

# SECURITIES AND EXCHANGE COMMISSION

## SEC FORM - I-ACGR

### INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended  
Dec 31, 2024
2. SEC Identification Number  
13174
3. BIR Tax Identification Number  
000-108-278-000
4. Exact name of issuer as specified in its charter  
DigiPlus Interactive Corp.
5. Province, country or other jurisdiction of incorporation  
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
Ecoprime Building, 32nd Street corner Ninth Avenue, Bonifacio Global City, Taguig City  
Postal Code  
1635
8. Issuer's telephone number, including area code  
09512174221
9. Former name, former address, and former fiscal year, if changed since last report  
N/A

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# DigiPlus Interactive Corp. PLUS

**PSE Disclosure Form I-ACGR - Integrated Annual Corporate Governance Report**  
***Reference: SEC Code of Corporate Governance for Publicly-Listed Companies, PSE Corporate Governance Guidelines, and ASEAN Corporate Governance Scorecard***

## Description of the Disclosure

Please find attached 2024 Integrated Annual Corporate Governance Report

## Filed on behalf by:

<b>Name</b>	Carol Padilla
<b>Designation</b>	Corporate Secretary



## SEC FORM – I-ACGR

### INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **31 December 2024**
2. SEC Identification Number **13174** 3. BIR Tax Identification No. **108-278-000**
4. Exact name of issuer as specified in its charter **DIGIPLUS INTERACTIVE CORP.**
5. **Philippines**  (SEC Use Only)  
Province, Country or other jurisdiction Industry Classification Code:  
of incorporation or organization
7. **Ecoprime Bldg., 32nd St. cor. 9th Ave., BGC, Taguig City** **1635**  
Address of principal office Postal Code
8. **8634-5099**  
Issuer's telephone number, including area code
9. **N/A**  
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>The Board's Governance Responsibilities</b>			
<b>Principle 1:</b> The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
<b>Recommendation 1.1</b>			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	1. Information on the academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors is disclosed in the Company Website which may be accessed in the following links:  <i>Company Website</i> <a href="https://digiplus.com.ph/corporate-governance/#board-of-committees">https://digiplus.com.ph/corporate-governance/#board-of-committees</a>  <i>Definitive Information Statement</i> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=602885d588770a09abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=602885d588770a09abca0fa0c5b4e4d0</a>  2. Information on the qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance is disclosed in the following reports:  A. New Manual of Corporate Governance (MCG): <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-">https://digiplus.com.ph/app/uploads/2024/02/LRWC-</a>	
2. Board has an appropriate mix of competence and expertise.	Compliant		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant		



		<a href="#">New-Manual-on-Corporate-Governance.pdf</a>  B. Definitive Information Statement: <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=602885d588770a09abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=602885d588770a09abca0fa0c5b4e4d0</a>	
<b>Recommendation 1.2</b>			
1. Board is composed of a majority of non-executive directors.	Compliant	Out of the nine (9) members of the Board of Directors, seven (7) are non-executive directors, which is more than the majority.	
<b>Recommendation 1.3</b>			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Please refer to Section 1.3 of the Company's MCG. <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a>	
2. Company has an orientation program for first time directors.	Compliant	The Company holds orientation program for its first-time directors.  The last orientation program for first-time directors was held on 25 November 2024 for then first-time director, Mr. Arthur R. Tan, who was first elected on November 2024.	
3. Company has relevant annual continuing training for all directors.	Compliant	The Company also holds an annual in-house seminar/training on corporate governance.	

		All the directors and officers of the Company have Certificates of Attendance and completed their Annual Corporate Governance Training for CY 2024. Please see below link: <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=bc1dc429baa19080abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=bc1dc429baa19080abca0fa0c5b4e4d0</a>	
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	Compliant	Please refer to Section 1.4 of the Company's MCG. <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a>	
<b>Optional: Recommendation 1.4</b>			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.			
<b>Recommendation 1.5</b>			
1. Board is assisted by a Corporate Secretary.	Compliant	Please refer to the following links / attached documents:	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant	1. 2024 Original General Information Sheet filed on 19 August 2024; <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=c5a749f4d5fa8348abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=c5a749f4d5fa8348abca0fa0c5b4e4d0</a>	
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		

		<p>2. Latest Amended 2024 General Information Sheet filed on 18 November 2024;  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=dd23cf4d5be48825abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=dd23cf4d5be48825abca0fa0c5b4e4d0</a></p> <p>3. Amended By-Laws (Article IV.5);  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=0e525e970415a950abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=0e525e970415a950abca0fa0c5b4e4d0</a></p> <p>4. Company's MCG (Section 1.5);  <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a></p> <p>5. SEC Form 17-C dated 26 July 2024 on the appointment of the Corporate Secretary. See below link for reference:  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=3930080a1b116137abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=3930080a1b116137abca0fa0c5b4e4d0</a></p> <p>Atty. Carol V. Padilla is the Corporate Secretary, is not a member of the Board, and not the Compliance Officer. Atty. Kristine Margaret Delos Reyes is the Compliance Officer.</p>	
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Atty. Carol V. Padilla attended the corporate governance seminar held on 5 December 2024. See link below for her Certificate of Attendance:	

		<a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=bc1dc429baa19080abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=bc1dc429baa19080abca0fa0c5b4e4d0</a>	
<b>Optional: Recommendation 1.5</b>			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.			
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	Compliant	Please refer to the following links / attached documents:	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant	1. 2024 Original General Information Sheet filed on 19 August 2024; <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=c5a749f4d5fa8348abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=c5a749f4d5fa8348abca0fa0c5b4e4d0</a>	
3. Compliance Officer is not a member of the board.	Compliant	2. Latest Amended 2024 General Information Sheet filed on 18 November 2024; <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=dd23cf4d5be48825abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=dd23cf4d5be48825abca0fa0c5b4e4d0</a>  3. Company's MCG (Section 1.6); <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a>  Atty. Kristine Margaret Delos Reyes is the Compliance Officer and Head of Legal and Compliance Department	

		which is a position with adequate stature and authority in the corporation. She is not a member of the Board.	
4. Compliance Officer attends training/s on corporate governance.	Compliant	<p>Atty. Kristine Margaret Delos Reyes attended the corporate governance seminar held on 5 December 2024.</p> <p>See link below for her Certificate of Attendance:  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=bc1dc429baa19080abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=bc1dc429baa19080abca0fa0c5b4e4d0</a></p>	
<b>Principle 2:</b> The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
<b>Recommendation 2.1</b>			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	<p>The directors are provided with board materials prior to the board meeting. Management provides regular reports and updates on the business and operations. Results of the operation and financial reports are presented and taken up by the Board before they are reported to the PSE and SEC. The business plans, strategies, and directions are discussed by the board in meetings to approve the Annual Budget.</p> <p>Section 1 of MCG:  "The company should be headed by a competent, working board to</p>	

		foster the long-term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders."	
<b>Recommendation 2.2</b>			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Reports on operation is a regular part of the agenda of Board Meetings. The Board is able to oversee and monitor the implementation of the company's business objectives and strategy during those board meetings.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	Section 2.2 of MCG: "The Board should oversee the development of and approve the company's business objectives and strategy, and monitor their implementation, in order to sustain the company's long-term viability and strength."	
<b>Supplement to Recommendation 2.2</b>			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	The Company's website provides its mission, vision, and core values. See below link for reference: <a href="https://digiplus.com.ph/about-us/">https://digiplus.com.ph/about-us/</a>  This is reviewed annually by management.	

<p>2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.</p>	<p>Compliant</p>	<p>The Board evaluates and approves the business plans, strategies, and projects presented and proposed by management. The Board considers the business environment and culture in assessing said business plans and strategies.</p> <p>The Board conducts regular meetings and receives regular reports from management on topics such as operations and financial performance, to ensure that the Company's strategic plans are followed.</p>	
<b>Recommendation 2.3</b>			
<p>1. Board is headed by a competent and qualified Chairperson.</p>	<p>Compliant</p>	<p>Mr. Eusebio H. Tanco is the Chairman of the Company.</p> <p>Information about him and his qualifications are disclosed in the Annual Report and Definitive Information Statement, and uploaded in the Company's website. See below links for reference:</p> <p><i>Definitive Information Statement for FY 2024</i>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=602885d588770a09abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=602885d588770a09abca0fa0c5b4e4d0</a></p> <p><i>Company Website</i>  <a href="https://digiplus.com.ph/corporate-governance/#board-of-committees">https://digiplus.com.ph/corporate-governance/#board-of-committees</a></p>	

		<p><i>Latest Annual Report</i>  <a href="https://digiplus.com.ph/app/uploads/2025/04/Annual-Report-2024.pdf">https://digiplus.com.ph/app/uploads/2025/04/Annual-Report-2024.pdf</a> 1</p>	
<b>Recommendation 2.4</b>			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	Section 2.4 of MCG: “The Board should be responsible for ensuring and adopting an effective succession planning program for directors, key officers and management to ensure growth and a continued increase in the shareholders' value. xxx”	
2. Board adopts a policy on the retirement for directors and key officers.	Non-Compliant	<p>Please refer to the attached existing Retirement Policy of the Company for key officers approved by the Board.</p>	While the Company has a retirement policy covering its key officers, it does not cover the retirement of directors.
<b>Recommendation 2.5</b>			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	Section 2.5 of MCG: “The Board should align the remuneration of key officers and board members with long-term interests of the company. In doing so, it should formulate and adopt a policy specifying the relationship between remuneration and performance. Further, no director should participate in discussions or deliberations involving his own remuneration. xxx”	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	As for the employees' remuneration, the Company conducts quarterly	



