEGRITY -We perform our duties in a manner anchored to the tenets of truth, honesty, fairness, accountability and ethical behavior.

SERVICE -We render quality and exemplary service focusing on customer satisfaction, conscious of the fact that it is reflective of the principles we uphold and that we are defined by our performance.

UNITY -We acknowledge that while we possess individual skills, our unique strengths are maximized when we work together guided by one vision and a common objective.

RESILIENCE -We are adaptable as we understand the dynamism of the gaming industry and view changes and innovation as avenues to greater opportunities. We have faith in the vision of our leaders and with their guidance we shall overcome all adversities and achieve our corporate goals.

EXCELLENCE -We have a responsibility to encourage and develop excellence in everyone for we consider excellence as a way of life. We strive for excellence in everything we do and we continuously cultivate our intellectual, physical, spiritual growth and develop our talents and abilities to their fullest extents.

ABOUT YOUR EMPLOYMENT...

1. EMPLOYEE RESPONSIBILITY IN GENERAL

AB Leisure Exponent, Inc. and its subsidiaries has the responsibility to ensure the safe and efficient operation of its business and to protect employees and customers. Accordingly, the company has established standards of conduct, rules and regulations. Thus, it is the employee's responsibility in general that the standards of conduct must be observed and followed. Employees violating such standards will be subject to corrective action up to and including termination, depending on the seriousness of the infraction.

It should be remembered that employment is at the mutual consent of the employee and the company. Accordingly, either the employee or the company can terminate the employment relationship, subject to existing labor laws.

Employees who engage in misconduct or whose performance is unsatisfactory may be subject to corrective action, up to and including immediate discharge.

2. ATTENDANCE AND PUNCTUALITY

The Company expects all employees to be reliable and punctual in reporting to their respective workplaces. Absenteeism and tardiness place an undue burden on other employees and on the Company because of possible operational delays, disruption and reduction in overall productivity.

Official Leaves, work schedule changes, over time, under time, and official time record applications must be filed and approved by the employee's Department Head/Branch Head in compliance to its filing policies.

AWOL (Absence Without Official Leave) and Tardiness may lead to disciplinary action, up to and including termination of employment.

Attendance records are used in the regular performance evaluation rating of employees.

3. BREAK TIME

Employees are granted one (1) hour break time during their work shift.

Branch employees (except Branch Head), and Warehouse employees (except Drivers) are required to log their break time in their time records. Failure to do so shall result to salary deduction equivalent to one day's work. Minimal break time period shall result to disciplinary action.

4. CONFLICT OF INTEREST

All employees are prohibited from engaging in any activity, practice, conduct or any business which conflicts actually or potentially, with the interest of the Company, its subsidiaries or affiliates.

An actual or potential conflict of interest arises when an employee, by virtue of his position in the company, can make a decision or influence a decision by another employee that can result in personal gain for that employee or for a relative at the expense of Company interest.

5. EMPLOYMENT CATEGORIES

An employee's employment category shall determine his/her benefits eligibility.

Five Employment Categories:

1. Regular
2. Probationary
3. Contractual
4. Consultants
5. Special Appointees

Regular

These employees (Officers/Senior Executives, Managers, Supervisors, Non-Supervisors) receive full coverage of Company's benefits package, subject to the terms, conditions and limitations of the benefit program for each classification under this category.

Probationary

Newly hired employees who are required to pass a probationary period.

Employees under this category are not covered by the benefits specified for regular employees.

They will enjoy benefits in accordance with the terms of their contract or whatever is provided for by law.

Contractual Employees

Persons who are hired to render services for an activity or a project with a specific scope of work, duration and remuneration.

They will enjoy benefits in accordance with the terms of their contract or whatever is provided for by law.

Consultants

Their remuneration package shall be in accordance with the terms and conditions that are agreed upon at the time their services are engaged.

Special Appointees

They are generally not covered by regulations on working hours and duration of their employment

The appointing authority determines their compensation package.

6. EMPLOYMENT EXIT

Employees who end their service with the Company (resigned, terminated, expired contract) must surrender company property that may be issued to him, undergo exit interview and secure the proper clearance from the Company.

Employment Clearance

An employee clearance document must be completed within the employee's section and forwarded to Human Resources Department after all items have been cleared along with the employee's Company ID, Health Card, Mall/Building ID.

The Accounting Department shall compute his Final Settlement that includes his final salary and other benefits applicable.

Exit Interview

The employee is required to undergo exit interview at the Human Resource Department scheduled at the time of his resignation.

The exit interview will afford an opportunity for an employee to disclose issues, suggestions, complaints, and questions that could serve as valuable inputs for improvement of working conditions, policies and procedures.

7. JOB RELOCATION REQUEST

The Company accommodates requests for branch transfer.

Employee must forward a formal request through a letter addressed to the Human Resource Department coursed through their Department Heads and Division Heads.

Requests may be granted upon approval of management only if the position is vacant in the work location where the requesting employee wishes to be transferred and if the employee will accede to the agreement regarding the applicable salary rate that will take effect (If any).

- Manila to Province request – Provincial rate will apply
- Province to Manila request – Manila rate will apply
- Province to another Province – Regional rate will apply

* *If the decision for a transfer is Management's decision, adjustments in salary rate will only be applicable if the employee will come from a provincial location to Manila. There will be no changes in the salary rate if the employee will come from Manila to a Provincial location.*

8. JOB TRANSFER

The Human Resource Department posts notices of regular, full time job openings at the head office and branches (through bulletin board, Bingo Bonanza official web page, memorandum).

The interested employee must submit an application form for an internal job opening to the Human Resource Department so that he may be considered for the position.

His current Department Head must approve his transfer in case his application for the open position is accepted.

Employees who are transferred within the company must pass a probationary period of a maximum of six (6) months.

The employee could be removed from the position at anytime during or immediately after the probationary period if his superiors find his performance unsatisfactory. He will then report back to his original assignment.

The Company reserves the right not to post a notice of a particular opening

and may fill up openings through other means of recruitment if doing so will be in the best interest of the Company.

9. NEW EMPLOYEE ORIENTATION

All new employees assigned in Metro Manila and extended Metro Manila will undergo an orientation from the head office regarding basic rules and regulations of the Company and/or general rules in the Bingo Parlors.

New employees assigned in provincial branches will undergo orientation in their respective branches conducted by the Operations Supervisor for Human Resource.

10. NEW JOB ASSIGNMENT/JOB ROTATION

Rotation is when an employee is assigned to work in different jobs, one after the other to help maintain stability in the operation when some employees may be absent, or suddenly leave the service.

Training program is carried out prior to implementation of the rotation and careful supervision by his head is needed to ensure that the rotation will not cause disruption in the operations.

11. OUTSIDE EMPLOYMENT

Employees are cautioned to carefully consider the demands that additional work will impose on them before seeking or accepting outside employment or “sidelines”.

A second job will not be considered an excuse for poor job performance, absenteeism, tardiness, or under time.

The company entails disclosure of a second job through a written notice addressed to the Human Resource Manager. Failure to do so shall be penalized.

Outside employment that constitutes a conflict of interest is prohibited, especially for direct competitors of the company.

12. PROBATIONARY PERIOD

The probationary period for newly hired employees shall be for a maximum of six (6) months from the date of hiring.

The employment status of the newly hired employee may be converted from probationary to regular after a maximum service of six (6) months if his superiors judge him to have shown exemplary performance and if there is an urgent need to fill up a vacant position.

The company or the new employee may end the employment relationship at will at any time during the probationary period with proper notification, specifying the reasons for doing so.

13. PROMOTION

Promotion is defined as a movement from one position to a higher position or from a lower to a higher rank, in accordance with duly approved official positions and rank.

The corresponding salary adjustment will be based on the company Compensation Administration Program.

Employees interested in promotional opportunities outside their present department should request an interview with the Human Resource Department to present their interests and related qualifications.

14. REGULARIZATION

An employee's *satisfactory performance* (based on his performance evaluation result) and completion of the probationary period will result to an official appointment of his employment to regular status.

The Regularization Notice (Personnel Action Notice) shall be released by the Human Resource Department to the concerned employee. The notice also indicates his corresponding salary.

If his performance during the probationary period does not meet the company standards, his services shall be terminated from the Company before his probationary period expires.

15. RESIGNATION

Employees are requested to notify the Human Resource Department as soon as possible of any intention to terminate their employment through writing, at least one month prior.

16. RETURN OF COMPANY PROPERTY

Employees are responsible and accountable for items issued to them by the Company.

These items must be returned upon the Company's request or upon termination of employment.

The Company may withhold from the employees' paycheck or final settlement check the cost of any items that are not returned when required. Moreover, the Company may take all legal action deemed appropriate to recover its property.

17. SATURDAY WORK AT HEAD OFFICE

Every employee (except New Rapid Bingo Data Center Personnel) is on an on-call basis by his or her immediate superior/Department Head.

Saturday is a paid working day whether or not an employee reports for work. Thus, there will be no additional remuneration for work rendered on Saturdays unless it falls on a holiday.

18. TERMINATION OF EMPLOYEE

Dismissal of an employee shall be carried out with due process and be in accordance with the Labor Code and its implementing rules and regulations.

Employee will be given the opportunity to be heard and to defend himself before the Personnel or Fraud Committee.

Personnel or Fraud Committee members shall thoroughly review the circumstances and decision shall be final.

Only the President can overturn the decision of the Committee.

The following are the list of grounds for termination:

- Serious misconduct
- Willful disobedience of the lawful orders of the Company
- Gross and habitual neglect of duties
- Fraud or willful breach of the trust reposed by the Company
- Commission of a crime or offense against an employee of the Company/ any immediate member of his family/duly authorized representative

- Redundancy
- Installation of labor-saving devices
- Retrenchment to prevent losses
- Prejudicial ailment
- Employee has reached retirement age

An employee hired for a fixed term in accordance with a contract will generally be issued a termination notice by the Human Resource Department at the end of the contract.

19. TRAINING

In order to foster growth among our employees and promote a competitive working environment, the training section shall provide opportunities to enhance the skills of its employees through various training programs.

Initially, newly hired employees undergo new employee's orientation conducted by Training Section of the Human Resource Department (or Operations Supervisor in Provincial branches) before he starts reporting for his job. He will be informed on the Company's general rules and regulations applicable to his job assignment. His Supervisor will be responsible in explaining his specific duties and responsibilities.

Training Programs, in-house or off-site, are conducted as the need arises based on the result of Training Needs Analysis.

An employee who is sent outside to attend training programs is required to:

- Submit certificate of participation
- Submit copies of training manuals and materials
- Stay with the Company for at least one (1) year, for every training program attended worth Php10,000 – Php50,000.

If the employee resigns within the period stated in this policy, he will pay for the total training expenses including other charges that may be applicable.

It will be the management's discretion how long an employee will be required to stay if the training cost an employee attended is worth more than Php50,000.

Attendance in conventions is not covered by this policy.

The employee will continue to enjoy all benefits in full while undergoing training.

20. WORKING HOURS

The Company implements for its employees traditional fixed work schedules (8 hours per day), with one (1) rest day every week.

Employees are required to adhere to their work schedules by reporting to work at the specified starting time, departing at the specified ending time, and taking break periods as authorized (see Break Time p.5).

A flexible work schedule may be granted only to employees with a job grade above 8.

Branch

Branch Heads and/or Supervisors assign the official work schedule of their subordinates and are posted in their bulletin board. Schedules are changed semi-monthly.

Warehouse, Head Office

Department Heads of Head Office and Warehouse assign the official work schedules of their subordinates upon their employment.

Requests for a change in work schedule and/or rest day are allowed, either temporarily or permanently (see *request for change in working hours/rest day* p.29).

ABOUT YOUR BENEFITS...

1. AUTHORIZED ABSENCE WITHOUT PAY

The Company may grant prolonged leave of absence without pay on a case-to-case basis for a period not exceeding one month.

Application for leave of absence without pay exceeding one month will require the approval of the President.

2. BONUSES

2.1 13th Month Pay

The Company shall grant 13th Month Pay to employees who have been with the Company for at least a month in accordance with the provisions of Presidential Decree No. 851.

The 13th Month Pay shall be given annually not later than December 24 in accordance with law. This bonus is given on a pro-rata basis. To facilitate processing and payment, basic salary from January 1 to December 31 of the current year shall be used as basis for computing the amount of 13th Month Pay. Any computed 13th month pay adjustment after the calendar year will be reflected on the first payroll of the succeeding year.

The 13th Month Pay shall be computed as:

Total Basic Pay + Employee Support Allowance earned from January 1st to December 31st of the current year divided by 12 months.

Employees who were separated from the Company at any time during the calendar year will receive the pro-rated equivalent of their 13th Month Pay upon clearing himself/herself of all liabilities and property accountability and will be reflected in his/her Final Settlement of receivables from the Company.

2.2 14th Month Pay

The 14th Month Pay is a guaranteed Company bonus given to regular and active employees at the time of granting.

The payment of this benefit is scheduled on or before May 16 in order to assist employees in their children's school opening needs.

In the same manner as 13th month pay, this bonus is given on a pro-rata basis. Payment is one twelfth (1/12) of the total basic Pay + Employee Support Allowance earned covering May 1 of previous year to April 30 of the current year.

2.3 Christmas Bonus

This is not a regular benefit and is granted only at the discretion of Top Management. Employment must be at least one (1) year on or before 1st of December starting on the employee's probationary period.

3. COMPANY FINANCIAL ASSISTANCE

3.1 Bereavement Assistance

This is granted to employees who suffered loss of an immediate family member/s (parents, brothers and sisters - up to four (4) claims, legal spouse and legitimate children).

In case there are two or more brothers and sisters employed in the Company, they shall be entitled collectively to a single financial assistance in the event of death of their parents and their other legitimate siblings – up to four (4) claims.

The employee should notify the Human Resource Department of the death of the members of his family (see bereavement leave p.24).

The employee should submit copy of the registered death certificate in processing the Company bereavement assistance.

The Company shall contribute the amount of Three Thousand Pesos (P3,000.00) to the employee.

3.2 Maternity Assistance

A maternity assistance of Six Thousand pesos (P6,000) is granted for those who gave birth, had a miscarriage or unwanted abortion.

This financial assistance is a Company benefit aside from the Maternity Benefit provided by the Social Security System (SSS).

The maternity assistance is granted only up to the 4th child (including miscarriage and unwanted abortion). The fifth delivery or miscarriage or unwanted abortion shall no longer be paid, even if no benefits were made on the previous deliveries or miscarriages.

The employee shall notify her employer of her pregnancy and comply with the SSS requirements of marriage notification in accordance with the rules and regulations it may provide.

Any employee who wants to avail of the Company maternity assistance benefit shall, within a reasonable period of time, submit a copy of the following requirements:

- Registered Marriage Contract (If employee is married)
- SSS E-4 (for married employee only)
- SSS Maternity Notification
- Any applicable:
 - Registered Birth Certificate (*for normal & caesarian*)
 - Dilatation & Curettage Report (*for miscarriage-incomplete abortion*)
 - Hystopath Report (*for miscarriage-complete abortion*)
 - Death/Fetal Death Certificate (*for infant or fetal death*)
 - Discharge summary (caesarian birth)

The check for maternity assistance must be claimed by the employee personally at the Compensation and Benefits section of the Human Resource Department. For provincial branches, the check and voucher will be sent to the branch and employee must send back the voucher signed.

3.3 Hospitalization Assistance

Amount of Subsidy

P800.00/night of confinement - for job Grades 2-5 only

The benefit will apply only to regular employees specified above whose illness requires hospitalization as advised by the attending physician.

The number of days upon which the total amount of assistance will be determined from the actual date of admission and will end on the actual day of discharge based on official hospital records.

To enable the employee to avail of the benefit, the following documents must be submitted to the Compensation and Benefits Section of the Human Resource Department by the spouse, immediate family member or duly authorized representative of the employee.

- Certification from the attending physician on the need for

hospitalization or a copy of the admission form from the hospital, specifying the nature of illness.

- Initial Sick Leave form (see sick leave p.22) indicating the estimated number of days with a copy of the doctor's advise for confinement.

The Human Resource department will process the payment of an initial amount equivalent to two (2) days of hospitalization. If the certification from the attending physician includes an estimated number of days of confinement, the Human Resource department will process an amount equivalent to 70% of the estimated number of days of confinement.

The balance of the assistance will be released after the discharge and upon submission of copies of hospital records from which the number of days of confinement can be determined.

The employee may opt to seek release of the total amount of assistance after confinement.

If the initial amount released is more than the amount due to the number of days of actual confinement, the employee has to repay the Company the excess amount through salary deduction in accordance with the following schedule:

	<	P 401.00	=	One-time salary deduction
P 401.00	<	P 801.00	=	Two-time salary deduction
P 801.00	<	P 1,201.00	=	Three-time salary deduction
P 1,201.00	<	P 1,601.00	=	Four-time salary deduction
P 1,601.00	<	P 2,001.00	=	Five-time salary deduction
P 2,001.00	<	P 2,501.00	=	Six-time salary deduction
P 2,501.00	<	P 3,001.00	=	Seven-time salary deduction
	>	P 3,001.00	=	Eight-time salary deduction

The assistance will be granted only up to a maximum of thirty (30) days of confinement per year for a particular kind of illness.

3.4 Emergency Loan

The Company can grant an interest-free emergency loan equivalent to one (1) month basic salary or maximum of P15,000 for those whose monthly basic pay exceeds P15,000. The loan will be payable in six (6) months, without interest.

Acceptable reasons are death or hospitalization of parent or sibling

(for single employees); death or hospitalization of parent, spouse (if married) and child, housing repairs due to damages caused by natural calamities, and other similar emergencies.

3.5 Transportation Subsidy

Transportation subsidy is given on the succeeding payroll after regularization.

The amount of subsidy shall be P25.00 per day, or P650 monthly, net of taxes, based on an average of 26 days per month. The amount due to employees shall be based on the existing payroll cutoff periods and shall be given on a semi-monthly basis, generally every 5th and 20th day of the month, or as deemed appropriate by the Finance Division.

The employee shall be entitled to the subsidy on the basis of the days worked per payroll period. The employee will not be entitled to the subsidy for days covered by suspensions and unauthorized absences or authorized absences in excess of the leave credits.

3.6 Company Facilitated Bank Loan (salary loan)

The company ties up with banks to offer salary loans to regular employees with a lower interest rate offered only for corporate accounts.

To qualify for a loan application, the employee must have no existing company loans. Employees with existing company loans have to fully pay the loan before they can avail of this bank loan. Furthermore, the company requires that employee-borrower must have a minimum tenure in the company before he/she can be qualified to avail this bank loan. The tenure requirement and any other requirements that the company will implement may change from time to time based on the agreed Memorandum of Agreement (MOA) between the bank and the company.

The bank likewise has the authority to establish the requirements needed from the employee-borrower and decide the amount of loan to be granted to the employee-borrower based on their policies.

Loans are requested by filling out the prescribed loan application form, which should be submitted to the Compensation and Benefits section of the Human Resource Department. The list of requirements to be submitted is indicated in the loan application form. Loan applications are endorsed to the bank for review and approval.

The bank sends the check of approved loans to Compensation and Benefits section and employee-borrower shall be notified to claim their check.

Payment of loan is through salary deduction. If the employee separates from the company before full payment of the loan, the Final Settlement of the employee will be allotted for the payment of the loan balance. If amount of final settlement is insufficient, the bank shall do the necessary procedures to coordinate with the employee-borrower on their loan balance based on their internal procedures and legal process.

An employee with an existing Regular Salary and Emergency Loan with our tie-up banks can no longer avail the company emergency loan except in cases of extreme necessity as determined by the Company Emergency Loan Administrator and if the total monthly deductions for these loans will not exceed thirty three per cent (33%) of his average take home pay.

3.7. Food Subsidy

This is given as support to employees for their food expenses during off-base official assignments, department/inter-department meetings, and special project activities. Such must be approved by the Department/Division Head in compliance with the subsidy options.

Reimbursement is contingent upon a properly completed and approved Expense Report with complete receipts. This benefit is not applicable to couriers/messengers due to the basic nature of their job.

Category	Subsidy
Off base assignment, including overnight work - minimum 5hrs (not applicable to messengers)	Php70/pax/day
Department meeting - minimum 3hrs	Php120/pax
Special Project Assignment	variable amount
Branch Events *monthly specials *branch meetings *branch anniversary *other special occasions	Php50/pax or maximum of Php2,000 whichever is lower

4. GROUP INSURANCE

4.1 Life Insurance

Employees are provided with group life insurance upon their regularization at the company. An employee chooses his/her

beneficiary/ies and may change it anytime in accordance with the requirements of the insurance provider.

<u>Job Grade</u>	<u>Coverage</u>
1 - 4	P 200,000.00
5 - 7	P 300,000.00
8 - 9	P 500,000.00
10 - 12	P 700,000.00
VPs & Pres.	P 1M

4.2 Medical Insurance

This is a comprehensive Health Plan, which covers in-patient and out-patient services as well as dental benefits from accredited hospitals, clinics and doctors.

A pregnant employee who uses her medical insurance due to an illness that is in connection with her pregnancy shall not be covered by the insurance provider.

Employees' dependents can avail of this medical insurance upon request. The premium payments for which shall be chargeable to the account of the employee through salary deduction.

In the event that an employee would want to terminate the medical insurance coverage of his/her dependents, a notification letter must be submitted to the Human Resource Department.

Job Grade	Coverage	Room
2-5	Php80,000/illness/year	Ward
6-7	Php90,000/illness/year	Semi-Private Open
8-9	Php100,000/illness/year	Small Private Open
10-11	Php120,000/illness/year	Regular Private Open
12-14	Php130,000/illness/year	Large Private Open
President	Php150,000/illness/year	Suite

Employees must undergo Annual Physical Exam (A.P.E.) for continuous insurance coverage. If an employee fails to comply with the scheduled A.P.E. within the set deadline, the insurance coverage of the employee (including his/her dependents) will be terminated by the company. To resume insurance coverage, the employee must undergo A.P.E. which they will personally pay for including re-enrollment charges. Moreover, the insurance coverage of his dependents will resume only upon request.

5. LOYALTY AWARD

This policy provides a benefit program to recognize and show appreciation to employees who have rendered continuous service for at least five years.

Regular employees are eligible to receive the appropriate service awards after completing five (5), ten (10) and fifteen (15) years of cumulative employment service.

For the purpose of this benefit, employment with the Company will not be cumulative. If an employee leaves the Company and is later re-employed, the length of previous periods of employment will not be added together in order to determine eligibility; only the re-employment period will be counted.

At the anniversary date of the Company, May 16 of each year in which an employee reaches one of the service milestones set forth above, the employee will be awarded the appropriate service plaque of appreciation and a cash gift.

After 5 years of service:

Plaque of appreciation plus P5,000 cash gift

After 10 years of service:

Plaque of appreciation plus P10,000 cash gift

After 15 years of service:

Plaque of appreciation plus P20,000 cash gift

6. PAID LEAVES

6.1 Vacation Leave (VL) & Emergency Leave (EL)

This benefit shall apply to all regular employees who have continuously rendered one year of service or a fraction thereof during the previous calendar year, and have therefore earned the corresponding vacation leave credits during that year.

They will be entitled to enjoy the earned vacation leave credits in the succeeding year, starting the month of January. The maximum annual entitlements are as follows:

Branch/Warehouse employee = 17 days

Central office (on-call on Saturdays)
1-5yrs tenure = 15 days

Central office with 6-day work week = 17days
Central office with over 5 years tenure - 17 days

Regular employees shall be entitled to this benefit in the current year, after earning the vacation leave credits in the previous calendar year.

Newly regularized employees will still be entitled to vacation leaves on the calendar year following their year of hiring in accordance with the credits they earn. The vacation leave credits for newly hired employees are computed proportionately to the number of months of service in the year they are hired.

Vacation leave credits are non-cumulative. Unused leaves at the end of the year shall be forfeited and shall not be convertible to cash.

Approved vacation leaves canceled by the superior due to operational requirements and thus remain unused at the end of the year may be deferred up to February of the succeeding year. They shall be scheduled separately from the regular vacation leave entitlement. Deferred vacation leaves remaining after February will be forfeited.

An emergency leave (EL) of up to three (3) days for employees classified under Job Grade 8 and below and up to five (5) days for employees belonging to Job Grade 9 and above out of the total annual vacation leave credits is allowed for use to attend to sudden illness of any immediate family member, personal emergencies, fire affecting an employee's home or within the immediate vicinity of the employees residence and any major natural or man-made calamity preventing an employee from reporting for work. The respective three (3) days and five (5) days emergency leave are exempted from the required number of days of filing prior to availment of leave. The immediate superior can file the leave in behalf of the employee immediately after being notified, so that the leaves can be officially recorded and that the salary of affected employee can be released in full on the scheduled payday.

Additionally, victims of calamities such as fire, floods, earthquakes, terrorist threats and civil disturbances are exempted from the pre-filing schedule requirement of Vacation Leave. The affected employee, however, is required to notify his immediate superior by any suitable means of communication as soon as possible, so that the leave can be filed in his behalf upon his request. For employees who are victims of such major calamities, the balance of vacation leave credits are convertible to emergency leave, subject to the approval of the department head, and confirmation/verification of the Human Resource Department.

Legal or Special holidays and rest days falling within the vacation leave period will not be considered part of the leave and therefore will not be subtracted from the leave credits.

Vice-Presidents are exempted from regulations and requirements on the vacation leaves.

Employees must submit their approved vacation leave applications to Human Resource on the required filing schedule:

- 1 - 2 days VL - two (2) days ahead
- 3 - 5 days VL - five (5) days ahead
- 6 - 10 days VL - ten (10) days ahead
- 11 - 17 days VL - fifteen (15) days ahead

Those performing complementary functions within the branch are not allowed to go on leave at the same time; e.g. only one (1) Operations Supervisor, or one (1) cashier/card staff, etc at any given time. A specific person should be assigned to take over the functions of those who are going on leave.

No more than two (2) personnel per branch are allowed to take their vacations at the same time.

The vacation leaves falling before or after major holidays of the year are distributed equitably among branch employees to ensure that no employee is at a disadvantage.

6.2 Sick Leave (SL)

Any regular employee who is unable to report to work due to injury or illness is granted paid leaves of absence up to a maximum of fifteen (15) days per year.

The benefit applies for cases requiring treatment or recuperation either at home or in a hospital.

All regular employees at all job grades and levels of employment shall earn the sick leave credits by rendering continuous service for one year or a fraction thereof during the previous calendar year. They shall then enjoy whatever leave credits they have earned in the previous year in the succeeding calendar year. The leave credits shall be computed in proportion to the number of months served.

Sick Leave can be paid only if it is filed together with a reasonable proof of sickness, preferably but not necessarily a doctor's certificate. A letter certifying such sickness from a responsible member of the employee's household is acceptable considering that not all sickness will require consultations with a doctor.

Consideration shall be given to employees who are to submit the requirement until the 18th of the month for 1-15 cut-off and the 3rd for the 16-28/29/30/31 cut-off.

Unused sick leave is convertible to cash and shall be paid on or before February 15 of the following year.

For employees who resign within a calendar year, the cash equivalent of the sick leave credits earned within the current year shall be included in his final settlement.

If an employee's sick leave is due to a serious illness, he has to submit clearance from his physician.

Employees who are on sick leave and have consumed all his sick leave credits may be allowed to apply his vacation leave balance for sick leave purposes. Such leave can be filed without the advance notice requirement but will require a medical certificate from the attending physician declaring that the person is still unfit to work and that a specified number of days is required for recuperation, either at home or in a hospital or similar treatment facility. This is applicable only to employees who had confinement in hospitals or treatment by a physician for a major illness requiring prolonged recuperation and convalescence.

Employees belonging to the category of Department Head and above are not required to present proof of illness in filing sick leave. However, the approval of the immediate superior on the leave form is required for the sick leave to be considered valid.

6.3 Bereavement Leave (BL)

All regular employees, regardless of length of service shall be entitled to a bereavement leave of four (4) working days with full pay in case of death of an immediate family member (spouse, child/ren, parents, parents-in-law, brother/s, sister/s, legally adopted child/ren).

He shall be required to present a death certificate as proof such death as a requirement for payment of the leave incurred.

The employee can also avail of vacation leave without the pre-filing requirement for a maximum of seven days.

The employee shall file such leave within three days of occurrence of death, personally, through an immediate family member or a representative with a written request duly signed by the employee. In exceptional cases, the immediate superior may file such leave in behalf of the employee upon the employee's request.

6.4 Paternity Leave (PL)

This benefit is granted in pursuant to Republic Act No. 8187 dated June 11, 1996.

Every married male employee in the private sector shall be entitled to paternity leave benefits of seven (7) working days with full pay for the first four (4) deliveries by his lawful spouse with whom he is cohabiting.

Employee must notify the Human Resource Department of the pregnancy of his wife and her expected date of delivery subject to the provisions of notification.

Paternity leave is also applicable if the employee's wife suffers a miscarriage or an unwanted abortion.

Employee shall accomplish a Paternity Notification Form to be provided for by the Human Resource Department and submit the same to the latter, together with a copy of his marriage contract (if not yet submitted to Human Resource Department).

Any employee who has availed of the paternity leave benefits shall, within a reasonable period of time, submit a copy of the birth certificate of the newly-born child, death or medical certificate in case of miscarriage or unwanted abortion, duly signed by the attending physician or midwife showing the actual date of childbirth, miscarriage or unwanted abortion, as the case may be.

The paternity leave benefit may be enjoyed before, during or after the delivery by his wife; provided, that the total number of days shall not exceed seven (7) working days for each delivery. Provided further, that this benefit shall be availed of not later than sixty (60) days after the date of said delivery.

6.5 Authorized Absence Without Pay (Mandatory)

Maternity Leave (ML)

Maternity Leave is a Social Security System (SSS) benefit.

SSS maternity benefit is granted to a female employee member who is unable to work due to childbirth or miscarriage or unwanted abortion.

The maternity benefit is a daily cash allowance equivalent to 100 per cent of the member's average daily salary credit (based on SSS table) multiplied by 60 days for normal delivery or miscarriage, and 78 days for caesarean cases.

Government requires that:

- The employee has paid at least three monthly contributions within the 12-month period immediately preceding the semester of her childbirth or miscarriage.
- The employee shall have notified her employer of her pregnancy and the probable date of her childbirth. Notice shall be transmitted to the SSS by accomplishing SSS Form B-300A (Maternity Notification Form) in accordance with the rules and regulations it may provide.
- The maternity benefit provided shall be paid only for the first four (4) deliveries or miscarriages or unwanted abortion. The fifth delivery or miscarriage shall no longer be paid, even if employee has not availed this benefit on her previous deliveries or miscarriages or unwanted abortion.

7. PARKING (Head Office)

Parking slots are limited to employees with job grades above 8.

Parking Stickers application and renewal are coursed through the Human Resource Department.

Employee must furnish the Human Resource Department the vehicle's official receipt and certificate registration for processing of his parking sticker as required by the Building Administration.

For individual parking slot, the Company shall only pay for the employee's first (2) two vehicles. For group parking slot, the company will only pay for the first car applied. Excess costs shall be charged to the employee.

8. PERFORMANCE EVALUATION

The Company implements Performance Management System to enable each department within the Company to focus on work activities and goals, identify and correct existing problems, and to encourage better performance.

All employees after regularization undergo performance evaluation semi-annually. Only those who earn a rating equivalent to or above satisfactory level are given merit increase following the pay structure designed by the Corporate Performance Evaluation Committee.

9. TRAVEL ALLOWANCE

9.1 Travel from Manila up to extended Metro Manila, Province up to within same region

Applicable to employees required by their superiors to render official business at any ABL E and its Affiliate Bingo sites and other business establishments or government entities.

Mode of transportation covered by the transportation allowance are:

- Buses, Jeepney, Pedicabs and other forms other than taxi
- Public Trains

The cost of taxi transportation will be reimbursable only where heavy supplies and/or equipments, packages, and other items are being carried between branches, offices or to other business concerns and in extreme cases when no other public transport is available and it is important to save official time. Travel by taxi shall be kept to a minimum and shall definitely not be used for long journeys.

Employee's use of his personal/company provided vehicle shall be allowed provided that reimbursements for gasoline expense will only be based on public transportation cost (rank and file), and taxi fare for allowed officers.

The allowable transportation expense shall cover the lowest fare (from employee's house to assigned work destination vs. from employee's work base to assigned work destination)

Claims for transportation expense may be reimbursed from the Petty Cash Fund of the department/branch where employee is officially

assigned. Transportation expense may also be given through advances from the Petty Cash Fund subject to the approval of the Department Head/Branch Head but the same must be appropriately liquidated within five (5) days.

Claims should be detailed on the Petty Cash Voucher and/or accomplished transportation expense report duly supported by original receipts and documentations. After which, this voucher must be submitted to the Department/Branch Head for approval and for endorsement to the petty cash custodian..