		<p>performance evaluation of all regular employees to effectively monitor their performance. All probationary employees are also evaluated prior to regularization date. During performance evaluation, the employees rate their own performance vis-à-vis a target, which is still subject to the approval of their immediate superior/s. The average rating of employee based on his performance evaluation will be the basis for computation of performance bonus (if any).</p> <p>On January 31, 2023, the Board of Directors approved the employee stock options plan (ESOP) of the Company. On March 27, 2023 and July 26, 2024, the same was approved and ratified by the stockholders. On July 4, 2024, the Securities and Exchange Commission approved the Company's ESOP in MSRD Resolution No. 6, Series of 2024. Attached is a copy of the SEC Resolution.</p>	
<b>Optional: Recommendation 2.5</b>			
1. Board approves the remuneration of senior executives.			
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term			

interest, such as claw back provision and deferred bonuses.			
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy.	Compliant	<p><u>For Items 1, 2 &amp; 5:</u></p> <p>Section 2.6 of MCG:</p> <p>"The Board should have a formal and transparent board nomination and election policy that should include how it accepts nominations from minority shareholders and reviews nominated candidates. The policy should also include an assessment of the effectiveness of the Board's processes and procedures in the nomination, election, or replacement of a director. In addition, its process of identifying the quality of directors should be aligned with the strategic direction of the company.</p> <p>It is the Board's responsibility to develop a policy on board nomination. The policy should encourage shareholders' participation by including procedures on how the Board accepts nominations from minority shareholders. The policy should also promote transparency of the Board's nomination and election process.</p> <p>The nomination and election process also includes the review and evaluation of the qualifications of all</p>	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		

		<p>persons nominated to the Board, including whether candidates: (1) possess the knowledge, skills, experience, and particularly in the case of non-executive directors, independence of mind given their responsibilities to the Board and in light of the entity's business and risk profile; (2) have a record of integrity and good repute; (3) have sufficient time to carry out their responsibilities; and (4) have the ability to promote a smooth interaction between board members. xxx"</p> <p><u>Items 3 &amp; 4:</u> Nomination Committee Charter: <a href="https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Nomination-Committee-Charter_2.26.2025.pdf">https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Nomination-Committee-Charter_2.26.2025.pdf</a></p> <p>Section 13.1 of the MCG: "... all shareholders must be given the opportunity to nominate candidates to the Board of Directors in accordance with existing laws. The procedures of the nomination process are expected to be discussed early by the Board. The company is encouraged to fully and promptly disclose all information regarding the experience and background of the candidates to enable the shareholders to study and conduct their own background</p>	
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		<p>check as to the candidates' qualification and credibility."</p> <p><u>For Item 6</u></p> <p>Section 1.1 of the MCG: "xxx the Board sets qualification standards for its members to facilitate the selection of potential nominees for board seats, and to serve as a benchmark for the evaluation of its performance."</p>	
<b>Optional: Recommendation to 2.6</b>			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.			
<b>Recommendation 2.7</b>			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	<p>Section 2.7 of MCG: "The Board should have the overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions, particularly those which pass certain thresholds of materiality. The policy should include the appropriate review and approval of material or significant RPTs, which guarantee fairness and transparency of the transactions. The policy should encompass all entities within the</p>	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant		
3. RPT policy encompasses all entities within the group, taking into account their size,	Compliant		

<p>structure, risk profile and complexity of operations.</p>		<p>group, taking into account their size, structure, risk profile and complexity of operations."</p> <p>Section 3.5 of MCG:  "... The Board should establish a Related Party Transaction (RPT) Committee, which should be tasked with reviewing all material related party transactions of the company and should be composed of at least three non-executive directors, two of whom should be independent, including the Chairman. xxx"</p> <p>The Related Party Transactions Committee for 2024 was elected during the Organizational Board of Director's Meeting held on 26 July 2024:  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=3930080a1b116137abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=3930080a1b116137abca0fa0c5b4e4d0</a></p> <p>The Company's RPT Committee Charter:  <a href="https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-RPT-Committee-Charter_2.26.2025.pdf">https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-RPT-Committee-Charter_2.26.2025.pdf</a></p> <p>Please refer to the link below for the Company's Material RPT policy, as approved by the Board on 24 October 2019 and amended on 14 May 2021:</p>	
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		<a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-Revised-RPT-Policy-051421.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-Revised-RPT-Policy-051421.pdf</a>  Please see attached RPT Disclosure Form which was implemented for FY 2024.	
<b>Supplement to Recommendations 2.7</b>			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	Compliant	Please refer to the link below for the Company's Material RPT policy (particularly, on the "Coverage and Materiality Threshold"), as approved by the Board on 24 October 2019 and amended on 14 May 2021: <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-Revised-RPT-Policy-051421.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-Revised-RPT-Policy-051421.pdf</a>	
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	Compliant	Shareholder Approval in the Company's Material RPT Policy: "The Company, through the Board of Directors, shall ensure that the rights of minority shareholders are protected at all times xxx  As such, in case that majority of the independent director's vote is not secured as provided in this Policy, the Material RPT may be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock.	

		<p>All other RPTs determined by the RPT Committee that require shareholders' approval in accordance with law and rules and regulations, will also be submitted to the shareholders, including minority shareholders, for approval. The Company encourages disinterested shareholders to decide on the matter."</p> <p>See below link for reference:  <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-Revised-RPT-Policy-051421.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-Revised-RPT-Policy-051421.pdf</a></p>	
<b>Recommendation 2.8</b>			
<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	Compliant	<p>Section 2.8 of MCG:  "The Board should be primarily responsible for approving the selection and assessing the performance of the Management led by the Chief Executive Officer (CEO), and control functions led by their respective heads (Chief Risk Officer, Chief Compliance Officer, and Chief Audit Executive). xxx"</p> <p>The following are the members of the Company's Management Team:</p> <ul style="list-style-type: none"> <li>• Eusebio H. Tanco – Chairman</li> <li>• Tsui Kin Ming – President</li> <li>• Atty. Kristine Margaret R. De Los Reyes – Compliance Officer and</li> </ul>	

		<p>Head of Legal and Compliance Department</p> <ul style="list-style-type: none"> <li>• Atty. Rosalyn D. Batay – Internal Audit Head</li> <li>• Ronald Allan Pablo – Chief Risk Officer (Mr. Pablo resigned in January 2025.)</li> </ul>	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	<p>Section 2.8 of MCG:  “... It is the responsibility of the Board to appoint a competent management team based on established performance standards that are consistent with the company's strategic objectives, and conduct a regular review of the company's policies with the management team. In the selection process, fit and proper standards are to be applied on key personnel and due consideration is given to integrity technical expertise and experience in the institution's business, either current or planned.”</p> <p>The foregoing officers directly report to the Executive Committee of the Board and the Board is primarily responsible to conduct a performance appraisal on a regular basis.</p>	
<b>Recommendation 2.9</b>			
1. Board establishes an effective performance management framework that ensures that Management's	Compliant	<p>Section 2.9 of MCG:  “The Board should establish an effective performance management</p>	



performance is at par with the standards set by the Board and Senior Management.		framework that will ensure that the Management, including the Chief Executive Officer, and personnel's performance is at par with the standards set by the Board and Senior Management.	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant	Results of performance evaluation should be linked to other human resource activities such as training and development, remuneration, and succession planning. These should likewise form part of the assessment of the continuing fitness and propriety of management, including the CEO and personnel in carrying out their respective duties and responsibilities."	
<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.	Compliant	Section 2.10 of MCG: "The Board should oversee that an appropriate internal control system is in place, including setting up a mechanism for monitoring and managing potential conflicts of interest of Management, board members, and shareholders. xxx"	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	Please refer to the Fraud Policy, as well as the Employee Handbook on conflict of interest, both attached for reference.  Please also see below link to the Company's Conflict of Interest Policy:	

		<a href="https://digiplus.com.ph/app/uploads/2024/02/CONFLICT-OF-INTEREST-POLICY-LRWC.pdf">https://digiplus.com.ph/app/uploads/2024/02/CONFLICT-OF-INTEREST-POLICY-LRWC.pdf</a>	
3. Board approves the Internal Audit Charter.	Compliant	<p>The Board approved the Company's Internal Audit Charter.</p> <p>Please refer to the link for the Company's Audit Committee Charter:  <a href="https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Audit-Committee-Charter_2.26.2025.pdf">https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Audit-Committee-Charter_2.26.2025.pdf</a></p>	
<b>Recommendation 2.11</b>			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	<p>Section 2.11 of MCG:          "The Board should oversee that a sound enterprise risk management (ERM) framework is in place to effectively identify, monitor, assess and manage key business risks. The risk management framework should guide the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies."</p>	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	<p>Section 3.4 of MCG:          "... the Board should establish a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness. xxx"</p>	