9.2 Allowance Per Diem

Travel by air shall generally be preferred but shall in no case be the exclusive mode of travel. The approved airlines are:

Job Grade 1-9 - Lowest fare from any airline
Job Grade 10-12 & VP - PAL

The Department Head shall submit a travel request letter to the Human Resource Department and likewise furnish a copy for Purchasing Department for plane ticket purchase. The reason, duration and schedule of the travel must be indicated in the request letter.

The Human Resource Department shall prepare the employee's request for Travel Form and compute the applicable allowances, and secure approval of the computation from the Head of the Administration Division, and forward the form to Accounting Department for processing.

The Human Resource and Purchasing Department shall monitor the duration of the official travel and shall compute any excess allowance for travels whose duration are actually shorter than the schedule indicated in the official request. The employee will then be required to reimburse any excess amount either in cash or through immediate salary deduction.

The employee is required to inform his superior of his address while on assignment regardless of whether he is staying in a hotel or elsewhere to facilitate communication with him.

Allowances for laundry (for assignments of long duration) are built-in, in the schedule of allowances.

Employees traveling with consultants are normally not allowed to spend for representation for these consultants unless prior written

authorization is given by the Vice-President concerned or the President. In such cases all anticipated expenses, must be cleared with the officers concerned. The required cash advance should then be approved by them and secured by the employee, and should be liquidated in accordance with existing company policy.

Per diem shall be granted on straight daily basis or fraction of a day, depending on the travel schedules presented. Supporting receipts need not be presented for expenses within the scope and limits set forth in the policy.

Employees who go on official travel shall surrender to the Purchasing Department all used airline ticket, coupons and passenger copy of the boarding passes within three working days of arrival from official travel. The full amount of airfare will be charged to the account of employees who fail to comply with this policy.

10. RETIREMENT and SEPARATION BENEFIT

The basic retirement benefits required by Republic Act 7641, “The Mandatory Benefit Law”, requires private sector employers to provide basic retirement benefits to employees who have reached the age of sixty (60) and who have completed a minimum of five (5) years of service.

RULES AND REGULATIONS – GENERAL

1. DRESS and APPEARANCE

Dress, grooming, and personal cleanliness standards contribute to the morale of all employees and affect the business image that the Company presents to its customers and the general public.

During business hours, all employees should dress and groom themselves according to the requirements of their position and accepted social standards. This is particularly required if the nature of the job requires dealing with customers or visitors directly.

If the manager or supervisor feels that an employee's appearance is inappropriate, the employee may be asked to change into more acceptable attire. If this requires leaving the workplace for a change of clothes, the employee will not be compensated for the time spent away from work.

2. OVER TIME WORK

Time monitored employees can be required and authorized by their superiors to work overtime as needed.

It is the responsibility of an employee to file (using application for leaves/ work schedule changes form) for his over time so that it will be credited to his salary.

3. PETTY CASH ADVANCES & LIQUIDATION

The purpose of Petty Cash Fund is to allow for the reimbursement of minor or emergency business expenses in an efficient and cost effective manner. Use of such must be limited to reimbursement to employees for small expenses, not exceeding one thousand pesos (Php1,000.00).

Employees who receive money from Petty Cash Fund shall submit to the petty cash custodian a completed petty cash voucher form for liquidation, accompanied by original receipts within five (5) working days from the date of petty cash withdrawal, unless the period for liquidation is extended in writing by the Division Head.

The petty cash custodian reports to the Comptrollership Department the employees who have not liquidated their petty cash advances beyond the allowable period of liquidation. The full amount shall automatically be deducted from the employee's upcoming salary. A penalty shall also be

applied to employees who fail to liquidate petty cash advance within the allowable period. (see Appendix IX).

4. PLAYING OF COMPANY BINGO PRODUCTS

To avoid questions about the integrity of the conduct of our operations, all employees are prohibited from playing any of our games/products in any of our existing branches.

Furthermore, employees are also not allowed to play at all direct competitors offering the same line of products in our branches.

Anyone who violates this policy will be subject to disciplinary action up to and including termination of employment.

5. REQUEST FOR CHANGE IN WORK SCHEDULE/REST DAY

Employees who wish to request for a change in working hours or rest day must accomplish the “applications for leaves/work schedule changes” form.

Such requests must be filed, approved by the Branch/Department Head, and forwarded or sent via fax to Human Resource Department at least a day before the effective date of the request.

If advised by an employee’s superior to file such request on the same day, it will be considered but it must be filed and sent to Human Resource Department on the same day.

6. REQUEST FOR LEAVE OF ABSENCE (without pay)

Employees who wish to request for a leave of absence without pay must accomplish the “applications for leaves/work schedule changes” form at least 2 (two) days prior its effective date.

Such request must be filed, approved by the Branch/Department Head.

For emergency absence/s, employee must initially seek verbal approval of his Branch/Department Head before his official working hour. The application for leave must be filed and approved upon his resumption for work.

An employee may ask a representative to file his emergency leave of absence if his absences will be prolonged.

7. REQUEST FOR UNDER TIME

Under time is permissible if the employee has already rendered the first four (4) hours of work of his shift schedule.

An employee who has an emergency reason or is not feeling well will be excused from the first rule mentioned.

An employee must accomplish the “applications for leaves/work schedule changes” form and seek approval from his Department/Branch Head and forward or sent via fax to Human Resource Department on the same day before the employee leaves the company premises.

8. SEXUAL AND OTHER FORMS OF HARASSMENT

The Company is committed to providing a work environment that is free from discrimination and harassment. It recognizes that the tension and conflicts in the workplace due to such acts significantly reduces productivity and employee morale. Actions, words, jokes or comments based on an individual’s sex, race, ethnicity, religion, age, or any other personal characteristic is prohibited.

Sexual harassment, both overt and subtle, is a form of employee misconduct that is demeaning to another person, causes considerable mental and emotional anguish and undermines the integrity of the employment relationship, especially if done by a superior to a subordinate. This is therefore strictly prohibited as mandated by R.A. 7877, also known as the Anti-Sexual Harassment Act of 1995, which took effect on March 5, 1995.

The purpose of this policy is to prevent sexual and other forms of harassment and to provide an employee, who believes he/she is being subjected to harassment, a prompt and secure means of ending it.

The Company realizes that sexual harassment cases are usually very difficult to resolve because of the complex and vague nature of the circumstances and situations surrounding such cases. It will usually redound to one person’s word against another, unless accusations are supported by evidence or testimonies of disinterested third parties. The Company therefore encourages all managers and supervisors to take measures to prevent, discourage and take prompt action to end such acts before they become full-blown problems. They should also see to it that the subject of such harassment is protected against any retaliatory moves by the employees concerned.

The Company regards all acts of harassment as a violation of the standards of conduct of employees. Accordingly, all employees committing such acts will be subject to termination of employment. Managers and supervisors who take advantage of their position and authority to sexually harass employees under them will be dealt with more severely.

Definition of Sexual Harassment

Sexual harassment includes not only any unwelcome or offensive sexual advances or request for sexual favors but also other physical or verbal conduct with sexual connotations such as uninvited touching or physical contact and sexually suggestive comments. Sexual harassment further occurs:

1. Where submission to or rejection of such conduct is made either explicitly or implicitly a term or condition for employment.
2. When submission to or rejection of such conduct is used as a basis for employment decisions such as promotions, transfers, performance reviews, etc.
3. When such behavior has the purpose or effect of unreasonably interfering with an individual's performance or creating hostility or tension in the workplace.

Reporting Harassment

Any employee who wants to report an incident of sexual or any form of harassment should submit a written complaint to his supervisor or department head. If the employee believes it would be inappropriate for him to course the complaint to his supervisor or manager, the employee should submit the complaint to the manager of the Human Resource Department, or to any member of the Personnel Committee. The Company should ensure that no act of reprisal is taken against any complainant.

Responsibilities of Management

Any supervisor or manager who becomes aware of a possible incident or of sexual or other forms of harassment within their organizational unit must immediately take steps to curb such acts and prevent escalation. He should inform the Human Resource Manager or any member of the Personnel Committee in case he feels that the problem can no longer be resolved internally. The Personnel Committee shall then immediately, thoroughly, and impartially investigate the case, taking care as much as possible to maintain

confidentiality of the case. It shall then impose appropriate disciplinary action up to and including termination of employment if the results of the investigation confirm the accusations of harassment against an employee.

Retaliation and False Accusations

The company does not allow any employee to take retaliatory action against a person who, in good faith, files a complaint of sexual or other forms of harassment. Acts of reprisal in any form may lead to disciplinary action, up to and including termination of employment. However, when results of investigation show that a complaint of harassment was fraudulent, frivolous or was intentionally done in bad faith to besmirch the reputation of other employees, the complainant may be subject to disciplinary action, up to and including termination of employment.

Informal Process of Investigation and Resolution

Individuals who are subjected to sexual and other forms of harassment may seek redress through informal means. Cases may be investigated internally and informally within a section, department or division if the complainant believes the complaint can be resolved fairly and satisfactorily in this manner. The supervisor, department manager, or division vice president should act as the arbiter and should see to it that an impartial and confidential investigation is done within the organization, and an amicable settlement is reached. The complainant reserves the right to request a formal investigation if the case is not resolved amicably.

Formal Process of Investigation and Resolution

An employee may file a formal complaint of sexual and other forms of harassment by submitting a written complaint and request for a formal investigation through the Employee Relations Section of the Human Resource Department. The complaint should specifically state the nature of harassment, the places, dates and approximate time where such acts occurred, and the person who committed such act/s. The Human Resource Manager shall then meet with the complainant to verify the complaint, seek clarifications if needed, and try to determine if there is enough basis for the complaint. The Human Resource Manager shall then request the alleged harasser to explain in writing his response to the allegations against him, and conduct a discreet investigation. The complaint should be treated with utmost confidentiality. The Human Resource Manager shall then request the Personnel Committee to deliberate on the accusation and on the results

of the investigation and to render a decision.

Both parties may elevate the case to the Office of the President if they are dissatisfied with decision of the Personnel Committee. The President may assign a representative to review the decision and decide on the case with finality.

9. TIMEKEEPING

The law requires that the Company must keep an accurate record of time worked of its employees in order to calculate his pay and benefits. The Company will retain these records, along with other documents that are used as supporting document for an employee's time record, for a minimum period of five (5) years.

Upon employment, an employee will be informed whether he will be required to log in and out using time capturing device or if he will be exempted.

It is the employee's responsibility to ensure that his time records are complete and accurate.

An employee's time record will be based on his official schedule, actual log records, approved applications of:

- Schedule/rest day changes
- Over time
- Under time
- Leaves with/without pay
- Log in/out

Time record violations that an employee commits, will lead to salary deductions. These are:

- Incomplete or multiple log in/out
- Same log in and out for break time (if required to log)
- Minimal break time period
- Sick leave without prescribed attachment
- Unapproved / disapproved attachment
- Vacation leave (late filing / submission)

For timekeeping offenses that are reconsidered, salary adjustments will be made accordingly on the employee's next salary.

10. USE OF COMPUTERS, E-MAIL, INTERNET

Employees must immediately report to his supervisor any damages to his workstation.

Propriety software or codes developed by the Company is subject to copyright laws

Only authorized employees are allowed to use chat programs. This is for use only to communicate with fellow employees and clients for official Company business.

The following items specified below are not allowed:

- Switching of computer parts unless authorized by the computer administrator, your supervisor or a manager.
- Changing the setup of the workstation including the electrical plugs and network cables.
- Swapping of Company owned items with personal owned is considered theft and grounds for immediate termination.
- Installing or uninstalling software programs, if necessary seek first approval of Administrator or Managers
- Adding, Modifying User Account Settings.
- Unauthorized formatting or deleting of files.
- Intentional installation or usage of malicious or destructive programs (hacking tools).
- Surfing of “unauthorized” websites. Definition of “unauthorized” website is any website that has nothing to do with official company business
- Passing along chain letters or hoax emails. Sending “Spam,” defined as unsolicited “junk” e-mail sent to large numbers of people. Official email should not be used for gossiping, backbiting, or other negative activities.
- Downloading of any files unless you have a written permission from the Information Technology and Management Services Department

- Adding of network sources is strictly prohibited. If necessary, please inform the Network Administrator first with approval by the immediate supervisor.
- Using of network resources, such as printing, for personal use must first be approved by a supervisor or manager.

Employees who misuse Company computing and network resources or who fail to comply with the Company's written usage policies, regulations and guidelines are subject to disciplinary action.

11. USE OF COMPANY EQUIPMENT AND VEHICLES

Employees are entrusted with the use of the Company equipment and vehicles. Reasonable efforts must be made to ensure the security of the equipment and/or vehicles at all times.

Company equipment and/or vehicles are for official use only and may not be loaned or borrowed.

Under no circumstances should the Company property be utilized for the personal use of any employee without the permission of the Department Head.

The abuse, misuse or misappropriation of Company equipment and vehicles can lead to appropriate disciplinary actions.

It is the responsibility of the employee in charge of its use to:

- Make arrangements for insurance or other requirements, i.e. make and registration of vehicle.
- Provide restitution for any Company equipment and/or vehicles that are lost, stolen, or damaged due to negligence on the part of the employee.
- Comply with procedural requirements and documentations in requisitioning any Company equipment and/or vehicles for work related use.

The custodians of equipment should see to it that procedural requirement is followed and all requisitions are signed by the designated approving authorities.

12. USE OF PHONE

The telephone facility of the Company is strictly for business purposes only. Employees should practice courtesy and decorum in answering all telephone calls. Appropriate telephone greeting should be used at all times.

An employee's conduct in telephone usage will reflect the image of the Company to outside entities.

13. VISITORS IN THE WORKPLACE

Only persons with legitimate business purposes and those with proper authorization are allowed to visit the work area of the branches, head office and other Company facilities.

The employee's visitors are required to wear the identification cards issued by the security officer while inside the premises.

Employees are prohibited from bringing their children to the workplace unless they are participating in a supervised activity. The Company cannot assume responsibility for any untoward incident or any injury sustained by employee's children while inside Company premises.

Employees should immediately report the presence of unauthorized individuals inside the workplaces to the immediate superior and to the security officer on duty.

14. WORKPLACE VIOLENCE

Employees are expected to observe proper decorum and treat all fellow employees and customers with respect at all times.

Employees must refrain from engaging in fight, "horseplay" or other conduct that may be dangerous to others.

Firearms and other weapons, explosives, dangerous devices or substances are strictly prohibited from Company premises without proper authorization.

Threatening, coercing, intimidating another employee, customer or a member of the general public at any time, including off-duty periods is not allowed. This prohibition includes all acts and forms of harassment.

Employees should immediately report all violence or threats thereof, both directly or indirectly to his immediate superior or any member of management or to the security officer on duty.

RULES AND REGULATIONS – BRANCH OPERATIONS

1. STANDARD GREETING

The goal of the Company is to commit itself to quality customer service by ensuring that all our clients, whether external or internal are greeted with a warm, personalized service.

It is the policy of the Company that a standard greeting phraseology be used according to Company standards at all times whether they are in operations or are in administrative work areas.

Standard Practice

Upon entering the Company, all customers are warmly greeted with a smile and eye contact.

Staff is attentive with upright posture

Customer receives warm verbal greeting by name, if known; by “sir” or “ma’am” if name is not known.

Customers are acknowledged as soon as there is eye contact and greeting is made from a distance of one meter.

Standard phraseology for greeting are as follows:

1. Good morning/ afternoon/ evening Sir/Ma’am
2. Welcome to _____.
3. Good Luck Sir/Ma’am
4. Thank you for playing Bingo with us.
5. Please come again.
6. Thank you.

In Tagalog:

1. Magandang araw/ tanghali/ hapon/ gabi po, Sir/Ma’am
2. Manalo po sana kayo
3. Maraming salamat po. Balik po kayo.

2. CUSTOMER RELATIONS

Our corporate image is, to a very large extent, affected by the manner in which employees interact with customers. Therefore, maintaining good customer relations and customer satisfaction should be foremost in the minds of all employees.

All customers must be treated with utmost respect and courtesy. All employees must be friendly, helpful and prompt in giving attention to customers.

Customer complaints and concerns should be attended to immediately at the branch level by the Branch Manager and brought to the attention of the Operations & Marketing Division.

3. CELLULAR PHONE BAN

Use of Cellular/Mobile Phone inside the playing area is prohibited whether an employee is on duty or on break period. The use of cellular phones will only be allowed inside the office area.

4. PERSONAL ERRANDS FROM SECURITY/JANITORIAL PERSONNEL

Employees are prohibited from asking personal errands to Security Guards and Janitorial Personnel.

Our Company will be held liable by agencies for any untoward incident that may happen to their personnel outside the place of assignment during their working hours.

5. SHORTAGES

The policy covers any employee and officer of the Company.

Employees who incur shortage in sales or Company funds shall pay for the whole amount and may be given disciplinary action whether it was a willful act of misappropriation or act of negligence.

Shortages shall be deducted from the upcoming salary of the employee.

Shortages incurred prior the payroll cut-off will be deducted immediately.

Shortages incurred after the payroll cut-off will be deducted on the succeeding cut-off period.

Employees who incur shortage of more than Php3,000.00 but not more than the equivalent of the employee's monthly salary within a period of two (2) years shall be sanctioned up to and including dismissal.

Employees will only be exempted from disciplinary action if a) the shortage is directly attributable to machine or computer error/defect, b) the shortage

is due to excusable neglect but not more than Php3,000.00 within the two-year period.

Branch Cashiers are required to submit a weekly shortages report every Tuesday to Human Resource Department and every cut-off to the Accounting Department. Failure to do so shall be given appropriate sanction up to and including dismissal.

Employees who commit the following shall be terminated from work.

- Commits act/s resulting to a shortage or incurs a shortage amounting to more than his monthly salary.
- Willful misappropriation of Company funds/money.
- Fraud
- If an employee has incurred or committed an act that resulted to another shortage after being given a one (1) week suspension for the same offense.
- Branch Cashiers who commit a fifth violation on failure to submit weekly shortages report.

ABOUT YOUR TRAINING AND DEVELOPMENT...

1. REGULAR EMPLOYEE ORIENTATION

All regular employees undergo orientation on all Company Rules and Regulations, their benefits, and all standard procedures that the Company implements.

Employees are given employee handbook for their guideline and for future reference.

2. ON THE JOB TRAINING

AB Leisure Exponent, Inc. acknowledges its crucial role in supporting educational programs of government and private schools by institutionalizing On- the- Job- Training program as a means of enriching the student's knowledge and skills through actual practice and experience in their specialized fields.

The Human Resource Department will only entertain requests from the school duly signed by the director/dean/any school official.

Human Resource Department, in coordination with departments concerned, handles the screening, scheduling, monitoring, evaluation and other such matters pertaining to request by school for practicum or off-campus training of their students in all areas of operations of ABLE.

Student trainee must comply with Company rules and regulations and his job assignment duties.

3. SERVICE CONTRACT AFTER OFF-SITE TRAINING

Employees who attend training programs or special studies that the company will require shall have a service contract with the Company.

Employees who have undergone training costing between Php10,000.00 and Php50,000.00 shall stay with the Company for at least one (1) year and shall execute a contract to that effect.

All trainings attended amounting between Php10,000.00 and Php50,000.00 shall require one (1) year of service for each training program attended.

If the employee resigns within the service contract, he will reimburse the Company the total training expenses.

The Management shall have its discretion on the number of years the employee needs to serve the Company if the training cost is over Php50,000.00.

For other training programs attended by an employee whose amount is below Php10,000.00, he will only be required to submit his Certificate of Completion of the training program.

The employee will continue to enjoy all benefits in full while undergoing training.

ABOUT YOUR PAY...

1. PAYDAY

All regular, contractual and project employees are paid semi-monthly on the 5th and 20th of the month.

An employee's salary is deposited by the Company to his payroll account that he will be required to accomplish before his date of employment.

The 5th of the month payroll includes basic earnings for all work performed within the 16th day to end of the month payroll period of the previous month and adjustments/deductions for 1-15th payroll period of the previous month.

The 20th of the month payroll includes basic earnings for all work performed within the first day to the 15th day of the present month payroll period and adjustments/deductions for 16th to month end payroll period of the previous month.

In the event that a regularly scheduled payday falls on a weekend or a Company recognized holiday, it will be released day/s in advance.

2. PAY CORRECTIONS

The Company takes reasonable steps to ensure that employees receive the correct amount of pay in each payroll period and that employees are paid on the scheduled payday.

Employee Relations Section audit Time Records of employees before final endorsement is made to the Payroll section. If discrepancies are seen, these are corrected immediately.

If an employee still notices discrepancies in his salary, he is advised to promptly report it to the Payroll and/or Employee Relations Section so that corrections can be made as quickly as possible through a standard procedure.

If underpayment/overpayment are identified, the employee's next regular payroll will be adjusted accordingly.

3. PAY DEDUCTIONS

The law requires that employers make certain deductions from every employee's compensation. Among these are:

- Income tax
- Social Security System
- Human Development Mutual Fund (Pag-Ibig)
- PhilHealth

The above-mentioned deductions are computed based on guidelines set forth by the government agencies.

Other deductions that an employee may be subject to if applicable are:

- Tardiness
- Under time
- Leaves without pay
- Work Suspensions
- Loan payments (company loan, government agency loan, company facilitated bank loan)
- Company Uniform
- Employee's Health Card Dependents Fee/Medical Collectibles
- Shortages, Pay outs (for branch employees)
- Emergency loans
- Other official charges (post paid line subscriptions, personal long distance calls)

Clarifications regarding salary deductions should be directed to the Employee Relations or Payroll Section.

The table below illustrates the basis of computation of an employee's salary that we presently implement.

Attendance on:	Basic pay received on:	+/- Adjustment reflected on:
1 st - 15 th of month	20 th of month	5 th of following month
16 th - 31 th of month	5 th of following month	20 th of following month

The table below illustrates the schedule of deduction for work suspension/s.

Suspension schedule:	+/- Adjustment reflected on:
1 st - 15 th of month	20 th of present month
16 th - 31 th of month	5 th of following month

OTHER THINGS YOU SHOULD KNOW...

1. ACCESS TO PERSONNEL FILES

The Company recognizes the right of each employee to examine and obtain a copy of documents contained in the employee's personnel file within a reasonable time, except for information and materials therein that are classified as "confidential."

Employees are allowed to review the contents of their personnel file by accomplishing the "Access to Personnel Files" Form from the Human Resource Department. Only the Human Resource staff may remove documents from personnel records or withhold records.

Superiors are allowed to review the contents of a personnel file for an employee who currently works in the superior's section, department or division on a need-to-know basis.

Personnel files should be returned within 2 days from the date borrowed.

Personnel files of any current or former employee are not available for review by any private or public agencies without appropriate legal authorization.

2. CERTIFICATE OF EMPLOYMENT

Certificate of employment is issued to employee upon submission of a written request. It must include pertinent information such as his complete name, present job title, department/branch, detailed purpose of his request, company requiring the certificate.

Release of certificate is scheduled once a week, Friday, or the soonest time possible if necessary due to a valid urgent need of the employee.

3. DRUG TESTING ON EMPLOYEES

In accordance to Department Order 53-03 of the Department of Labor and Employment – Drug-Free Work Policy, our company implements random drug testing among officers and employees alike.

Results of the test are disclosed to employee alone. If it turns positive, the company's assessment team shall evaluate the results and determine the level of care and administrative interventions that can be extended to the concerned employee.

However, the company has the authority to impose a sanction of termination to an employee in accordance with the provisions of Article 282 of Book VI of the Labor Code under RA 9165 – Comprehensive Dangerous Drug Act.

4. EMERGENCY CLOSING

In the event of adverse weather conditions, civil disturbances (riots, commotions and the like) that are widespread and extremely severe, the Management can announce that employees may not report for work while pay for employees will be continued.

A memorandum will be released by the Human Resource Department specifying instructions for all employees affected by the closing of operations.

If there is an unplanned disruption of power or water, an emergency closing is not automatic. The Managers shall acquire a prognosis of the extent and length of the disruption from the utility companies. Employees should, insofar as possible, continue to carry out assignments.

For an extended power or water outage, employees may be given assignments to perform at another work location.

For branches, the Branch Heads, or Operations Supervisors in the absence of the former, are required to comply with procedural requirements and documentations that have been formulated for emergencies such as power outage, calamities and bad weather. This covers stoppage and resumption of games, verification of venue status from mall administration, advise to players, refund and computation for the cost of unused cards, treatment of payout and pari-mutuel games as well as mall regulations to avoid penalties.

The Vice President for Operations and Marketing or any delegated Officer in Charge in his absence has the final say on temporary branch closings due to emergencies.

4. EMPLOYMENT REFERENCE CHECKS

Company Pre-employment Reference Checks

The Company checks the employment references of all new hires, including previous employers. Reference checks may require credit history and criminal background review if necessary.

All inquiries will be made professionally and prudently.

External Reference Checks

The Human Resource Department responds to all legitimate reference checks involving its present and past employees in an accurate and responsible manner.

Unauthorized employees are prohibited from responding to requests for information regarding another employee, and should refer all inquiries to the Human Resource Department for appropriate responses.

5. EMPLOYEE RELATIONS

If employees have concerns about work conditions, they are strongly encouraged to voice these concerns openly and directly to their supervisor.

If situations or conditions prevent an employee from discussing his concerns openly with his immediate supervisor, the employee is advised to discuss his concerns with the next level of management.

If the concerns are still unsatisfactorily resolved at this level, the employee is encouraged to discuss his concerns with the Employee Relations Supervisor or the Human Resource Manager. These concerns shall be treated with confidentiality.

The Human Resource Department shall make all the necessary action to resolve issues and concerns brought up by its employees.

6. FINANCIAL APPROVAL AUTHORITY

Corporate funds must be strictly used for legitimate purposes only as authorized by the Management.

Approval authority is delegated within the Company based on management level and area of responsibility.

The commitment or expenditure of corporate funds for any other purpose or by an unauthorized individual is strictly prohibited and could result in disciplinary action up to and including termination.

Approval authority does not include taking action of committing the Company or affiliated organization by signing a contract, oral or written action that could be interpreted by an outside party as a commitment.

7. PERSONNEL DATA CHANGES

Employee must notify the Human Resource Department of any changes in personal data.

Personal mailing address, telephone numbers, number and names of dependents, individuals to contact in the event of an emergency, beneficiaries, educational accomplishments, and other such status reports should be kept accurate and current at all times.

At the beginning of each year, the Recruitment section shall distribute a "Personnel Record Update" form to be filled out by employees.

8. REHIRING OF EMPLOYEES

The Company does not rehire employees who resigned, were terminated, or whose contracts were expired.

The President's approval will be needed in cases where a Department/Division Head considers a former employee for reemployment.

A rehired employee will start again as a contractual/probationary employee and Company provided benefits would only be reinstated upon his regularization.

POLICY AND PROCEDURE CHANGES

While efforts have been made to make this manual as comprehensive as possible, it cannot address every issue that may arise. Changes may be required due to shifts in corporate strategies and directions as the Company adapts to the dynamics of the business environment. Existing policies may be modified or repealed and new policies may be added to maintain the long-term viability of the Company and defend its interests and those of its stakeholders.

Policy changes may be proposed in writing by any organizational unit in the Company. Any employee who wishes to propose any policy change should first discuss the matter with his Department Head. The employee may also submit the proposal to the Employee Relations Section of the Human Resource Department if he believes that his proposal is of utmost importance and that he is not getting the appropriate attention from his Department Head.

The proposal should clearly state the subject, the objective, implementing guidelines and an analysis of the costs and benefits either qualitatively or quantitatively. The Human Resource Department shall accept all proposals for policy changes and submit them to the Management Committee for deliberation and decision. All policies and policy changes shall be approved by the Management Committee and signed by the President or his authorized representative before they can be officially incorporated in this manual and implemented.

All policy changes, including their dates of implementation, shall be properly indicated in the corresponding pages of the manual. The superceded versions shall be removed, marked and archived.

APPENDIX

TABLE OF INFRACTIONS AND PENALTIES

LEGEND

- V W – Verbal Warning
- W W – Written Warning
- 1 DS – One (1) day suspension
- 3 DS – three (3) days suspension
- 1 WS – one (1) week suspension
- 2 WS – two (2) weeks suspension
- 1 MS – one (1) month suspension
- D – Dismissal

VIOLATION	FREQUENCY OF OFFENSE						
	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th
WORK SCHEDULE							
Tardiness of more than four times beyond the allowed ten (10) minutes within a period of one (1) month	W W	1 DS	3 DS	1 WS	2 WS	D	
Absence without official leave (AWOL)	W W	1 DS	3 DS	1 WS	D		
Abandonment of post	W W	1 DS	3 DS	2 WS	1 MS	D	
Unauthorized under time	W W	1 DS	3 DS	1 WS	D		
Unauthorized change in working hours/rest day	W W	1 DS	3 DS	1 WS	2 WS	1 MS	D

VIOLATION	FREQUENCY OF OFFENSE						
	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th
TIMEKEEPING							
Possessing unjustifiably a time record with incomplete or multiple log in/out with varying time on a particular day/s	W W	1 DS	3 DS	1 WS	2 WS	1 MS	D
Non-observance of the prescribed guidelines in the filing and securing of approval for leave, including non-cancellation of unused filed leaves, and non-observance of the prescribed guidelines for changing of work schedule	W W	1 DS	3 DS	1 WS	2 WS	1 MS	D
GOOD HOUSEKEEPING AND GROOMING							
Non-wearing of company uniform	W W	1 DS	3 DS	1 WS	D		
Failure to wear Company ID	W W	1 DS	3 DS	1 WS	2 WS	1 MS	D
Failure to observe proper dress code and grooming	W W	1 DS	3 DS	1 WS	D		
BUSINESS ETHICS AND CONDUCT							
Passing, selling, initiating, using or under the influence of prohibited drugs or intoxicating beverages, wine or liquor while in the company premises	D						

Commission of immoral act and indecent/unruly conduct, insulting behavior, using of intemperate and profane language, and disrespect to customers/co- workers	1 WS	D							
Inappropriate treatment of customers/clients of the company resulting to embarrassment to the company, damaging the good name of the corporation	1 DS	3 DS	1 WS	1 MS	D				
Soliciting or receiving money, or anything of value from customers	D								
Playing bingo in company's bingo venue, and those of its affiliates/subsidiaries and all direct competitors	1 WS	D							
Breach of Confidentiality Agreement or improper use of or disclosing confidential information	D								
Indolence during working hours	WW	3 DS	1 WS	D					
Playing of games during office hours	WW	1 DS	3 DS	1 WS	2 WS	1 MS			D

Gambling of any form inside the company premises	W W	3 DS	1 WS	D			
Playing on behalf of customers	W W	3 DS	1 WS	D			
Policy on shortages incurred by accountable employees and officers .	W W	1 DS	3 DS	1 WS	D		
Sabotage	D						
ACTS OTHER THAN CONSTITUTING FRAUD (see fraud policy).							
Misrepresentation by the employee of information contained in his personal record within a reasonable period of time and failure to timely submit supporting document/s required by the Human Resource Department	W W	1 DS	3 DS	1 WS	2 WS	1 MS	D
Giving false statements in any company investigation	D						
Falsification of personal and company records	D						
CONFLICT OF INTEREST							
Unauthorized rendering of service/s for another employer or maintaining a business without the consent of the company	D						
Selling of complimentary or competitor's tickets/game cards	D						
Selling of bonus tickets and cards	2 WS	D					

Physical inventory count	W W	1 DS	3 DS	1 WS	2 WS	1 MS	D
Stockroom inventory	W W	1 DS	3 DS	1 WS	2 WS	1 MS	D
Traditional Bingo Operations							
Card allocation	W W	1 DS	1 WS	1 MS	D		
Card verification	W W	3 DS	1 WS	D			
Hosting	W W	3 DS	1 WS	D			
Machine operation	W W	3 DS	1 WS	D			
As technician	W W	1 DS	3 DS	2 WS	1 MS	D	
Selling (tickets/cards)	W W	1 DS	3 DS	1 WS	2 WS	1 MS	D
Supervision	W W	1 DS	3 DS	2 WS	1 MS	D	
Treasury							
Cashiering	W W	1 DS	1 WS	1 MS	D		
Handling of bingo product /ticket/card in bingo halls	W W	1 DS	3 DS	2 WS	1 MS	D	
Accounting for special event tickets and charity bingo cards	W W	1 DS	3 DS	1 WS	2 WS	1 MS	D
Inter-branch transactions	W W	1 DS	3 DS	2 WS	1 MS	D	
Handling of security vault, funds and collection	W W	3 DS	1 WS	D			