		<p>The Board appointed the members of the Risk Oversight Committee during its Organizational Board Meeting on 26 July 2024 as disclosed in its SEC Form 17-C: <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=3930080a1b116137abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=3930080a1b116137abca0fa0c5b4e4d0</a></p> <p>Please see below link to the Company's Enterprise Risk Management Framework: <a href="https://digiplus.com.ph/app/uploads/2024/08/Board-Risk-Oversight-Committee-BROC-Regulations-DigiPlus-Revised-v2-Final.pdf">https://digiplus.com.ph/app/uploads/2024/08/Board-Risk-Oversight-Committee-BROC-Regulations-DigiPlus-Revised-v2-Final.pdf</a></p>	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	The Company's New Corporate Governance Charter (MCG) serves as the Board's Charter and already incorporates the duties and responsibilities of the Board. To have a separate Board Charter would be a duplication.	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		
3. Board Charter is publicly available and posted on the company's website.	Compliant		Please see below link to the Company's website where the MCG is posted and available: <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a>
Additional Recommendation to Principle 2			

1. Board has a clear insider trading policy.	Compliant	<p>Please refer to below link for the Company's Insider Trading Policy:  <a href="https://digiplus.com.ph/app/uploads/2025/03/Insider-Trading-Policy-2.26.2025.pdf">https://digiplus.com.ph/app/uploads/2025/03/Insider-Trading-Policy-2.26.2025.pdf</a></p> <p>The Company recently updated its Insider Trading Policy and was approved by the Board on February 26, 2025. In view of this, the updated version is the version accessible on the Company's website. For the previous version applicable for CY 2024, please refer to the Company's CY 2023 I-ACGR.</p>	
<b>Optional: Principle 2</b>			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.			
2. Company discloses the types of decision requiring board of directors' approval.			
<p><b>Principle 3:</b> Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.</p>			
<b>Recommendation 3.1</b>			
1. Board establishes board committees that focus on specific board functions to aid in	Compliant	Please see below link to the Company's website posting all the	

the optimal performance of its roles and responsibilities.		different Committees and their respective members: <a href="https://digiplus.com.ph/corporate-governance/#board-of-committees">https://digiplus.com.ph/corporate-governance/#board-of-committees</a>	
<b>Recommendation 3.2</b>			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	<p>Section 3.2 of the MCG: <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a></p> <p>Please refer to below link for the Audit Committee's Charter: <a href="https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Audit-Committee-Charter_2.26.2025.pdf">https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Audit-Committee-Charter_2.26.2025.pdf</a></p> <p>It is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor pursuant to Section 3.2 (I) of the MCG.</p>	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	<p>Please refer to below link to the Company's website for the members of the Audit Committee: <a href="https://digiplus.com.ph/corporate-governance/#board-of-committees">https://digiplus.com.ph/corporate-governance/#board-of-committees</a></p> <p>Please refer to below link to the Company's SEC Form 17-C dated 26 July 2024 for the type of directorship of the members: <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=3930080a1b116137abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=3930080a1b116137abca0fa0c5b4e4d0</a></p>	

		<p>The Audit Committee is composed of the following members, who are non-executive directors and majority of whom, including the Chairman, is independent:</p> <ul style="list-style-type: none"> <li>• Chairperson – Ramon Pancratio D. Dizon, <i>Independent Director</i></li> <li>• Member – Atty. Timoteo B. Aquino, <i>Independent Director</i></li> <li>• Member – Atty. Jose Raulito E. Paras</li> </ul>	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	<p>Please refer to below link to the Company's website regarding the relevant background, knowledge, skills, and/or experience of the members of the Audit Committee:</p> <p><a href="https://digiplus.com.ph/corporate-governance/#board-of-committees">https://digiplus.com.ph/corporate-governance/#board-of-committees</a></p>	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	<p>Please refer to below link to the Company's website:</p> <p><a href="https://digiplus.com.ph/corporate-governance/#board-of-committees">https://digiplus.com.ph/corporate-governance/#board-of-committees</a></p> <p>Mr. Ramon Pancratio D. Dizon is the Chairman of the Audit Committee who is not the chairman of any other board committees.</p>	
<b>Supplement to Recommendation 3.2</b>			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	<p>Section 3.2(g) of MCG:</p> <p>".....Evaluates and determines the non-audit work, if any, of the External</p>	

		<p>Auditor and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the corporation's overall consultancy fees".</p> <p>Currently, the Company has no non-audit services done by the external auditor.</p>	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	<p>The Audit Committee conducted an executive session with the external auditors without the presence of the management team on 22 May 2024.</p> <p>The Audit Committee Charter also espouses for the Audit Committee to meet privately with the external auditors without the presence of Senior Management at least once a year. Please see link below:  <a href="https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Audit-Committee-Charter_2.26.2025.pdf">https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Audit-Committee-Charter_2.26.2025.pdf</a> </p>	
<b>Optional: Recommendation 3.2</b>			
1. Audit Committee meet at least four times during the year.			
2. Audit Committee approves the appointment and removal of the internal auditor.			
<b>Recommendation 3.3</b>			
1. Board establishes a Corporate Governance Committee tasked to assist	Compliant	Section 3.1 of the MCG:	

the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.		<a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a>  The members of the Corporate Governance Committee are: <ul style="list-style-type: none"> <li>• Chairperson – Atty. Timoteo B. Aquino, <i>Independent Director</i></li> <li>• Member – Ramon Pancratio D. Dizon, <i>Independent Director</i></li> <li>• Member – Arthur R. Tan, <i>Independent Director</i></li> </ul>	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Compliant	Please refer to below link to the Company's website: <a href="https://digiplus.com.ph/corporate-governance/#board-of-committees">https://digiplus.com.ph/corporate-governance/#board-of-committees</a>  The Corporate Governance Committee is composed of at least 3 members, all of whom are independent directors: <ul style="list-style-type: none"> <li>• Chairperson –Atty. Timoteo B. Aquino, <i>Independent Director</i></li> <li>• Member – Ramon Pancratio D. Dizon, <i>Independent Director</i></li> <li>• Member – Arthur R. Tan, <i>Independent Director</i></li> </ul>	
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	The Chairman of the Corporate Governance Committee is Atty. Timoteo B. Aquino, an independent director.	



		<a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=3930080a1b116137abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=3930080a1b116137abca0fa0c5b4e4d0</a>  <a href="https://digiplus.com.ph/corporate-governance/#board-of-committees">https://digiplus.com.ph/corporate-governance/#board-of-committees</a>	
<b>Optional: Recommendation 3.3</b>			
1. Corporate Governance Committee meet at least twice during the year.			
<b>Recommendation 3.4</b>			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	<p>The BROC and its functions are incorporated in the Company's MCG which includes the Committee's duties and responsibilities.</p> <p>Please refer to below link:  <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a> </p>	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	<p>Please refer to below link to the Company's website:  <a href="https://digiplus.com.ph/corporate-governance/#board-of-committees">https://digiplus.com.ph/corporate-governance/#board-of-committees</a> </p> <p>The BROC is composed of the following members, majority of whom are independent directors, including the Chairman:</p> <ul style="list-style-type: none"> <li>Chairperson – Arthur R. Tan, <i>Independent Director</i></li> </ul>	

		<ul style="list-style-type: none"> <li>• Member – Renato G. Nuñez</li> <li>• Member – Ramon Pancratio D. Dizon, <i>Independent Director</i></li> </ul>	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant	<p>The Chairman of the BROC, Mr. Arthur R. Tan, is not the Chairman of any other committees.</p> <p>Please refer to below link to the Company's website:  <a href="https://digiplus.com.ph/corporate-governance/#board-of-committees">https://digiplus.com.ph/corporate-governance/#board-of-committees</a></p>	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	<p>Please refer to the below link to the Company's website for the profiles of the members of the board/board committees:  <a href="https://digiplus.com.ph/corporate-governance/#board-of-committees">https://digiplus.com.ph/corporate-governance/#board-of-committees</a></p>	
<b>Recommendation 3.5</b>			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	<p>Review and approval of Related Party Transactions or RPTs are among the functions of the RPT Committee.</p> <p>Please refer to the following links/attached documents:</p> <ol style="list-style-type: none"> <li>1. Section 3.5 of MCG, includes the functions of the RPT Committee:  <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a></li> </ol>	

		<p>2. On the duties and responsibilities of RPT Committee:</p> <p><a href="https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-RPT-Committee-Charter_2.26.2025.pdf">https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-RPT-Committee-Charter_2.26.2025.pdf</a></p>	
<p>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.</p>	Compliant	<p>Please refer to below link to the Company's website:</p> <p><a href="https://digiplus.com.ph/corporate-governance/#board-of-committees">https://digiplus.com.ph/corporate-governance/#board-of-committees</a></p> <p>The RPT is composed of the following members, all three of whom are non-executive and two of whom are independent directors:</p> <ul style="list-style-type: none"> <li>• Chairperson – Atty. Timoteo B. Aquino, <i>Independent Director, Non-Executive</i></li> <li>• Member – Mr. Ramon Pancratio D. Dizon, <i>Independent Director, Non-Executive</i></li> <li>• Member – Willy N. Ocier, <i>Non-Executive</i></li> </ul>	
<b>Recommendation 3.6</b>			
<p>1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.</p>	Compliant	<p>Please refer to the following links to the Company's website for the Committee Charters:</p> <p>1. Audit Committee</p> <p><a href="https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Audit-Committee-Charter_2.26.2025.pdf">https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Audit-Committee-Charter_2.26.2025.pdf</a></p>	
<p>2. Committee Charters provide standards for evaluating the performance of the Committees.</p>	Compliant		