Bingo product winning cards/tickets from distributor	W W	1 DS	3 DS	1 WS	2 WS	1 MS	D
Submission of reports	W W	1 DS	3 DS	1 WS	2 WS	1 MS	D
Reporting of shortages for final settlement computation	W W	1 DS	3 DS	2 WS	1 MS	D	
Revised procedures on final settlement	W W	1 DS	3 DS	2 WS	1 MS	D	
Unclaimed prize	W W	1 DS	3 DS	2 WS	1 MS	D	
Disbursement from branch sales	W W	1 DS	3 DS	2 WS	1 MS	D	
Petty cash fund	W W	1 DS	3 DS	1 WS	D		
Reportorial and procedural requirements on collection and deposit	W W	1 DS	3 DS	1 WS	2 WS	1 MS	D
Prize disbursement	W W	1 DS	3 DS	2 WS	1 MS	D	
Shortages	W W	1 DS	3 DS	1 WS	D		
Certification	W W	1 DS	3 DS	1 WS	2 WS	1 MS	
Others	W W	1 DS	3 DS	1 WS	2 WS	1 MS	D
Accounting							
Late submission of reports	W W	1 DS	3 DS	2 WS	1 MS	D	

Payroll distribution	W W	1 DS	3 DS	1 WS	2 WS	1 MS	D
Cash advances and reimbursement of business expenditures	W W	1 DS	3 DS	1 WS	2 WS	1 MS	D
Request for payment	W W	1 DS	3 DS	1 WS	2 WS	1 MS	D
Fixed asset management	W W	1 DS	3 DS	1 WS	2 WS	1 MS	D
Purchasing and General Services							
Purchasing	W W	1 DS	3 DS	1 WS	2 WS	1 MS	D
Vendor accreditation	W W	1 DS	3 DS	1 WS	2 WS	1 MS	D
Database management	W W	1 DS	3 DS	1 WS	2 WS	1 MS	D
Petty cash purchases	W W	1 DS	3 DS	1 WS	2 WS	1 MS	D
Operations Supervisor for Human Resource							
Attendance	W W	1 DS	3 DS	1 WS	2 WS	1 MS	D
Reports	W W	1 DS	3 DS	1 WS	2 WS	1 MS	D
Information Technology Management and Services							
Computer hardware and workstation	W W	1 DS	3 DS	1 WS	2 WS	D	
Data or system security	W W	1 DS	3 DS	1 WS	2 WS	D	
Software	W W	1 DS	3 DS	1 WS	2 WS	D	
Chat programs	W W	1 DS	3 DS	1 WS	2 WS	D	

Web surfing	WW	1 DS	3 DS	1 WS	2 WS	D
Emails	WW	1 DS	3 DS	1 WS	2 WS	D
Downloading or file sharing	WW	1 DS	3 DS	1 WS	2 WS	D
Network resources	WW	1 DS	3 DS	1 WS	2 WS	D

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LEISURE & RESORTS WORLD CORPORATION
Minutes of the Audit Committee Meeting
Held on 6 April 2022
via Zoom Communication

PRESENT:

Mr. Winston A. Chan
Mr. Lawrence T. Cobankiat
Mr. Paolo Martin O. Bautista

ALSO PRESENT:

Atty. Carol V. Padilla
Ms. Elaine Eustaquio
Ms. Charlotte P. Calderon

1. CALL TO ORDER AND PROOF OF QUORUM

The Chairman, Mr. Winston A. Chan, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Carol V. Padilla recorded the minutes of the meeting.

2. CERTIFICATION OF QUORUM AND WAIVER OF NOTICE

The Corporate Secretary certified that a quorum was present for the transaction of business by the Committee. The Audit Committee Members consented to waive their right to notice of the meeting.

3. INTERNAL AUDIT PLAN 2022

The Chairman, Mr. Chan, called Ms. Elaine Eustaquio, the internal Audit Head, to present the Internal Audit Plan for 2022. Ms. Eustaquio presented the Internal Audit Plan for Leisure & Resorts World Corporation (LRWC) and Subsidiaries.

Ms. Eustaquio started by presenting the Internal Team, as follows:

Our Team

Internal Audit Head
Elaine P. Eustaquio

Supervising Auditor
Vivian G. Ceballos

Staff Auditors (5)
Adones Tenio
Grace Lagundi
Sheeree Peninsoro
May Lorenzo
Romelli Bayoca

Total Manpower = 7 pax

2

Ms. Eustaquio said that no changes were made in the Audit Services. She presented and discussed the services of the Internal Audit, as follows:

- I. Assurance Services
 - A. Regular Cycle Audit:
 - Retail Operation (ABLE & TGXI)
 - Scheduled Site Visits (Spot Audit)
 - Cash Counts, Revenue and Payout Validation, Testing Controls
 - B. Special Audit:
 - Rotational audits for all Business Units and Departments
 - Requested or Tips from Whistleblowers
 - Forwarded Incidents from Regular Cycle Audit (Fraud Audit)
- II. Consulting Services
 - Advisory Services:
 - Review of guidelines, policies and procedures (for checking of controls)
 - Member of Personnel Committee under Human Resources Department
- III. Other Services
 - Witness to raffle draws, biddings, inventory and disposal of assets.

Further, Ms. Eustaquio reported the challenges encountered by the internal audit team, as follows:

Issues	Inherent	Pandemic	Remarks
Systems Used are not Fully Integrated	✓	✓	Reported Results with manual intervention
Significant amount of cash exposure in sites	✓	✓	Required by PAGCOR, schedule of bank pick up
Manual Processes	✓	✓	Prone to errors, enables fraud
Sites in remote location	✓	✓	Availability of transportation
Quarantine Restrictions		✓	Unpredictable, causes site closures, varies per LGU
Manpower	✓	✓	Limited resources

She explained the challenges encountered by the company, namely: (1) systems are not fully integrated (that is, some processes are still done manually and require manual intervention to transfer from one date to the other); (2) significant amount of cash exposure in sites (that is, each site carries a minimum of Two Hundred Fifty Thousand Pesos (Php250,000.00) plus the sales awaiting deposits); (3) manual processes are prone to errors and enable fraud; (4) sites in remote location experience problems relating to availability of transportation due to the pandemic; (5) quarantine restrictions which affects the operations of the sites; and (6) limited resources due to lack of manpower.

Ms. Eustaquio then presented the accomplishments of the internal audit team in 2021, as follows:

I. Assurance Services - Regular Cycle Audit

	# of Sites	Cash Counted on Site	Validated Revenues	Remarks
1 st Qtr	52	P 21.7M	P 391.2M	NCR Sites
2 nd Qtr	52	-	254.9M	Provincial Sites (remote audit)
3 rd Qtr	26	9.7M	173.9M	NCR Sites
4 th Qtr	44	19.4M	162.0M	NCR Sites
Total		P 50.8M	P 822.0M	

	# of Sites	Target	Remarks
NCR Sites			
1 st Qtr	52	2x a year for operating sites	As of 12/31/21: 61 operating sites
3 rd Qtr	26		
4 th Qtr	44		
Provincial Sites			
2 nd Qtr	52	20% of operating sites	Remote Audit As of 12/31/21: 79 operating sites

Ms. Eustaquio shared that during the first, third, and fourth quarters, an onsite audit in NCR was performed, and the cash count reported was worth Fifty Million Eight Hundred Thousand Pesos (Php50,800,000.00), which composed of prize funds and sales awaiting deposits. For the second quarter, remote audit for validation of revenues was performed in provincial sites. She continued that a total of Eight Hundred Twenty Two Million Pesos (Php822,000,000.00) was the reported validated revenues in 2021, and that the team managed to achieve the targeted audit sites per year.

II. Assurance Services - Special Audit

Issues	Amount	Type	Remarks
Conflict of Interest (Mktg employee purchases from Company of immediate family)	P298.8k	Fraud	Employee resigned
Trad Bingo Promos Involving Special Event Tickets	-	Compliance	Promo cost is charged to Revenues, No GS Forms
Unscanned Payout Ticket (EBG Perception Variant)	P8.5k	Procedural	No employee infraction as per legal opinion
Unscanned Payout Ticket Leading to Double Cash Out	P2.9k	Fraud	Recovered double payment made. Employees involved were given 30 days suspension & written warning.

Issues	Amount	Type	Remarks
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Unscanned Payout Ticket Leading to Double Cash Out	P2.9k	Fraud	Recovered double payment made. Employees involved were given 30 days suspension & written warning.

Issues	Amount	Type	Remarks
LRWC & Subs Compliance to Data Privacy Act of 2012.	-	Compliance	Level of compliance is in its initial stages.
Audit of Central Office Based Revolving Funds	P565k	Procedural Basic Preventive Controls	Update of related policies needed
Cash Shortage (TGX Madison)	P266k	Fraud	Shortage charged to agency. Cashier was replaced.

Ms. Eustaquio shared that the level of compliance with the Data Privacy Act of 2012 is in its initial stages due to the employees' lack of training, and since there were no reported security breaches anyway up to date. She reported that the team has a pending release of an Audit Report regarding Blue Chip for Special Audit of Marketing Expenses. The said report is targeted to be released on April 11, 2022.

Afterwards, Ms. Eustaquio presented the team plans for 2022, as follows:

I. Assurance Services - Regular Cycle Audit

On-Site (ABLE & TGXI)	Target	No. of Sites	Remarks
Metro Manila (On Site)	90% of 61 sites	55	At least 3x a year
Nearby Provinces (On Site or Remote) (Bulacan, Laguna, Cavite & Pampanga)	90% of 27 sites	24	Semi-Annual
Provincial – On Site or Remote**	80% of 52 sites	42	Semi-Annual

Ms. Eustaquio shared that the management requested to have a daily monitoring of online and offline bank deposits, to monitor late and unusual bank transactions. She informed the committee that the report will be reported on a monthly basis.

Additional Audit Procedure	Target	Remarks
Monitoring of Bank Deposits	Online & Offline	According to bank deposit schedule: <ul style="list-style-type: none"> • Daily • 2x or 3x a week • Others
Note: Results of continuous monitoring of bank deposits will be reported on a monthly basis.		

II. Assurance Services - Special Audit

Particulars	Target	Remarks
Forwarded from Regular Cycle Audit (Fraud)	100%	Priority
Requested or Thru Whistleblowers	-	100% Initial Investigation Priority Fraud Cases
Fixed Assets	2 nd Qtr	Process Controls Audit

Particulars	Target	Remarks
Payroll (rank & file)	3 rd Qtr	Process Controls Audit
Compliance to Policies & Procedures (inclusive of review & testing)	4 th Qtr 2022 to 2 nd Qtr 2023	All Departments & Business Units

Ms. Eustaquio then introduced the new products and services of Internal Audit, as follows:

III. New Products/Addtl Audit Work Program

Particulars	Remarks
Online Traditional Bingo (OTB)	Included in Daily Monitoring of Bank Deposits starting March 1.
Other Online Products (EGS)	
PAGCOR On-Site Operational Requirements (ABLE & TGXI)	Non-Compliance will result to imposition of penalty. Included in regular cycle audit starting March.
Anti-Money Laundering (AML) (ABLE & TGXI)	Work Program Under Development Target to implement in June.

IV. CONSULTING SERVICES

Particulars	Target	Remarks
Review of Policies and Procedures	Maximum 15 days	Update or New
Member of Personnel Committee	100% Attendance	Support for Admin Hearing

V. OTHERS

Particulars	Target	Remarks
Witness to raffle draws, biddings, inventory and disposal	At least 2 days notice	Subject to Availability of Personnel

Ms. Eustaquio informed the committee of the updates for the first quarter of 2022, as follows:

- I. Assurance Service – Regular Cycle Audit
 - Metro Manila – 47 sites were visited out of the 55 sites targeted per year
 - Nearby Provinces – 14 sites were visited out of the 24 sites targeted per year
 - Provincial – 21 sites visited out of the 42 sites targeted per year
- II. Assurance Service – Special Audit

Requested Audits	Amount Involved	Type	Remarks
Spot Check Gift Checks Held by Mktg of LR Retail Inventory Count & Overall Control of Cash Equivalent.	P2.4k	Process	Accountable employee sanctioned with written warning & charged with shortage.
BB-Masbate Cash Shortage Cash Payment for Rental & Utilities not forwarded by Cashier to Lessor	P324k	Fraud	Admin Hearing with Employee Held. Awaiting final sanction from HR.
SM Lipa & SM Rosario Branch Mgr admittedly took a portion of the prize fund for personal use.	P376k	Fraud	Employee was terminated. Awaiting info from HR regarding collection.

BB-Bayombong Cash Shortage Cash Shortage admitted by cashier	P8k	Fraud	Shortage was paid. Awaiting final sanction from HR.
BB-Manapla Cash Shortage Cash Shortage admitted by cashier	P28k	Fraud	On-going investigation. Cashier under preventive suspension.
SM Manila & BB-Bocobo Unauthorized interbranch transfer to augment prize fund due to jackpot winnings.	P150k	Procedural	No cash shortage based on initial investigation. Final audit report target to be released April 12.

Mr. Lawrence Cobankiat inquired if Two Hundred Fifty Thousand Pesos (Php250,000.00) is the minimum maintaining cash amount per site. Ms. Eustaquio answered in the affirmative and clarified that there is additional cash to be credited aside from the minimum maintaining cash amount per site due to winnings. It was discussed that some sites from the same area may not need to have the same maintaining cash amount since needed cash may be transported from one site to another site in case of emergencies. Ms. Eustaquio shared that indeed sites can do inter-branch transfers and can just be required to follow strict protocols to avoid mishandling of funds. Upon the inquiry of Mr. Cobankiat regarding the type of payment required, Ms. Eustaquio shared that GCash for online payment and other payment gateways (e.g. 7-11, etc.) are available. She further shared that the Internal Audit is currently establishing controls together with the Finance Department and the President. One of these controls being implemented is the requirement for cashiers to report the cash-on-site. Mr. Cobankiat asked whether the Internal Audit team does spot checking, to which Ms. Eustaquio answered in the affirmative. Upon inquiry by Mr. Chan regarding the system policy, Ms. Eustaquio said that systems are not yet fully integrated and thus requires manual intervention. She explained that the system is currently being developed.

Mr. Cobankiat commented that based on the report, the number of cases of fraud and theft are not significant. Ms. Eustaquio said that while the number of cases decreased compared to 2019, this decrease may be attributed to the pandemic. Mr. Cobankiat inquired if there was a budget that the committee needs for approval; Ms. Eustaquio answered in the negative. Instead, she said that the Internal Audit is requesting for additional manpower from the HR Department.

Mr. Cobankiat requested that a presentation on the budget needed for the additional security expansion due to the online business be made in the next meeting. Mr. Chan also suggested to include in the next meeting the plans for the online business. Ms. Eustaquio acknowledged.

Thus, upon motion duly made and seconded, the Committee passed and approved the following resolution:

"RESOLVED, as it is hereby resolved, that the Audit Committee of the Corporation approves the Internal Audit Plan for 2022 as presented."

A copy of the presentation is hereto attached and made an integral part thereof.

4. **ADJOURNMENT**

There being no other matters to discuss, the meeting was adjourned.


CERTIFIED CORRECT:


CAROL V. PADILLA
 Corporate Secretary

ATTESTED BY:


WINSTON A. CHAN
Chairman

MINUTES READ AND APPROVED:


LAWRENCE T. COBANKIAT


PAOLO MARTIN O. BAUTISTA

LEISURE & RESORTS WORLD CORPORATION
Minutes of the Audit Committee Meeting
Held on 5 December 2022
Held at the LRWC Board Room, 26/F West Tower PSEC, Pasig City

PRESENT:

Mr. Ramon D. Dizon
Atty. Timoteo B. Aquino
Atty. Jose Raulito E. Paras

ALSO PRESENT:

SGV Team: Headed by Mr. Pocholo Domondon
Finance team: Headed by Mr. Wilfredo Pielago
Atty. Carol V. Padilla

1. CALL TO ORDER AND PROOF OF QUORUM

The Chairman, Mr. Ramon D. Dizon, called the meeting to order and presided over the same. The Corporate Secretary, Atty. Carol V. Padilla recorded the minutes of the meeting.

2. CERTIFICATION OF QUORUM

The Corporate Secretary certified that a quorum was present for the transaction of business by the Committee.

3. PRESENTATION BY PWC OF THEIR 2022 AUDIT PLAN

PwC, headed by Mr. Pocholo Domondon (Engagement Lead Partner), introduced themselves to the Audit Committee, and gave the Committee a background of the client service team who will be in charge of the Company. Together with Mr. Domondon, Ms. Aira Regina Arboleda and Mr. Dennis Malco will lead the team. Afterwards, they presented their 2022 Audit Plan, laying down what LRWC can expect from the PwC team. Attached is a copy of their presentation, which is made an integral part of this minutes.

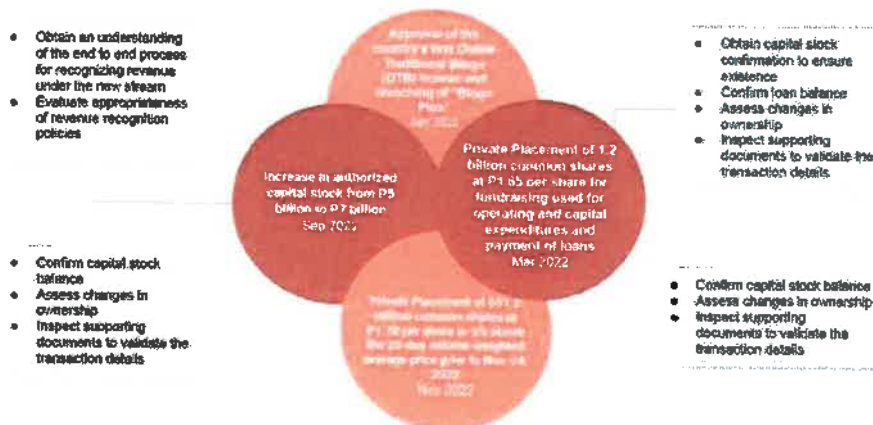
Overall, PwC's objectives are to render expert opinion on the Company's Audited Financial Statements, independent views, and ready access to the team to make sure there are no surprises. On the other hand, they hope that LRWC will be able to provide sufficient support, and that requested documents and personnel are available at their disposal to aid in their rendering of service. Their overall audit approach would be: from the consolidation of all audits, they will come up with their report. Their main area of focus would be risk of fraud on revenue recognition.

Some of the important topics discussed were the following:

Key audit matters (KAM)

	Assessment Status	Audit Response
1 Provisions and contingencies <ul style="list-style-type: none"> • Estimation of the potential liability resulting from tax assessments requires significant judgment by management. 	Ongoing reassessment of the materiality of these issues.	<ul style="list-style-type: none"> • Discuss with management the status of the tax cases claims. • Evaluate the position of the entity by consulting the relevant laws, rulings and jurisprudence, and • Consideration of involvement of specialists.
2 Recoverability of non-financial assets <ul style="list-style-type: none"> • Evaluation of the recoverability of non-financial assets (PPE and Intangible) in view of the Group's macro-economic environment. 	Reassessment of whether the recoverability of PPE is still a KAM.	<ul style="list-style-type: none"> • Test management's recoverability assessment. • Test of significant assumptions. • Review of management due diligence and • Consideration of involvement of specialists.
3 Intangible of Investment properties at fair value <ul style="list-style-type: none"> • Measurement of fair value of investment properties requires significant judgment and involves the use of the services of external appraisers (with related risks of fraud or collusion) and • Measurement of impairment allowances. 	Ongoing reassessment of the materiality of this issue.	<ul style="list-style-type: none"> • Evaluation of the work performed by management's appraisers. • Review of appraisals. • Review of management due diligence and • Consideration of involvement of specialists.
4 Intangible of Investment in IEPs <ul style="list-style-type: none"> • Management's valuation of investment in IEPs involves the use of significant judgment and involves the services of external appraisers (with related risks of fraud or collusion). 	Ongoing reassessment of the materiality of this issue.	<ul style="list-style-type: none"> • Review of appraisals. • Review of management due diligence and • Consideration of involvement of specialists.

Key business transactions



PwC mentioned that some of the procedures already commenced, especially with the transition to online BingoPlus. PwC is aware that there is a third party in some of the sites, and they already informed management of the need to access data and information.

As to the timeline, formal walk throughs commenced in November. Then between January to March 2023, would be the year-end statutory audits. PwC committed to submit their report/s on time as they do not anticipate any extensions as to the deadline for filing the financial statements either by the BIR, SEC and/or PSE.

Atty. Paras asked what PwC's policy is in terms of conflict or disagreement with client along the way. Mr. Domondon responded that while it is not a policy per se, but a protocol, PwC would first determine the source of the disagreement. From there, they will consult with their own legal and technical team; then, they will come up with a position paper to be submitted to LRWC's management. If there will still be a disagreement despite the submission of the position paper, PwC will need to elevate the matter to the Audit Committee, who will be the final arbiter of the disagreement.

Mr. Domondon then asked the Committee about their expectations in terms of measuring the performance of the auditors. Mr. Dizon answered that they expect timeliness (i.e. financial reports to be submitted timely to the regulatory agencies, SEC and BIR), and compliance with standards like PFRS and tax rules. He added that they need additional assurance not just from internal audit, but also from external audit, as well as "no surprise audit". He hopes that the team will be able to minimize or avoid altogether any surprises especially during the closing of the period. In terms of the process and monitoring or control, Mr. Dizon suggested the need for a progress reporting or progress status. He also assured PwC that should there be any disagreement between the auditors and the Company, that they can communicate any time to the Chairman of the Committee or to the Secretary, whether there is any need to hold an executive session with the Audit Committee. Finally, he intimated that he expects proper coordination with management.

Furthermore, Mr. Dizon also talked about the Key Audit Matters ("KAM"). He said that for the information of the other committee members, KAM has to be presented to the shareholders. The number one issue, according to him, is the revenue recognition of the online gaming, *i.e. How do you assess that it is complete; Is there an assurance that there is no leakage, and that everything is complete and reported?* Thus, he proposed that this be reviewed together with management. As to the other KAMs, since LRWC is really focused on gaming, then the attention should also focus on those. He suggested to check whether the other areas like investment would still need attention. He likewise suggested for PwC to check other gaming companies as to other KAMs that might need to be included or reported. Mr. Domondon fully agreed with Mr. Dizon's comments. He confirmed that this reassessment of the KAMs was initially discussed with LRWC's management, especially with the shift of the business and growth. In a nutshell, Mr. Domondon said that for the provisions and contingencies, they believe there is no other outstanding LOA that need to have provisions; on Recoverability of non-financial assets, this is important and standard; and, on the inclusion of revenue recognition, PwC will coordinate with management.

The Chairman, Mr. Dizon requested PwC to let the management and the Audit Committee know immediately should there be any updates on tax or standards, as well as disclosure requirements so that the management can already assess if there will be an impact on the financial statements. Mr. Domondon said assured the Committee that there are 3 partners on board, including the reviewing partner who is the lead partner on audit. On the status of updates, he reminded that there is a Connect program which LRWC's President and CFO, Mr. Tsui and Mr. Pielago, both already have. Nonetheless, he committed that PwC can provide snippets of these updates to the Audit Committee for reference.

As to the fact that LRWC group is composed of more than 50 companies, Mr. Dizon said that in case there will be delays in the finalization of the audit of the subsidiaries, PwC would need to make some decision whether it will really affect or have an impact on the parent company. To this, Mr. Domondon replied that the team will be using scoping plus the materiality threshold. If it does not reach that threshold, then they will proceed with the issuance of the parent's financial statements.

Atty. Aquino joined in the comments of the Chairman. He reiterated that should there be any changes in the risks of the Key Audit Matters, that they should be shared with the Audit Committee in the soonest possible time as these are sensitive. He also suggested that a meeting with management be held regarding this.

Finally, Atty. Paras asked whether PwC threads on money laundering issues and the inflow of moneys. Mr. Domondon answered "Yes". He confirmed that one key area that they will be looking into aside from the private placement, on the revenue aspect, is the KYCs in place and being undertaken to ensure legal sources. He affirmed that PwC already saw certain safeguards being

employed by the Company. Thus, Mr. Domondon said that they will make sure that these are complied with across all companies.

4. ADJOURNMENT

There being no other matters to discuss, the meeting was adjourned.

CERTIFIED CORRECT:

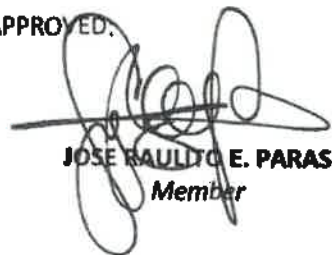

CAROL V. PADILLA
Corporate Secretary

ATTESTED:


RAMON D. DIZON
Chairman

MINUTES READ AND APPROVED.


TIMOTEO B. AQUINO
Member


JOSE RAULITO E. PARAS
Member



Leisure and Resorts World Corporation and Subsidiaries

For the year ending December 31, 2022

For presentation to the Audit Committee
5 December 2022



PwC

Isla Lipana & Co., PwC member firm

Agenda



People powered by technology



Planning the audit

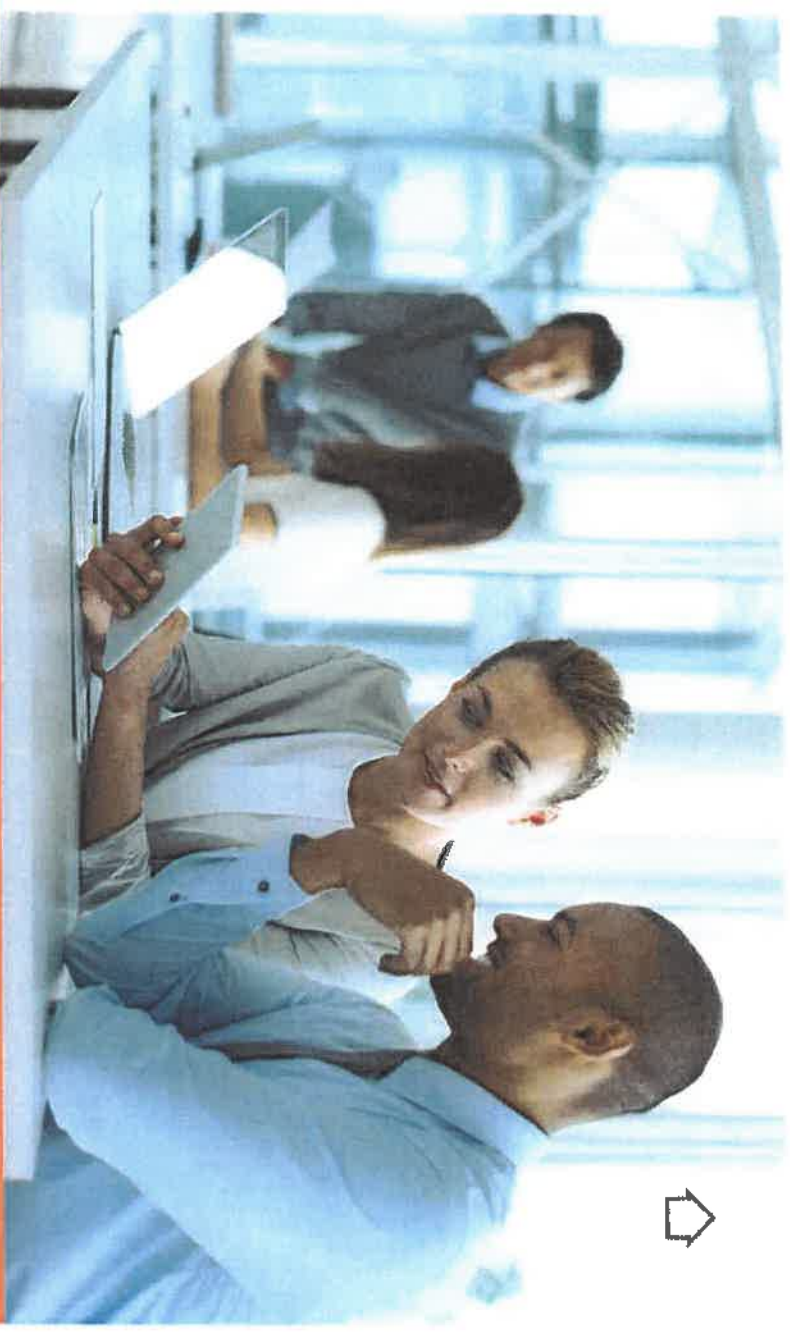


Timeline and other matters
for discussion



People powered by technology

Our teams are selected to achieve the right balance of relevant experience, industry knowledge, specialist expertise and cultural fit.



People supported by smart market-leading technologies, enabling efficient, flexible and insightful collaboration with clients.

PwC 17 People powered by technology

Your client service team

Your PwC team, led by Cholo, Dennis and Aira, combines a detailed knowledge of LFRWC, the broader industry and working with major listed companies in the Philippines. This experience is leveraged where and when it matters to you.

Engagement Managers



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Ronselle Regine A. Garcia
Senior Associate
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Your client service team

Your PwC team will be also be involving a dedicated IT Assurance team for the systems audit.



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Crispin Sarmiento, Jr.
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Your client service team

Your PwC team will be also be involving a dedicated
Tax team for tax compliance



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Eileen Flor Chavez-Abalos
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The technology taking you into tomorrow

Today...

Coordination

What you want

- No surprises
- Tell me what's outstanding and when you need it

What we bring

- **Aura** global ERP system driving consistent quality
- **Connect** for working together

What you get

Consistent, transparent. A single system used globally for consistency, collaboration, and visibility

Saving time

- Data requests take a lot of time, can you use technology to make this easier?

- Customized bots / workflows streamlining the audit
- Service Delivery Center teams for high-volume transactions

Time-saving, enhanced quality: Seamlessly acquiring your data to analyze, risk assess, spot anomalies and direct audit focus and testing

Insights

- You have all my data, tell me something about it

- Computer Assisted Audit Techniques (CAATs) analysis over journal entries and revenue transactions

Precise, efficient: A more intelligent risk assessment by analyzing full populations to create a right-sized audit plan with less wasted effort

Innovation

- My organization is always innovating, what are you doing?

- Digitally upskilled workforce and digital accelerators bringing customized innovations to your engagement

Customized, continuous: Drives on-the-ground innovation for your audit, including automated workflows, data visualizations, bots



Watch now: We're delivering Tomorrow's Audit, Today

Other matters for discussion

Audit technology and transformation



Aura and Smart Audit platform
Our global ERP system driving global quality and consistency



Connect
A collaborative workflow tool allowing fast, secure information sharing



Viewpoint
Access timely, relevant accounting and business insights personalized for you



CAATS
Analysis of your data while delivering unique insights



Datasnipper
Streamlines and automates audit documentation



Google Meet
Secured and real-time meetings powered by Google



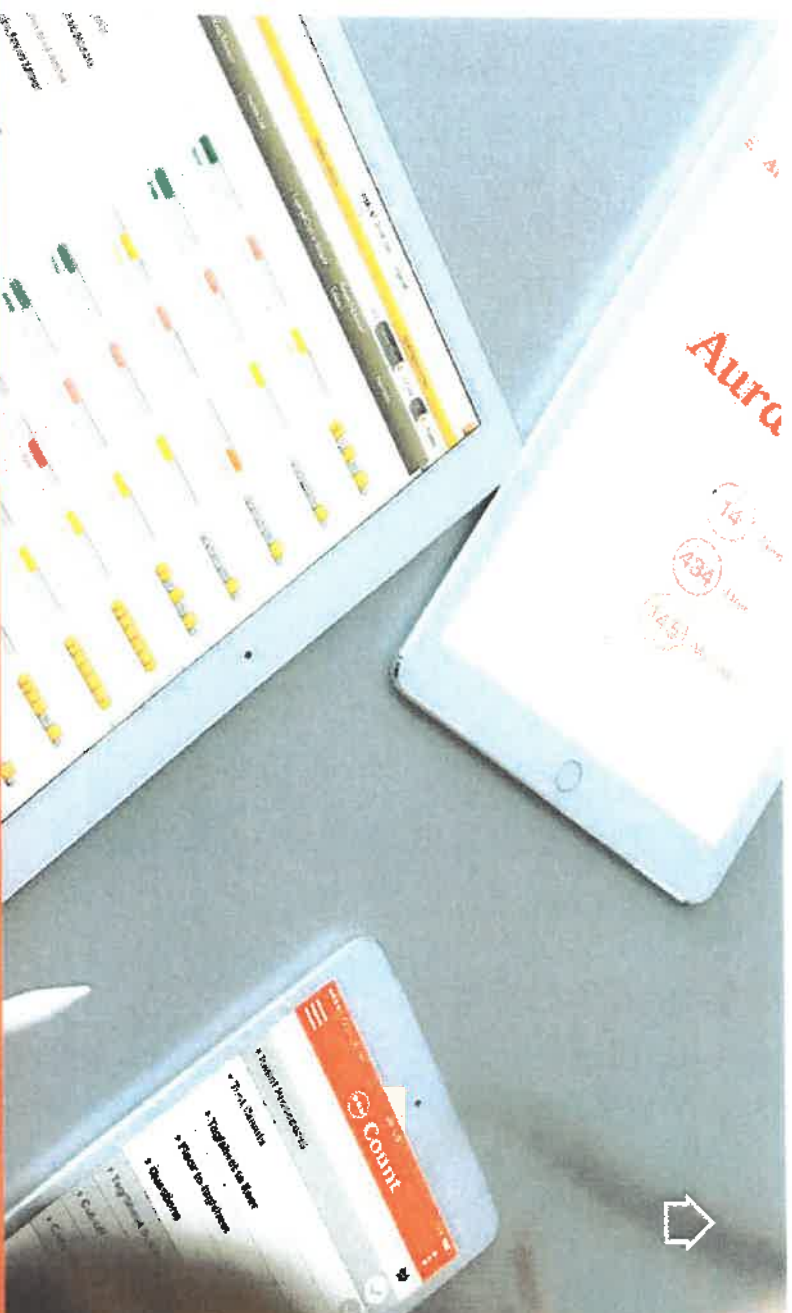
Confirmation.com
the world's leading global provider of online audit confirmations and a trusted service provider to over 3,500 banks and 14,000 audit firms

We're making big investments in people and technology to further enhance the quality of our audit and make it more efficient, more consistent, and less burdensome.