<p>3. Committee Charters were fully disclosed on the company's website.</p>	<p>Compliant</p>	<p>2. Corporate Governance Committee  <a href="https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-CorpGov-Committee-Charter_2.26.2025.pdf">https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-CorpGov-Committee-Charter_2.26.2025.pdf</a></p> <p>3. Compensation Committee  <a href="https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Compensation-Committee-Charter_2.26.2025.pdf">https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Compensation-Committee-Charter_2.26.2025.pdf</a></p> <p>4. Nomination Committee  <a href="https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Nomination-Committee-Charter_2.26.2025.pdf">https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Nomination-Committee-Charter_2.26.2025.pdf</a></p> <p>5. Board Risk Oversight Committee  <a href="https://digiplus.com.ph/app/uploads/2024/02/Board-Risk-Oversight-Committee-Charter-2023.pdf">https://digiplus.com.ph/app/uploads/2024/02/Board-Risk-Oversight-Committee-Charter-2023.pdf</a></p> <p>6. Related Party Transaction Committee  <a href="https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-RPT-Committee-Charter_2.26.2025.pdf">https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-RPT-Committee-Charter_2.26.2025.pdf</a></p> <p>7. Executive Committee  <a href="https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Executive-">https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Executive-</a></p>	
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		<a href="#">Committee-Charter 2.26.2025.pdf</a>  The Company recently updated all of its Committee Charters which was approved by the Board last February 26, 2025. In view of this, the previous versions of the Charters are no longer accessible in the Company's website. Please refer to the Company's CY 2023 I-ACGR showing that previous Charters were uploaded in the Company website.	
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**Principle 4:** To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

**Recommendation 4.1**

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	DigiPlus Directors attend and actively participate in meetings of the Board, Committees, and shareholders in person, through tele-/videoconferencing, or through remote communication. Procedures for board and/or committee meetings are provided in the Company's By-Laws (Articles II & III): <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=0e525e970415a950abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=0e525e970415a950abca0fa0c5b4e4d0</a>  Attendance of Directors for CY 2024 meetings <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=6cb4e7ddf130ae2eec6e1601ccee8f59">https://edge.pse.com.ph/openDiscViewer.do?edge_no=6cb4e7ddf130ae2eec6e1601ccee8f59</a>	
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2. The directors review meeting materials for all Board and Committee meetings.	Compliant	Directors received board materials via email before the actual board meeting for their review and reference.	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	The details of board discussion including the questions/clarifications raised by directors are confidential and non-public information, hence limited excerpts of some of the minutes are provided/attached to demonstrate these directors' actions.	
<b>Recommendation 4.2</b>			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Compliant	<p>Section 1.2 of MCG:            "... The Company determines the qualifications of the non-executive directors (NEDs) that enable them to effectively participate in the deliberations of the Board and carry out their roles and responsibilities."</p> <p><a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a></p> <p>The Definitive Information Statement contains information on the directorships of the Company's directors in both listed and non-listed companies. See below link for reference (pages 9-12):  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=602885d588770a09abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=602885d588770a09abca0fa0c5b4e4d0</a></p>	

<b>Recommendation 4.3</b>			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	<p>The Material Related Party Transactions Policy of the Company, particularly the Section on Identification of Conflicts of Interest, expressly requires directors to notify the Company's Board before accepting a directorship in another company.</p> <p>Please refer to the link below:  <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-Revised-RPT-Policy-051421.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-Revised-RPT-Policy-051421.pdf</a></p>	
<b>Optional: Principle 4</b>			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.			
2. Company schedules board of directors' meetings before the start of the financial year.			
3. Board of directors meet at least six times during the year.			
4. Company requires as minimum quorum of at least 2/3 for board decisions.			
<b>Principle 5:</b> The board should endeavor to exercise an objective and independent judgment on all corporate affairs.			
<b>Recommendation 5.1</b>			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Compliant	The Board has three (3) independent directors out of the nine (9) total directors which constitutes one-third of the Board.	

<b>Recommendation 5.2</b>			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	<p>Section 5.2 of the MCG enumerates the qualifications and disqualifications of an independent director:  <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a></p> <p>All the independent directors are duly qualified and possess none of the disqualifications.</p>	
<b>Supplement to Recommendation 5.2</b>			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	<p>The Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.</p> <p>Section 2 of the MCG, states the clear roles and responsibilities of the board of directors:  <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a></p>	
<b>Recommendation 5.3</b>			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	<p>Section 5.3 of the MCG:  <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a></p>	



		<p>Two of the three independent directors of the Company were first elected in 2022. They have only served for a period of three (3) years.</p> <p>The third independent director of the Company was first elected in 2024 and has served for a period of less than a year.</p>	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	<p>The Company's independent directors can only serve for a maximum cumulative term of nine (9) years.</p> <p>Section 5.3 par. 2 of MCG:  <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a> </p>	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	<p>Section 5.3 of MCG:  <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a> </p> <p>The independent directors of the Company were first elected in 2022 and 2024. No independent directors have served for more than nine (9) years.</p>	
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	<p>The Company's Chairman is Mr. Eusebio H. Tanco, while the Company's President (Chief Executive Officer) is Mr. Tsui Kin Ming.</p>	

<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	<p>Compliant</p>	<p>Section 2.3 of MCG, provides for the roles and responsibilities of the Chairman:  <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a></p> <p>Section 2.8 of MCG:          "The Board should be primarily responsible for approving the selection and assessing the performance of the Management led by the Chief Executive Officer (CEO)..."</p> <p>Section 2.9 of MCG:          "The Board should establish an effective performance management framework that will ensure that the Management, including the Chief Executive Officer, and personnel's performance is at par with the standards set by the Board and Senior Management."</p> <p><a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a></p> <p>Art. IV, Sec. 2 of the By-laws clearly define the responsibilities of the Chairman and Chief Executive Officer.</p>	

		<a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=0e525e970415a950abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=0e525e970415a950abca0fa0c5b4e4d0</a>	
<b>Recommendation 5.5</b>			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Compliant	<p>The Chairman is not an independent director.</p> <p>On 26 July 2024, the Board designated Mr. Ramon Pancratio D. Dizon as the lead independent director.</p> <p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=3930080a1b116137abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=3930080a1b116137abca0fa0c5b4e4d0</a></p>	
<b>Recommendation 5.6</b>			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	<p>The Company has a Material Related Party Transaction Policy, which expressly states that directors who have an interest in the RPT under review shall abstain from taking part in the discussion, approval, and management of such transaction or matter affecting the Company. Please refer to Item #8 of the Section on Review Process of the Material RPT of said Policy.</p> <p><a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-Revised-RPT-Policy-051421.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-Revised-RPT-Policy-051421.pdf</a></p>	
<b>Recommendation 5.7</b>			

1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Compliant	Sec. 5.7 of the MCG states: "The non-executive directors (NEDs) should have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation. The meetings should be chaired by the lead independent director."  Mr. Ramon Pancratio D. Dizon is the lead independent director. He is also Chairman of the Audit Committee, who chairs the meetings with the external auditor, and the Head of Internal Audit without any executive present.	
2. The meetings are chaired by the lead independent director.	Compliant		
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.			
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	The individual members of the Board were asked to accomplish an Evaluation Form to assess the performance of the Board, the Board Committees, and their self.	
2. The Chairman conducts a self-assessment of his performance.	Compliant		
3. The individual members conduct a self-assessment of their performance.	Compliant		

4. Each committee conducts a self-assessment of its performance.	Compliant	Please see attached Evaluation Form.	
5. Every three years, the assessments are supported by an external facilitator.	Compliant	The Company engaged Institute of Corporate Directors (ICD) to conduct the performance assessment of its directors for CY 2024. The ICD is still currently conducting its assessment.  Attached is a copy of Certificate of Engagement from the Institute of Corporate Directors.	
<b>Recommendation 6.2</b>			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	Section 6.2 of MCG: <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a>	
2. The system allows for a feedback mechanism from the shareholders.	Compliant	Please refer to the attached Evaluation Form for the criteria.	
<b>Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.</b>			
<b>Recommendation 7.1</b>			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	Please refer to below link to the Company's Code of Business Conduct and Ethics: <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-Code-of-Business-Conduct-and-Ethics_v14-09-2020.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-Code-of-Business-Conduct-and-Ethics_v14-09-2020.pdf</a>	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	The Company's Code is posted in the Company's website. <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-Code-of-Business-Conduct-and-Ethics_v14-09-2020.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-Code-of-Business-Conduct-and-Ethics_v14-09-2020.pdf</a>	

3. The Code is disclosed and made available to the public through the company website.	Compliant	Company's Code of Business Conduct and Ethics: <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-Code-of-Business-Conduct-and-Ethics_v14-09-2020.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-Code-of-Business-Conduct-and-Ethics_v14-09-2020.pdf</a>	
<b>Supplement to Recommendation 7.1</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	Company terminates anyone who commits infractions under Business Ethics and Conduct paragraph no. 4 "Soliciting or receiving money or anything of value from customers" (see Appendix p.ii). Please refer to attached ABLE Employee Handbook.	
<b>Recommendation 7.2</b>			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	HR, through the Area Managers, ensures proper implementation of the Code of Business Conduct and Ethics. HR keeps records of employees' infractions for proper monitoring.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	<p>Please see below link: <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-Code-of-Business-Conduct-and-Ethics_v14-09-2020.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-Code-of-Business-Conduct-and-Ethics_v14-09-2020.pdf</a></p> <p>All employees, regardless of rank, are required to comply with the Code of Business Conduct and Ethics.</p> <p>The Company has an Internal Audit Department and Legal Department who ensures compliance with internal policies.</p>	

## Disclosure and Transparency

**Principle 8:** The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

### Recommendation 8.1

1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	<p>The Company complies with the PSE Disclosure Rules.</p> <p>The disclosures of the Company are posted in the Company's website:  <a href="https://digiplus.com.ph/corporate-governance/#disclosures">https://digiplus.com.ph/corporate-governance/#disclosures</a></p> <p>As well as in the PSE EDGE Portal:  <a href="https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=96">https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=96</a></p>	
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### Supplement to Recommendations 8.1

1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.	Compliant	<p>The Company ensures the timely submission of all disclosures and documentary requirements to regulatory bodies.</p> <p>Please refer to below links for the reports:  <a href="https://digiplus.com.ph/corporate-governance/#disclosures">https://digiplus.com.ph/corporate-governance/#disclosures</a></p> <p><u>2024 Third Quarterly Report (42 days)</u>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2bb95768d1b19b86abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=2bb95768d1b19b86abca0fa0c5b4e4d0</a></p>	
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		<p><u>2024 Second Quarterly Report (44 days)</u>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=a34cb5afa9664852abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=a34cb5afa9664852abca0fa0c5b4e4d0</a></p> <p><u>2024 First Quarterly Report (38 days)</u>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=6e64de525b74df62abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=6e64de525b74df62abca0fa0c5b4e4d0</a></p> <p><u>Annual Reports FY 2024   Digiplus (95 days)</u>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=40f23ba69fa9a09eec6e1601ccee8f59">https://edge.pse.com.ph/openDiscViewer.do?edge_no=40f23ba69fa9a09eec6e1601ccee8f59</a></p>	
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	Compliant	<p>Please see below link to the Company's 2024 Annual Report, particularly Item 11 on Security Ownership of Certain Beneficial Owners and Management:</p> <p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=40f23ba69fa9a09eec6e1601ccee8f59">https://edge.pse.com.ph/openDiscViewer.do?edge_no=40f23ba69fa9a09eec6e1601ccee8f59</a></p>	
<b>Recommendation 8.2</b>			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	Section 5 of MCG, requiring directors and officers to disclose their dealings in the company's share:	



<p>2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.</p>	<p>Compliant</p>	<p><a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a></p> <p>The actual dealings of directors involving the Corporation's shares including their nature, number/percentage and date of transaction were all properly disclosed via PSE EDGE (PSE Disclosure Form 17-7- Statement of Changes in Beneficial Ownership of Securities) that occurred in FY 2024. Please refer to below links for examples:</p> <p><a href="https://edge.pse.com.ph/openDiscVier.do?edge_no=f5933ffe16679182abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscVier.do?edge_no=f5933ffe16679182abca0fa0c5b4e4d0</a></p> <p><a href="https://edge.pse.com.ph/openDiscVier.do?edge_no=646fc1898506f7f5abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscVier.do?edge_no=646fc1898506f7f5abca0fa0c5b4e4d0</a></p> <p><a href="https://edge.pse.com.ph/openDiscVier.do?edge_no=d4baf1acded3b34fabca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscVier.do?edge_no=d4baf1acded3b34fabca0fa0c5b4e4d0</a></p> <p><a href="https://edge.pse.com.ph/openDiscVier.do?edge_no=f4aaecf2c95016beabca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscVier.do?edge_no=f4aaecf2c95016beabca0fa0c5b4e4d0</a></p> <p><a href="https://edge.pse.com.ph/openDiscVier.do?edge_no=665eb3e54f41aacecabca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscVier.do?edge_no=665eb3e54f41aacecabca0fa0c5b4e4d0</a></p>	
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<b>Supplement to Recommendation 8.2</b>			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	Compliant	Please refer to the link below:  1. SEC form 23A:  <a href="https://edge.pse.com.ph/openDiscVier.do?edge_no=c20507037018e292abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscVier.do?edge_no=c20507037018e292abca0fa0c5b4e4d0</a>  2. SEC form 23B: <a href="https://edge.pse.com.ph/openDiscVier.do?edge_no=f5933ffe16679182abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscVier.do?edge_no=f5933ffe16679182abca0fa0c5b4e4d0</a>  <a href="https://edge.pse.com.ph/openDiscVier.do?edge_no=646fc1898506f7f5abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscVier.do?edge_no=646fc1898506f7f5abca0fa0c5b4e4d0</a>	

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<b>Recommendation 8.3</b>			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	Please refer to below links:  <i>Definitive Information Statement</i> (Item 5, pages 9-15): <a href="https://edge.pse.com.ph/openDiscVier.do?edge_no=602885d588770a09abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscVier.do?edge_no=602885d588770a09abca0fa0c5b4e4d0</a>  <i>Company Website</i>	

		<a href="https://digiplus.com.ph/about-us/#people-of-digiplus">https://digiplus.com.ph/about-us/#people-of-digiplus</a>	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	<p>Please refer to below links:</p> <p><i>Company Website</i>  <a href="https://digiplus.com.ph/about-us/#people-of-digiplus">https://digiplus.com.ph/about-us/#people-of-digiplus</a></p> <p><i>Definitive Information Statement (Item 5, pages 9-15):</i>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=602885d588770a09abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=602885d588770a09abca0fa0c5b4e4d0</a></p>	
<b>Recommendation 8.4</b>			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Not applicable		<p>The Company does not give compensation to its Board members by virtue of their directorship in compliance with the Revised Corporation Code. However, the Company provides nominal per diem to its Board members.</p> <p>But Item 6: Compensation of Directors and Executive Officers, of its 20-IS provides the compensation paid to the CEO and top 5 Executive Officers as a group, and all other officers and directors, as a group. This complies with the current SEC requirement.</p> <p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=602885d588770a09abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=602885d588770a09abca0fa0c5b4e4d0</a></p>

2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Non-Compliant		<p>The Company does not have policies and procedures for setting executive remuneration.</p> <p>But Item 6: Compensation of Directors and Executive Officers, of its 20-IS provides the compensation paid to the CEO and top 5 Executive Officers as a group, and all other officers and directors, as a group. This complies with the current SEC requirement.</p> <p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=602885d588770a09abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=602885d588770a09abca0fa0c5b4e4d0</a></p>
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Non-Compliant		<p>Due to concerns on security, safety and privacy, and in compliance with Data Privacy Laws, the Company does not disclose the remuneration of its directors and officers on an individual basis. However, the Company discloses in its information statement the aggregate compensation of is President and Chairman of the Board and the four highest key management personnel, as well as those of its other officers, key management and directors as a group.</p> <p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=602885d588770a09abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=602885d588770a09abca0fa0c5b4e4d0</a></p>
<b>Recommendation 8.5</b>			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring	Compliant	Please refer to Section 8.5 of MCG:	

transactions in their Manual on Corporate Governance.		<a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a>  Please refer to below link for the revised Material RPT Policy of the Company: <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-Revised-RPT-Policy-051421.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-Revised-RPT-Policy-051421.pdf</a>	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	Please refer to the following links:  1. Form 17-A Annual Report <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=40f23ba69fa9a09eec6e1601ccee8f59">https://edge.pse.com.ph/openDiscViewer.do?edge_no=40f23ba69fa9a09eec6e1601ccee8f59</a>  2. Audited Financial Statements: <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=40f23ba69fa9a09eec6e1601ccee8f59">https://edge.pse.com.ph/openDiscViewer.do?edge_no=40f23ba69fa9a09eec6e1601ccee8f59</a>	
<b>Supplement to Recommendation 8.5</b>			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	Section 8.3 of MCG: "The Board should fully disclose all relevant and material information on individual board members and key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment." <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a>	

		<p>Please see below link to the Company's revised RPT Policy:  <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-Revised-RPT-Policy-051421.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-Revised-RPT-Policy-051421.pdf</a></p> <p>Please refer to the RPT Disclosure Form attached.</p>	
<b>Optional: Recommendation 8.5</b>			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.			
<b>Recommendation 8.6</b>			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	<p>Please refer to below link to PSE EDGE on ALL of the Company's disclosures, including Material Transactions Disclosures:  <a href="https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=96">https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=96</a></p>	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Not applicable	There was no acquisition or disposal of significant assets made by the Company in 2024.	
<b>Supplement to Recommendation 8.6</b>			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on	Not applicable	The Company does not have any shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may significantly impact on the control, ownership	



the control, ownership, and strategic direction of the company.		and strategic direction of the company.	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Please refer to the below link to the company's website where the Manual on Corporate Governance is posted: <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a>	
2. Company's MCG is submitted to the SEC and PSE.	Compliant		
3. Company's MCG is posted on its company website.	Compliant		
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	Please refer to the below link to the New Manual on Corporate Governance: <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a>	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:			
a. Corporate Objectives			
b. Financial performance indicators			
c. Non-financial performance indicators			
d. Dividend Policy			
e. Biographical details (at least age, academic qualifications, date of first			

appointment, relevant experience, and other directorships in listed companies) of all directors			
f. Attendance details of each director in all directors meetings held during the year			
g. Total remuneration of each member of the board of directors			
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.			
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.			
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.			
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).			