Our technology and methodology are intertwined. Our powerful combination of digitally savvy people and leading tools will save you time from start to finish.

Planning the audit

We design a tailored testing plan for each scoped-in balance, optimizing between tests of detail, controls testing, validation of judgments and data techniques.



Aura, our single instance software, ensures work gets done one way—the right way—consistently and efficiently, both globally and locally. It is used by over 100,000 auditors worldwide on every PwC audit.





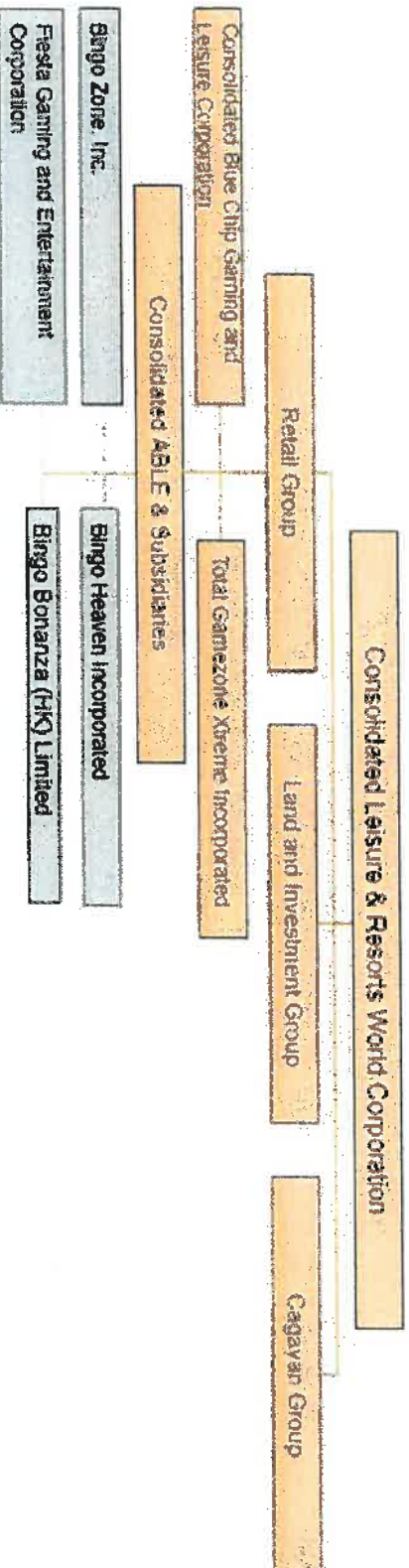
Planning the audit

Scope of work

Company	*Entities	Scope of work
Leisure and Resorts World Corporation and Subsidiaries	50	Consolidated reporting

Groups	Entities	In-scope	Out-scope*	Scope of work
Retail Group	38	34	4	Local statutory audits
Land and Investment Group	9	9	-	Local statutory audits
Cagayan Group	3	3	-	Local statutory audits

Out-of-scope entities are non-revenue generating and represent a less than 0.01% share in consolidated assets as of June 30, 2022.



Legend:

Scoped-in

Scoped-out

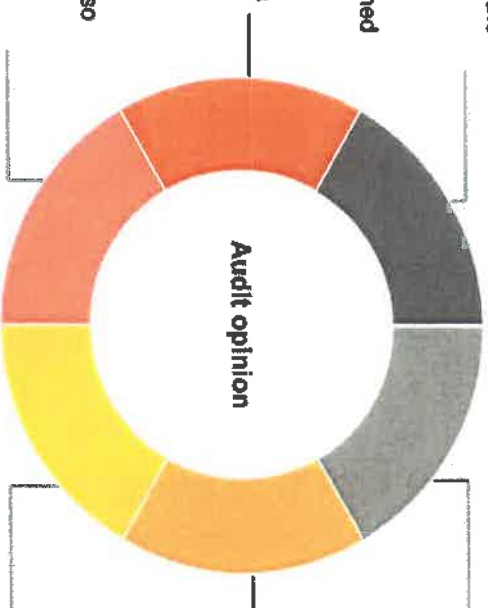
Our objectives



- Being fully accountable for the level and quality of the service that we provide by**
- Confirming our mutual expectations with the audit committee
 - Discussing how we and the audit committee performed against those expectations

Providing robust and independent views on matters arising from our audit work

Providing an accessible, experienced team whose members have a detailed knowledge of your business, so business issues are understood and appropriately addressed



Being committed to a “no-surprises” audit, undertaking to report significant deficiencies to management and the audit committee or those charged with governance as soon as possible after we become aware of them

Providing excellent technical advice and assistance on a timely basis

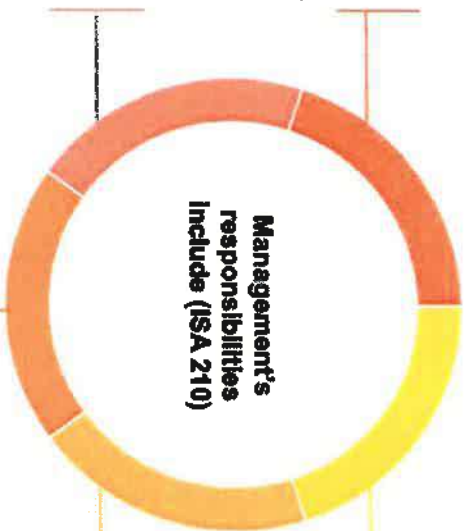
Supporting the audit committee or others charged with governance in achieving their objective of ensuring that the business operates within a robust control environment through issuing an Internal Control Memorandum or a Management Letter

Management responsibilities



Preparation of the financial statements in accordance with the applicable financial reporting framework, including where relevant their fair presentation.

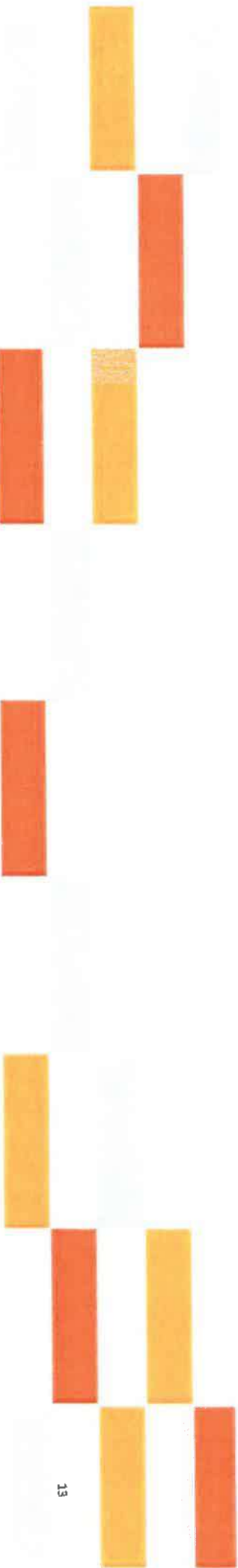
Providing the auditor unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.



Providing the auditor additional information that we may request from management for the purpose of the audit.

Internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

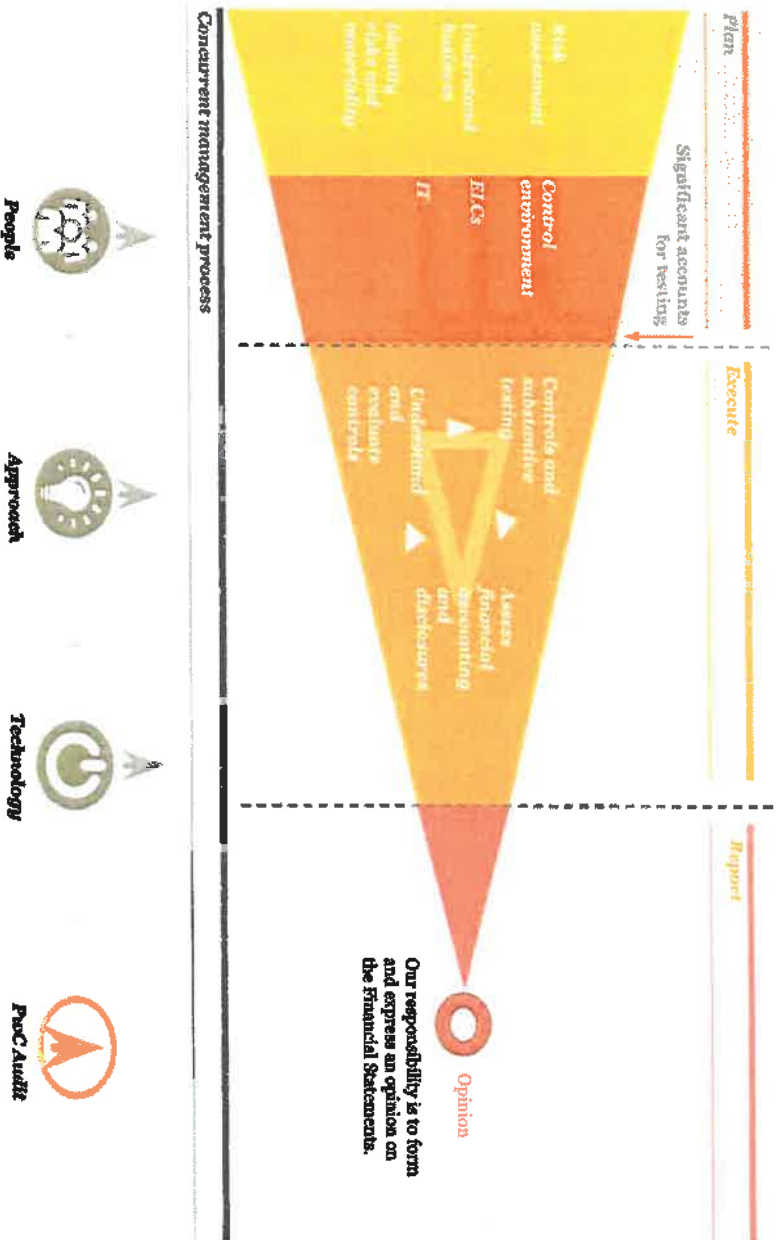
Providing the auditor access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters.



Planning the audit

Overall audit approach

Understand the client's business, objectives and risks are at the center of our audit approach



We use our own risk assessment to design the audit process, aligning our audit with the way management monitors the organization's controls and business processes.

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion.

We evaluate the internal control assessment process that management has in place and independently test the design and operating effectiveness of controls over financial reporting.

Taking into account our independent evaluation of internal controls, we perform substantive testing over significant accounts and disclosures. The type of substantive audit evidence obtained is also impacted by the risk of material misstatement and the risk of management override of controls.

We form an opinion on the Group's consolidated and separate financial statements.



Planning the audit

Areas of focus (including significant risks)

Our audit is **risk-based**, which means we aim to focus on the areas that matter.



Significant audit risks are those with the highest potential for material misstatement due to a combination of their size, nature and likelihood and which, in our judgment, require special audit consideration.

Areas of audit focus

- 1 Risk of fraud on revenue recognition*
- 2 Management override of controls*
- 3 IT general and application controls
- 4 Related party transactions

* significant risks
Significant risks and focus areas are potential Key Audit Matters. These will be evaluated upon reporting based on significance of audit effort.

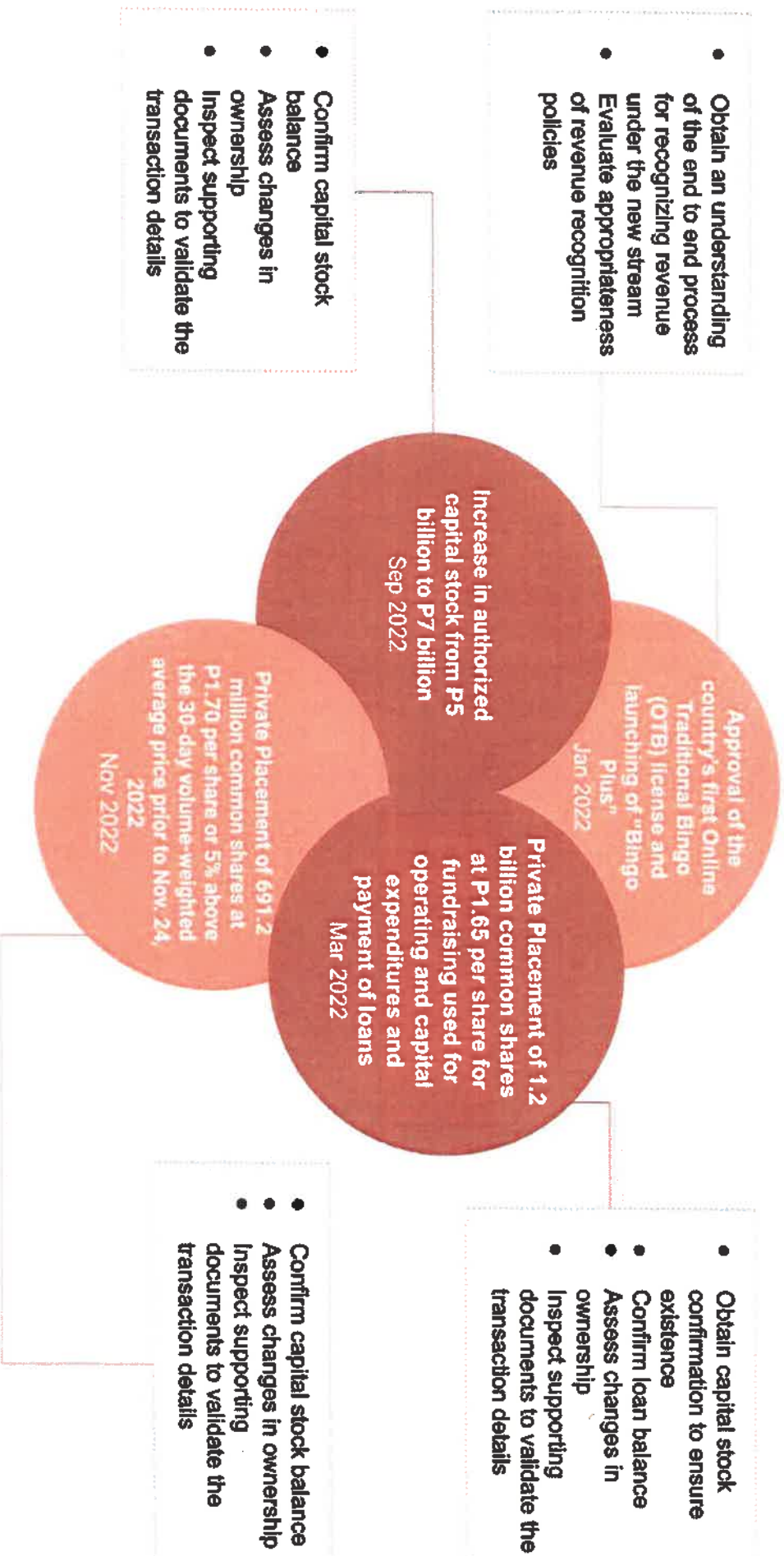
Significant risks

Significant risk	Related accounts (relevant assertions)	Audit response
<p>Risk of fraud on revenue recognition</p>	<ul style="list-style-type: none"> • Offline Revenue (Completeness) 	<ul style="list-style-type: none"> • Perform a collaborative approach with our Risk Assurance (IT audit) to address the risk of revenue recognition. • Obtain an understanding of the end to end process for recognizing revenue to identify areas that could lead to material misstatements and test manual and automated controls over the revenue recognition process. • Perform cut-off testing to ensure revenue items are recorded in the proper period. • Test manual journal entries focusing on unusual entries made • Test a sample of revenue transactions entered into throughout the year. • Evaluate completeness of revenue recorded during the year. • Evaluate appropriateness of revenue recognition policies against requirements of PFRS 15; and • Incorporate unpredictability procedures
<p>Fraud - Risk of management override of controls</p>	<ul style="list-style-type: none"> • Pervasive (all) 	<ul style="list-style-type: none"> • Obtain an understanding of the end to end process for recording manual journal entries to identify areas where manual journal entries could lead to material misstatements and test controls over the journal entry process. • Perform regular discussions with management to understand any new risks or matters identified. • Obtain a listing of journal entries and confirm completeness. A sample of journal entries will be tested, focusing on riskier journals and periods of the year. • Evaluate business rationale of significant or unusual transactions outside the normal course of business. • Test consolidation and topside journal entries recorded during the closing process and investigate journals that are material or appear to be unusual; and • Perform unpredictable procedures across various accounts.

Key audit matters (KAM)

	Assessment Status	Audit Response
<p>1</p> <p>Provisions and contingencies</p> <ul style="list-style-type: none"> • Estimation of the potential liability resulting from tax assessments requires significant judgment by management 	<p>Ongoing reassessment of the materiality of these cases</p>	<ul style="list-style-type: none"> • Discuss with management the status of the tax cases/ claims; • Evaluate the position of the Group by considering the relevant laws, rulings and jurisprudence; and • Consideration of involvement of specialists
<p>2</p> <p>Recoverability of non-financial assets</p> <ul style="list-style-type: none"> • Estimation of the recoverability of non-financial assets (PPE and goodwill) in view of the Group's macro-economic environment 	<p>Reassessment of whether the recoverability of PPE is still a KAM</p>	<ul style="list-style-type: none"> • Test management's recoverability assessment; • Test of significant assumptions; • Review of management disclosures; and • Consideration of involvement of specialists
<p>3</p> <p>Valuation of investment properties at fair value</p> <ul style="list-style-type: none"> • Management's valuation of investment properties involves significant judgment and estimates and requires the assistance of external appraisers whose calculations depend on certain assumptions 	<p>Ongoing assessment of the existence of factors that might indicate impairment</p>	<ul style="list-style-type: none"> • Evaluation of the work performed by management's expert • Test of significant assumptions; • Review of management disclosures; and • Consideration of involvement of specialists
<p>4</p> <p>Valuation of investment in HEPI</p> <ul style="list-style-type: none"> • Management's valuation of investment in HEPI involves significant judgment and estimates and requires the assistance of external appraisers whose calculations depend on certain assumptions 	<p>Ongoing assessment of the existence of factors that might indicate impairment</p>	<ul style="list-style-type: none"> • Evaluation of the work performed by management • Test of significant assumptions; • Review of management disclosures; and • Consideration of involvement of specialists

Key business transactions





Planning the audit

Areas of focus - IT General Controls

Scope of Work

Our scope includes coverage over the following domains:



In-Scope Applications

We will be validating the design effectiveness of LRWC's IT General Controls over the following applications:

- Bingo Plus Portal
- E-Bingo Management System
- IBM Planning Analytics
- Microsoft Dynamics Navision

Covered period: 1 January 2022 to 31 December 2022

Audit Approach





Timeline and other matters for discussion



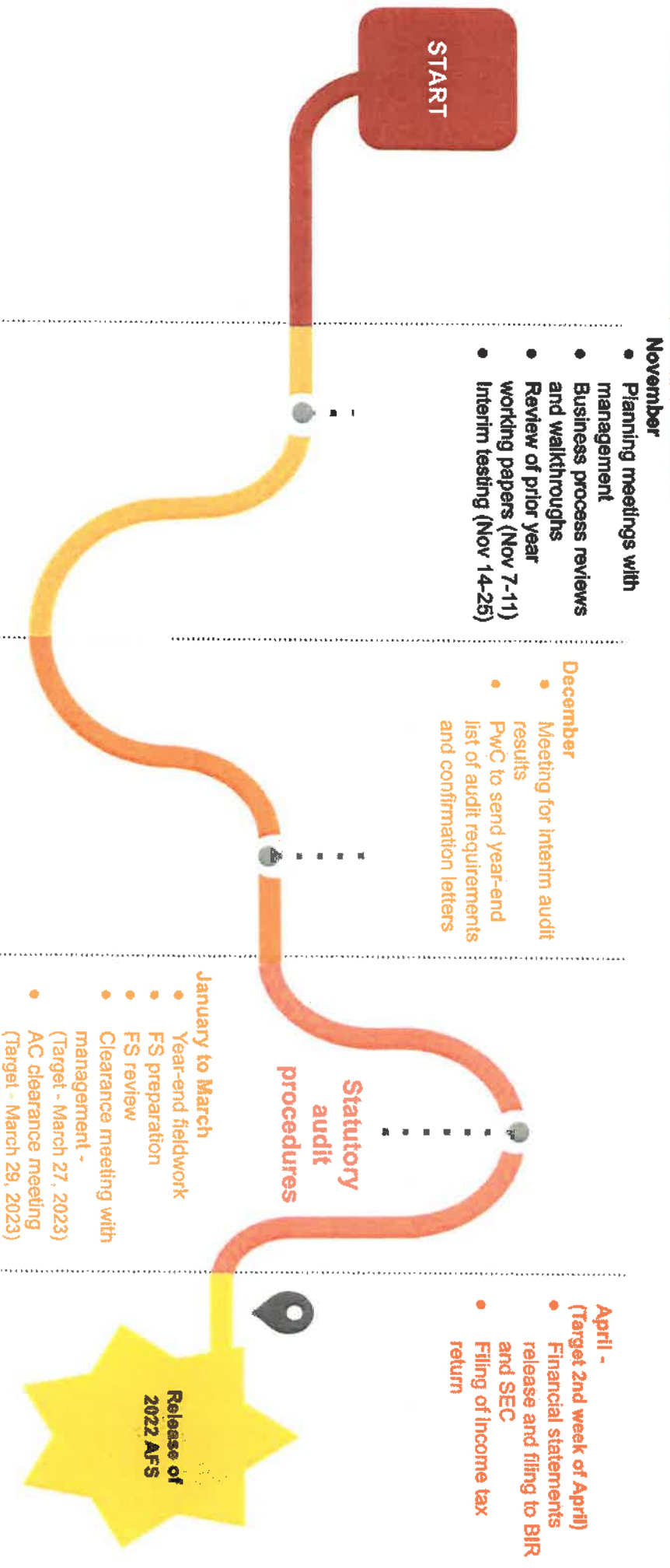
Working in harmony with you, we combine our judgment, experience and instinct with market-leading technology, to identify risks and anticipate problems before they occur, so that they are dealt with promptly and at the right level. This is our commitment to an effective audit.





Timeline

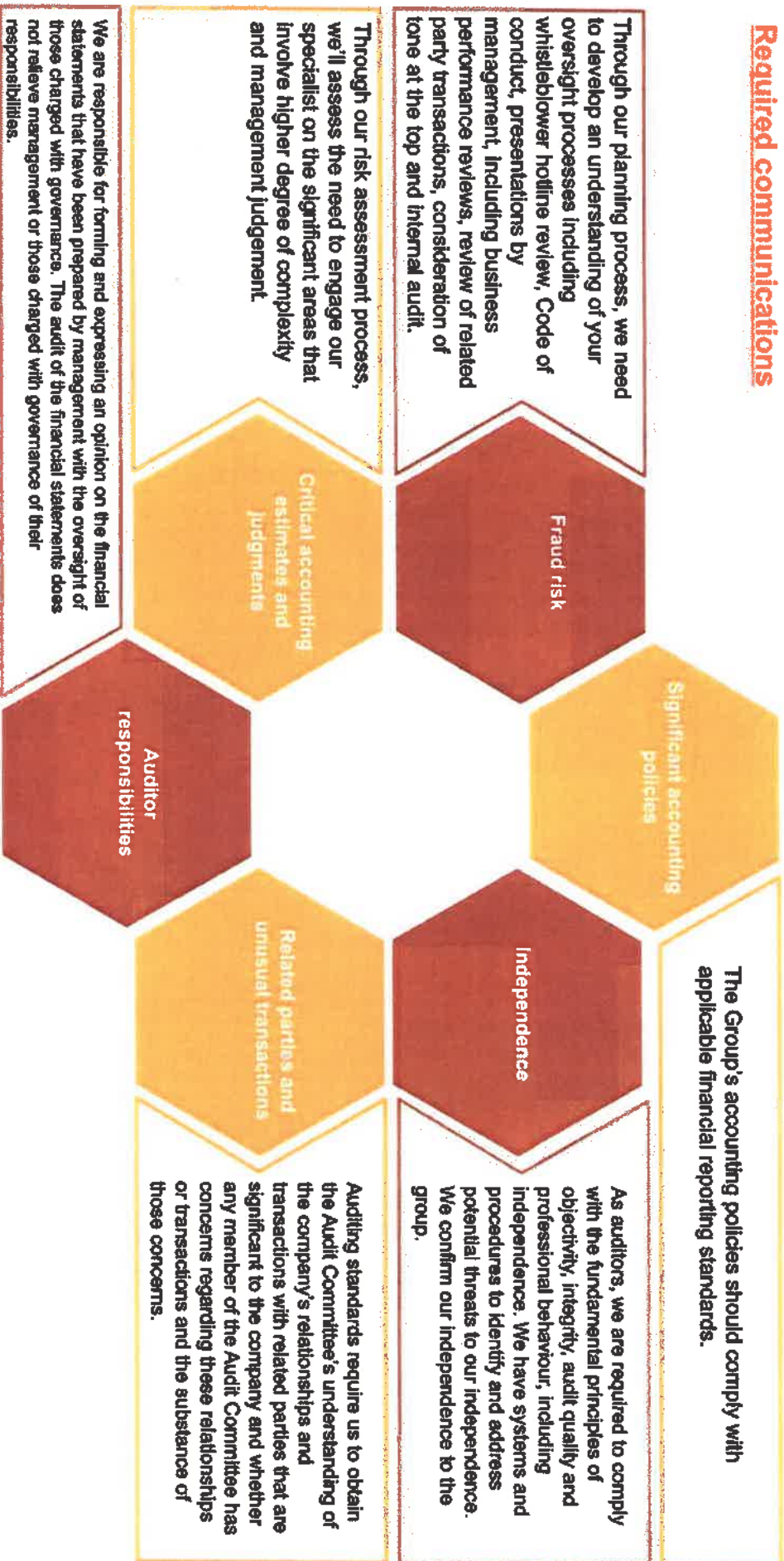
Where we stand - Planned timetable





Other matters for discussion

Required communications





ESG, value creation and the future of reporting

Doing nothing is no longer an option

There are fundamental shifts happening globally that are changing what it takes for companies to be successful.

Employees, customers, communities and investors pressuring businesses to adopt sustainable practices and approaches to remain relevant and viable.

Companies are expected to understand and manage impacts and benefits that key ESG issues have on their business.

A robust ESG reporting strategy enables companies to transparently and authentically communicate the purpose, values, performance, and contribution to society, the economy, and the environment.

ESG reporting regulation is coming - are you prepared?

Management and the Audit Committee should be aware of new and proposed reporting standards and frameworks, and any potential regulatory changes that could affect Leisure & Resorts World Corporation. Many of the standards and frameworks are still in draft form, but they all draw on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).



Other matters for discussion

Commitment to deliver what matters to you

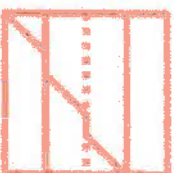
In an effort to continuously improve our service to you, we gather your feedback and incorporate what we learn into our future service using our three client principles.

1



Agree on expectations
We look forward to discussing our understanding of how you define satisfaction and confirming our commitments to you, which focus primarily on quality and responsiveness to your business issues and needs.

2



Measure our performance
We pay close attention to annual survey results and hold formal conversations each year with your senior executives and Audit Committee.

3



Seek continuous improvement
We will share with you our self-evaluation as we assess and act upon any areas of improvement based on your feedback. The final step results in a report on our accomplishments in quality and value delivery.



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LEISURE & RESORTS WORLD CORPORATION
Minutes of the Special Meeting of the Board of Directors
Held at Dumas Function Room, Discovery Primea Hotel Makati
On 14 November 2022 at 11:00 a.m.

ATTENDANCE OF BOARD OF DIRECTORS:

NAME:	PRESENT:	ABSENT:
Eusebio H. Tanco	✓	
Mardomeo N. Raymundo Jr.	✓	
Tsui Kin Ming	✓	
Rafael Jasper S. Vicencio	✓	
Ramon D. Dizon	✓	

Via Zoom:

<https://us06web.zoom.us/j/88210479306?pwd=amlKejY1UWFkQnoxMEs0SVRBMGVWQT09>

Renato G. Nuñez	✓	
Willy N. Ocier	✓	
Atty. Timoteo B. Aquino	✓	
Atty. Jose Raulito E. Paras	✓	

ALSO PRESENT:

Tommy Hu
Elias Kukas
Wilfredo Pielago
Kristine Margaret R. Delos Reyes
Carol V. Padilla

1. CALL TO ORDER AND PROOF OF QUORUM

The Chairman, Mr. Eusebio H. Tanco called the meeting to order and presided. The Corporate Secretary, Atty. Carol V. Padilla, recorded the minutes of the meeting.

2. CERTIFICATION OF QUORUM

The Corporate Secretary certified that all directors are present and that a quorum was present for the transaction of business by the Board.

3. APPROVAL OF THE THIRD QUARTERLY FINANCIAL REPORT



He then proceeded to present the September year to date income statement (2022 vs. 2021), the highlights of which were as follows:

- Total revenues in 2022 September YTD increased by P4.7 billion compared with 2021 YTD. This was driven online bingo streaming and EGS.
- The September YTD EBITDA posted a positive result in 2022 at P513.6 million or 504% improvement versus 2021.

Mr. Tanco asked if there were any laggards. Mr. Pielago explained that the E-bingo can be seen to have a constant revenue of around P300million per month, versus EGS that is improving every month in the third quarter. Mr. Pielago pointed out that same goes for the other segments which can be seen to be flat or no major improvement per month.

Mr. Ocier also asked if there is an improvement in the brick and mortar outlets for e-bingo. Mr. Pielago confirmed that the operations of brick and mortar outlets remained flat and that there is no significant increase. Mr. Tanco asked why this is so, to which Mr. Tsui responded that management has been looking into the sites' performance and management is studying how to improve their performance (i.e. air-conditioning, over-all quality of sites, etc.) so management is hoping to see improvement in the coming months. Mr. Vicencio added that in the first few months of the year, the operations team concentrated all their efforts on the registration of the online bingo. According to him, efforts now, beginning November, are being shifted towards on-site performance. Mr. Tanco asked whether the online bingo is cannibalizing the onsite bingo. Mr. Vicencio assured him that the market and players of the online bingo are different (i.e. younger) from the players of the traditional bingo, so there is no competition between the two.

Mr. Pielago continued his presentation by showing the consolidated balance sheet, and summarized variance analysis as follows:



Mr. Pielago informed the Board that this information was also presented to the Audit Committee. At this juncture, the Chairman of the Audit Committee, Mr. Ramon Dizon, informed the Board that the Audit Committee met last Thursday, November 10, 2022, and reviewed and approved the Third Quarterly Report for endorsement to the Board. He further stated that the major change applied was the presentation in the MD&A and the discussion on the Notes to Financial Statements, specifically that the focus was on the retail bingo rather than the casino.

The Chairman asked whether there is a need to change the purpose clause in the Company's Articles of Incorporation in light of the Company's direction towards online bingo. Atty. Kristine Delos Reyes responded that there is no need since the purpose clause is currently worded broad enough to cover both traditional and online bingo. Nonetheless, Mr. Tanco asked that this be checked.

Mr. Dizon also suggested to study the reference to “retail” in the financial statements/reports since this word usually pertains to selling good or products, whereas the way the Company uses this term for bingo. Rather, he suggested the use of the word “interactive gaming”, “entertainment gaming”, or “e-game”. Mr. Tsui said management will revisit this.

Thus, upon motion duly made and seconded, the Board passed and approved the following resolution:

“RESOLVED, as it is hereby resolved, that the Third Quarterly Report and Financial Statements is hereby approved.”



5. ADJOURNMENT

There being no other matters to discuss, the meeting was adjourned upon motion duly made and seconded.

CERTIFIED CORRECT:


CAROL V. PADILLA
Corporate Secretary