**Principle 9:** The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

**Recommendation 9.1**

<p>1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.</p>	<p>Compliant</p>	<p>Please see below pertinent portion of the 2024 Definitive Information Statement:  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=602885d588770a09abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=602885d588770a09abca0fa0c5b4e4d0</a></p> <p>"Item 7. Independent Public Accountants</p> <p>xxx</p> <p>On the annual stockholders' meeting held on July 28, 2023, Isla Lipana &amp; Co. was re-appointed as the external auditors, with Mr. Pocholo Domondon as the partner-in-charge for the audit of the Company's financial statements as at and for the period ending 31 December 2023.</p> <p>Representatives of the Independent Public Accountant for the current year (PwC Philippines) are expected to be present at the Annual Stockholders' Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.</p>	
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		<p>The Chairman of the Audit Committee is Mr. Ramon D. Dizon and the members are Atty. Timoteo B. Aquino and Atty. Jose Raulito E. Paras."</p> <p>The Audit Committee Charter also espouses for the Audit Committee to have a robust process of approving, recommending approval, appointment, reappointment, and renewal of the external auditor's services as ratified by the shareholders. Please see link below:  <a href="https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Audit-Committee-Charter_2.26.2025.pdf">https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Audit-Committee-Charter_2.26.2025.pdf</a></p> <p>The Audit Committee evaluates the external auditor's prior year performance before its approval to recommend to reappoint the auditor for ensuing year.</p>	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	<p>All of the shareholders present during the ASM, and representing 70.52% percent of the total outstanding common stock of the Company, ratified the appointment of the external auditor.</p> <p>Please see below link for the minutes of the 2024 ASM:  <a href="https://digiplus.com.ph/app/uploads/2024/07/DigiPlus-Interactive-Corp_ASM-Minutes-of-Meeting_26-July-2024-1.pdf">https://digiplus.com.ph/app/uploads/2024/07/DigiPlus-Interactive-Corp_ASM-Minutes-of-Meeting_26-July-2024-1.pdf</a></p>	

		<p>The Audit Committee Charter also espouses for the Audit Committee to have a robust process of approving, recommending approval, appointment, reappointment, and renewal of the external auditor's services as ratified by the shareholders. Please see link below:  <a href="https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Audit-Committee-Charter_2.26.2025.pdf">https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Audit-Committee-Charter_2.26.2025.pdf</a></p>	
<p>3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.</p>	Compliant	<p>There was no change in the external auditor for FY 2024.</p> <p>The change in external auditor in FY 2022 was duly disclosed to the public under Article VII, Section 4.4 (z) of the PSE Disclosure Rules and through PSE Disclosure Form 4-9 and SEC Form 17-C accordingly.</p> <p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=095f2190db567d223470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=095f2190db567d223470cea4b051ca8f</a></p>	
<b>Supplement to Recommendation 9.1</b>			
<p>1. Company has a policy of rotating the lead audit partner every five years.</p>	Compliant	<p>The lead audit partner, Mr. Pocholo Domondon, of Isla Lipana &amp; Co. was the assigned partner-in-charge only from CY 2022. As of December 31, 2024, he only acted as lead audit partner for three (3) years.</p> <p>In compliance with SRC Rule 68 as Amended, Paragraph</p>	

		<p>3(b)(ix), the handling audit partner is rotated every five (5) years and in case there will be a re-engagement of the same signing partner, a two-year cooling off period shall be observed.</p> <p>The Audit Committee Charter also espouses for the Audit Committee to have a robust process of approving, recommending approval, appointment, reappointment, and renewal of the external auditor's services as ratified by the shareholders. Please see link below:  <a href="https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Audit-Committee-Charter_2.26.2025.pdf">https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Audit-Committee-Charter_2.26.2025.pdf</a>   <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=602885d588770a09abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=602885d588770a09abca0fa0c5b4e4d0</a> (Item 7, page 18)</p> <p>CY 2024 is the third year that PwC Philippines/Isla Lipana &amp; Co. serves as external auditor for the Company.</p>	
<b>Recommendation 9.2</b>			
<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <p>i. assessing the integrity and independence of external auditors;</p> <p>ii. exercising effective oversight to review and monitor the external</p>	Compliant	<p>Please refer to below link to the Company's Audit Committee Charter:  <a href="https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Audit-Committee-Charter_2.26.2025.pdf">https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Audit-Committee-Charter_2.26.2025.pdf</a></p>	

iii.	auditor's independence and objectivity; and exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.			
2.	Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	Please refer to below link to the Company's Audit Committee Charter: <a href="https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Audit-Committee-Charter_2.26.2025.pdf">https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Audit-Committee-Charter_2.26.2025.pdf</a>	
<b>Supplement to Recommendations 9.2</b>				
1.	Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	Please refer to below link to the Company's Audit Committee Charter: <a href="https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Audit-Committee-Charter_2.26.2025.pdf">https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Audit-Committee-Charter_2.26.2025.pdf</a>	
2.	Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	Please refer to below link to the Company's Audit Committee Charter: <a href="https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Audit-Committee-Charter_2.26.2025.pdf">https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Audit-Committee-Charter_2.26.2025.pdf</a>	
<b>Recommendation 9.3</b>				
1.	Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Not applicable	Currently, the Company's external auditor has no non-audit services performed for the Company. Otherwise, the Company shall	

		disclose the nature of non-audit services in the Annual Report.	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Not applicable	<p>There were no non-audit functions given to the external auditor for FY2024.</p> <p>Please refer to the following links:  <a href="https://digiplus.com.ph/wp-content/uploads/2021/05/LRWC-Revised-RPT-Policy-051421.pdf">https://digiplus.com.ph/wp-content/uploads/2021/05/LRWC-Revised-RPT-Policy-051421.pdf</a></p> <p>Audit Committee Charter:  <a href="https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Audit-Committee-Charter_2.26.2025.pdf">https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Audit-Committee-Charter_2.26.2025.pdf</a></p>	
<b>Supplement to Recommendation 9.3</b>			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Not applicable	Currently, the Company's external auditor has no non-audit services performed for the Company.	
<b>Additional Recommendation to Principle 9</b>			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	<p>The Company's current external auditor is Isla Lipana &amp; Co. (PWC Philippines). Mr. Pocholo C. Domondon is the handling partner assigned to the Company.</p> <p>Isla Lipana &amp; Co. is accredited by the SEC under Group A category.</p> <p>SEC Accreditation Number (Individual): 0142-SEC, Category A, valid to audit from 2021 to 2025.</p>	



2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Compliant	Company's external auditor, Isla Lipana & Co., was subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program last October 3-14, 2022. The SOAR is conducted every three years. The names of the members of the engagement team were provided to the SEC during the SOAR inspection.	
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**Principle 10:** The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

**Recommendation 10.1**

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	Please see below link to the Company's FY 2024 Sustainability Report: <a href="https://digiplus.com.ph/sustainability/#sustainability-report">https://digiplus.com.ph/sustainability/#sustainability-report</a>	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant		

**Principle 11:** The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

**Recommendation 11.1**

1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	The Company conducted an analysts' /investors' briefing on 20 November 2024 in coordination with the Philippine Stock Exchange, Inc.'s PSE - STAR (Strengthening Access and Reach) Investor Day where the	
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		<p>Company discussed updates on the company direction and financial and operating performance.</p> <p>Please see below Notice of Analysts'/Investors' Briefing via PSE Edge:  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=f9731cb9fe9bb64cabca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=f9731cb9fe9bb64cabca0fa0c5b4e4d0</a></p>	
<b>Supplemental to Principle 11</b>			
1. Company has a website disclosing up-to-date information on the following:	Compliant		
a. Financial statements/reports (latest quarterly)	Compliant	<p>Please refer to the below link to the Company's website:</p> <p><i>Latest Quarterly Report: 3<sup>rd</sup> Quarter of FY 2024</i></p> <p><a href="https://digiplus.com.ph/app/uploads/2025/03/DigiPlus-Interactive-Corp._SEC-Form-17Q_30September2024.pdf">https://digiplus.com.ph/app/uploads/2025/03/DigiPlus-Interactive-Corp._SEC-Form-17Q_30September2024.pdf</a></p>	
b. Materials provided in briefings to analysts and media	Compliant	<p>The materials were presented to the investors on the day of briefing.</p> <p>Please see below Notice of Analysts'/Investors' Briefing via PSE Edge:  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=f9731cb9fe9bb64cabca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=f9731cb9fe9bb64cabca0fa0c5b4e4d0</a></p>	
c. Downloadable annual report	Compliant	Please refer to the below link:	

		<a href="https://digiplus.com.ph/app/uploads/2025/04/Annual-Report-2024.pdf">https://digiplus.com.ph/app/uploads/2025/04/Annual-Report-2024.pdf</a>	
d. Notice of ASM and/or SSM	Compliant	Please refer to the below link: <a href="https://digiplus.com.ph/asm2024/">https://digiplus.com.ph/asm2024/</a>	
e. Minutes of ASM and/or SSM	Compliant	Please refer to the below link: <a href="https://digiplus.com.ph/app/uploads/2024/07/DigiPlus-Interactive-Corp_ASM-Minutes-of-Meeting_26-July-2024-1.pdf">https://digiplus.com.ph/app/uploads/2024/07/DigiPlus-Interactive-Corp_ASM-Minutes-of-Meeting_26-July-2024-1.pdf</a>	
f. Company's Articles of Incorporation and By-Laws	Compliant	Please refer to below link to the Company's website: <a href="https://digiplus.com.ph/corporate-governance/#disclosures">https://digiplus.com.ph/corporate-governance/#disclosures</a>  Articles of Incorporation - <a href="https://digiplus.com.ph/app/uploads/2024/03/AAOI_DigiplusInteractiveCorp.09122023_redacted2.pdf">https://digiplus.com.ph/app/uploads/2024/03/AAOI_DigiplusInteractiveCorp.09122023_redacted2.pdf</a>  By Laws - <a href="https://digiplus.com.ph/app/uploads/2025/03/Digiplus-Interactive-Corp_-Amended-By-Law_12.16.2024.pdf">https://digiplus.com.ph/app/uploads/2025/03/Digiplus-Interactive-Corp_-Amended-By-Law_12.16.2024.pdf</a>	
2. Company complies with SEC-prescribed website template.	Compliant	Company's website link: <a href="https://digiplus.com.ph/">https://digiplus.com.ph/</a>	

#### Internal Control System and Risk Management Framework

**Principle 12:** To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.

#### Recommendation 12.1

<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	<p>Compliant</p>	<p>Please refer to Section 12 of the MCG.  <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a></p> <p>The Company's internal audit department provides an independent assurance and consulting services. It reviews the effectiveness of the governance and control processes, helps to promote the right values and ethics as well as communicates risk and control information, among others.</p> <p>The Company's internal control system is reviewed periodically. Please see below link to the Audit Committee Charter:  <a href="https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Audit-Committee-Charter_2.26.2025.pdf">https://digiplus.com.ph/app/uploads/2024/02/DigiPlus-Audit-Committee-Charter_2.26.2025.pdf</a></p>	
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Compliant</p>	<p>Please refer to below link for Digiplus Interactive Corp.'s Enterprise Risk Management as posted in the company website:  <a href="https://digiplus.com.ph/app/uploads/2024/08/Board-Risk-Oversight-Committee-BROC-Regulations-DigiPlus-Revised-v2-Final.pdf">https://digiplus.com.ph/app/uploads/2024/08/Board-Risk-Oversight-Committee-BROC-Regulations-DigiPlus-Revised-v2-Final.pdf</a></p> <p>Please also refer to Section 12.5 of the MCG:  <a href="https://digiplus.com.ph/app/uploads">https://digiplus.com.ph/app/uploads</a></p>	

		<a href="#">/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a>  The Enterprise Risk Management framework is reviewed annually.	
<b>Supplement to Recommendations 12.1</b>			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Compliant	Please refer to the link below to the Company's MCG, Section 12 for the Internal Control System and Risk Management Framework: <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a>	
<b>Optional: Recommendation 12.1</b>			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.			
<b>Recommendation 12.2</b>			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	The Company has in-house internal audit officer and personnel.	
<b>Recommendation 12.3</b>			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	The Company's internal audit function is supervised by:	

		<p>Atty. Rosalyn D. Batay, Internal Audit Head.</p> <p>The main responsibilities of the Company's Chief Audit Executive (CAE) is contained in Section 12.3 of MCG. Please see link below:  <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a></p>	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	Compliant	<p>Section 12.3 of MCG, see below link:  <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a></p> <p>Currently, there is no outsourced internal audit activity.</p>	
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Not applicable	Not applicable. Currently, there is no outsourced internal audit activity.	
<b>Recommendation 12.4</b>			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	<p>Please refer to Sections 12.4 to 12.5 of the MCG.  <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a></p> <p>The Board annually reviews the Company's risk management and</p>	

		<p>functions as part of its annual review of financial statements.</p> <p>Please see below link to the Company's Enterprise Risk Management Framework:  <a href="https://digiplus.com.ph/app/uploads/2024/08/Board-Risk-Oversight-Committee-BROC-Regulations-DigiPlus-Revised-v2-Final.pdf">https://digiplus.com.ph/app/uploads/2024/08/Board-Risk-Oversight-Committee-BROC-Regulations-DigiPlus-Revised-v2-Final.pdf</a></p> <p>See below Charter of Board Risk Oversight Committee  <a href="https://digiplus.com.ph/app/uploads/2024/02/Board-Risk-Oversight-Committee-Charter-2023.pdf">https://digiplus.com.ph/app/uploads/2024/02/Board-Risk-Oversight-Committee-Charter-2023.pdf</a></p>	
<b>Supplement to Recommendation 12.4</b>			
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	In 2024, the Company engaged Maximum Ideas Business Solutions Inc., an external service provider, to design and develop the Company's Enterprise Risk Management System (ERMS) which will enable the Company to efficiently identify, assess, and mitigate risks. The ERMS aims to create a structured and user-friendly system that enhances operational effectiveness and decision-making.	
<b>Recommendation 12.5</b>			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the	Compliant	The Company's Chief Risk Officer (CRO) is Mr. Ronald Allan Pablo for CY 2024.	

ultimate champion of Enterprise Risk Management (ERM).		His responsibilities are mentioned in Section 12.5 of the MCG. Please refer to the link below: <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a>	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	Mr. Pablo has adequate authority, stature, resources and support to fulfill his responsibilities. Please see his Curriculum Vitae attached.	
<b>Additional Recommendation to Principle 12</b>			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Compliant	Please refer to attached Attestation by the President and Audit Officer.	
<b>Cultivating a Synergic Relationship with Shareholders</b>			
<b>Principle 13:</b> The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
<b>Recommendation 13.1</b>			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Please refer to below link to the Company's Manual on Corporate Governance where shareholders' rights are disclosed (see Section 13): <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Section 13 of the MCG, posted in the Company's Website, discusses Shareholder Rights. Please see link below:	



		<a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a>	
<b>Supplement to Recommendation 13.1</b>			
1. Company's common share has one vote for one share.	Compliant	Each share has one vote.  Please refer to Item 4(a) of the Definitive Information Statement, through this link: <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=44303a787a25a8d2abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=44303a787a25a8d2abca0fa0c5b4e4d0</a>	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	Please refer to the link below for the Company's MCG regarding Respecting Rights of Stakeholders and effective redress for violation of Stakeholder's Right (Section 14): <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a>	
3. Board has an effective, secure, and efficient voting system.	Compliant	Please refer to the link below for the Company's MCG regarding Respecting Rights of Stakeholders and effective redress for violation of Stakeholder's Right (Section 14): <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a>	
4. Board has an effective shareholder voting mechanism such as supermajority or "majority of minority" requirements to	Compliant	Please refer to the link below for the Company's MCG regarding Respecting Rights of Stakeholders	

protect minority shareholders against actions of controlling shareholders.		and effective redress for violation of Stakeholder's Right (Section 14): <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a>	
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	Please refer to below link to the Company's Manual on Corporate Governance where shareholders' rights are disclosed (see Section 13): <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a>	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	Please refer to below link to the Company's Manual on Corporate Governance where shareholders' rights are disclosed (see Section 13): <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a>	
7. Company has a transparent and specific dividend policy.	Compliant	Please see attached Dividend Policy:  See Company website: <a href="https://digiplus.com.ph/app/uploads/2025/03/Dividend-Policy.pdf">https://digiplus.com.ph/app/uploads/2025/03/Dividend-Policy.pdf</a>  Please see attached disclosure: <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=17cc6225e4f80a149e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=17cc6225e4f80a149e4dc6f6c9b65995</a>	

Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.			
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	<p>The notice and agenda of the Annual Stockholders' Meeting were sent out 79 days before the meeting (Notice was posted in PSE EDGE on 8 May 2024; ASM was held on 26 July 2024)</p> <p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=5f5e7e6bd58802ddabca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=5f5e7e6bd58802ddabca0fa0c5b4e4d0</a></p>	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	<p>Please refer to below link to the company's notice of Annual Shareholders' Meeting:</p> <p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=a7c97ec956039c87abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=a7c97ec956039c87abca0fa0c5b4e4d0</a></p> <p><a href="https://digiplus.com.ph/asm2024/">https://digiplus.com.ph/asm2024/</a></p>	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	<p>Please refer to the link of the Company's Definitive Information Statement (pages 9-12):</p> <p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=44303a787a25a8d2abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=44303a787a25a8d2abca0fa0c5b4e4d0</a></p>	

b. Auditors seeking appointment/re-appointment	Compliant	Please refer to the link of the Company's Definitive Information Statement (page 18): <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=44303a787a25a8d2abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=44303a787a25a8d2abca0fa0c5b4e4d0</a>	
c. Proxy documents	Compliant	Information about proxy documents is in the Company's Definitive Information Statement (page 1 and 7): <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=44303a787a25a8d2abca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=44303a787a25a8d2abca0fa0c5b4e4d0</a>  However, management does not ask for proxy.	
<b>Optional: Recommendation 13.2</b>			
1. Company provides rationale for the agenda items for the annual stockholders meeting			
<b>Recommendation 13.3</b>			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	The results of the votes taken during the most recent Annual Stockholders' Meeting are publicly available the next working day through uploading the same in the company's website.  Please refer to the latest minutes of the Company's ASM/SSM in the link below: <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=0de54628ac6df7ecabca0fa0c5b4e4d0">https://edge.pse.com.ph/openDiscViewer.do?edge_no=0de54628ac6df7ecabca0fa0c5b4e4d0</a>	

		<a href="https://digiplus.com.ph/app/uploads/2024/07/DigiPlus-Interactive-Corp_ASM-Minutes-of-Meeting_26-July-2024-1.pdf">https://digiplus.com.ph/app/uploads/2024/07/DigiPlus-Interactive-Corp_ASM-Minutes-of-Meeting_26-July-2024-1.pdf</a>	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Compliant	<p>Minutes of the Annual and Special Shareholders' Meetings were available on the Company's website within five business days from the end of the meeting.</p> <p>Please refer to the links below to the Company's website:  <a href="https://digiplus.com.ph/app/uploads/2024/07/DigiPlus-Interactive-Corp_ASM-Minutes-of-Meeting_26-July-2024-1.pdf">https://digiplus.com.ph/app/uploads/2024/07/DigiPlus-Interactive-Corp_ASM-Minutes-of-Meeting_26-July-2024-1.pdf</a></p>	
<b>Supplement to Recommendation 13.3</b>			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	The external auditor was present in the 2024 ASM held on July 26, 2024.	
<b>Recommendation 13.4</b>			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	<p>Section 13.4 of MCG:          "The Board should make available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner. This should be included in the company's Manual on Corporate Governance.</p> <p>It is important for the shareholders to be well-informed of the company's</p>	

		<p>processes and procedures when seeking to redress the violation of their rights. Putting in place proper safeguards ensures suitable remedies for the infringement of shareholders' rights and prevents excessive litigation. The company may also consider adopting in its Manual on Corporate Governance established Alternative Dispute Resolution (ADR) procedures."</p> <p>Please refer to below link:  <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a></p>	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	<p>Please refer to the link of the Company's MCG, for the alternative dispute mechanism (Section 13.4):  <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a></p>	
<b>Recommendation 13.5</b>			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	<p>Disclose the contact details of the officer/office responsible for investor relations, such as:</p> <ol style="list-style-type: none"> <li>1. Name of the person - Ms. Celeste M. Jovenir</li> <li>2. Telephone number - (632) 8637.5291-93</li> <li>3. Fax number - (632) 8635-0993</li> <li>4. E-mail address - <a href="mailto:celeste.jovenir@digiplus.com.ph">celeste.jovenir@digiplus.com.ph</a></li> </ol>	

2. IRO is present at every shareholder's meeting.	Compliant	A representative from the IRO was present during all of the Corporation's Annual Stockholders Meetings.	
<b>Supplemental Recommendations to Principle 13</b>			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	There is no anti-takeover measures or similar devices applicable to the Company.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Non-Compliant		As of 31 December 2024, the Company's public float 28.56%.
<b>Optional: Principle 13</b>			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting			
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.			
<b>Duties to Stakeholders</b>			
<b>Principle 14:</b> The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
<b>Recommendation 14.1</b>			

<p>1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.</p>	<p>Compliant</p>	<p>Please refer to the link to the Company's Comprehensive Corporate Disclosures:  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=8be3ac9a7bf3d8e73470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=8be3ac9a7bf3d8e73470cea4b051ca8f</a>   <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=6da1ea912468abc93470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=6da1ea912468abc93470cea4b051ca8f</a>   See below Company's Sustainability Report:  <a href="https://digiplus.com.ph/sustainability/#sustainability-report">https://digiplus.com.ph/sustainability/#sustainability-report</a></p>	
<b>Recommendation 14.2</b>			
<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	<p>Compliant</p>	<p>Section 13.1 of MCG, provides for the Shareholders' right related to the following, among others:</p> <ol style="list-style-type: none"> <li>1. Pre-emptive rights;</li> <li>2. Dividend policies;</li> <li>3. Right to propose the holding of meetings and to include agenda items ahead of the scheduled Annual and Special Shareholders' Meeting;</li> <li>4. Right to nominate candidates to the Board of Directors;</li> <li>5. Nomination process; and</li> <li>6. Voting procedures that would govern the Annual and Special Shareholders' Meeting.</li> </ol>	



		<p>See link below:  <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a></p> <p>See Dividend Policy:  <a href="https://digiplus.com.ph/app/uploads/2024/03/DigiPlus-SEC17C-ApprovalofDividendPolicyQ22023Report_081123.pdf">https://digiplus.com.ph/app/uploads/2024/03/DigiPlus-SEC17C-ApprovalofDividendPolicyQ22023Report_081123.pdf</a></p>	
<b>Recommendation 14.3</b>			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	<p>Stakeholders may contact the following to voice their concerns and/or complaints for possible violation of their rights:</p> <p>Office of the Compliance Officer –  Atty. Kristine Margaret Delos Reyes  +632-86375291 to 93 loc 1160</p> <p>Office of the Head of Investor Relations –  Ms. Celeste Jovenir  +632-86375291 to 93  investorrelations@digiplus.com.ph</p> <p>Please refer to below link for the Company's Whistleblowing Policy, practices and procedures:  <a href="https://digiplus.com.ph/app/uploads/2024/02/IAD-PP-2024-002-DigiPlus-Whistleblowing-Policy-and-Procedures.pdf">https://digiplus.com.ph/app/uploads/2024/02/IAD-PP-2024-002-DigiPlus-Whistleblowing-Policy-and-Procedures.pdf</a></p>	

		<p>Whistleblowers may report to the following channels:</p> <p>Email: <a href="mailto:whistleblow@digiplus.com.ph">whistleblow@digiplus.com.ph</a>  Phone: +63-9171605068  Via mail to: Head of Internal Audit Department  22<sup>nd</sup> Floor, EcoTower Bldg.,  32<sup>nd</sup> Street Corner 9th Avenue,  BGC, Taguig City, 1635</p>	
<b>Supplement to Recommendation 14.3</b>			
<p>1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.</p>	Compliant	<p>Section 13.4 of MCG:  "The Board should make available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner. This should be included in the company's Manual on Corporate Governance.</p> <p>It is important for the shareholders to be well-informed of the company's processes and procedures when seeking to redress the violation of their rights. Putting in place proper safeguards ensures suitable remedies for the infringement of shareholders' rights and prevents excessive litigation. The company may also consider adopting in its Manual on Corporate Governance established Alternative Dispute Resolution (ADR) procedures."</p> <p>Please see below link:</p>	

		<a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a>	
<b>Additional Recommendations to Principle 14</b>			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	The Company has not requested any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue.	
2. Company respects intellectual property rights.	Compliant	The Company applies and registers all of its trademarks with the Intellectual Property Office.	
<b>Optional: Principle 14</b>			
1. Company discloses its policies and practices that address customers' welfare			
2. Company discloses its policies and practices that address supplier/contractor selection procedures			
<b>Principle 15:</b> A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
<b>Recommendation 15.1</b>			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	The Company continuously develops programs for the employees to actively participate in the realization of the Company's goals and in its governance.	

		<p>Please see Section 15 of the MCG on Encouraging Employees' Participation.</p> <p>See below link:  <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a> </p>	
<b>Supplement to Recommendation 15.1</b>			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	<p>The Company has approved its Employee Stock Option Plan (ESOP). The Board of Directors approved the ESOP on 31 January 2023, and the stockholders ratified the same on 27 March 2023. The ESOP was ratified by stockholders for the second time on 26 July 2024.</p> <p>Please see attached ESOP Plan Rules.</p> <p>The Company has an annual performance bonus that accounts and rewards employees based on their performance rating for a year.</p>	
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	<p>Please refer to the following links related to the Occupational Safety and Health Policies and Programs of the Company:  <a href="https://digiplus.com.ph/app/uploads/2024/02/Alcohol-Free-Workplace-Policy.pdf">https://digiplus.com.ph/app/uploads/2024/02/Alcohol-Free-Workplace-Policy.pdf</a> </p>	

		<a href="https://digiplus.com.ph/app/uploads/2024/02/Drug-Free-Workplace-Policy.pdf">https://digiplus.com.ph/app/uploads/2024/02/Drug-Free-Workplace-Policy.pdf</a>  <a href="https://digiplus.com.ph/app/uploads/2024/02/Hepatitis-B-Policy.pdf">https://digiplus.com.ph/app/uploads/2024/02/Hepatitis-B-Policy.pdf</a>  <a href="https://digiplus.com.ph/app/uploads/2024/02/HIV-AIDS-AWARENESS-POLICY.pdf">https://digiplus.com.ph/app/uploads/2024/02/HIV-AIDS-AWARENESS-POLICY.pdf</a>  <a href="https://digiplus.com.ph/app/uploads/2024/02/Smoke-Free-Workplace-Policy.pdf">https://digiplus.com.ph/app/uploads/2024/02/Smoke-Free-Workplace-Policy.pdf</a>  <a href="https://digiplus.com.ph/app/uploads/2024/02/Workplace-Policy-and-Program-on-TB-Prevention-and-Control.pdf">https://digiplus.com.ph/app/uploads/2024/02/Workplace-Policy-and-Program-on-TB-Prevention-and-Control.pdf</a>  <a href="https://digiplus.com.ph/app/uploads/2025/03/D-REACT-Charter.pdf">https://digiplus.com.ph/app/uploads/2025/03/D-REACT-Charter.pdf</a>  <a href="https://digiplus.com.ph/app/uploads/2025/03/OSH-Policy.pdf">https://digiplus.com.ph/app/uploads/2025/03/OSH-Policy.pdf</a>  <a href="https://digiplus.com.ph/app/uploads/2025/03/First-Aid-Policy.pdf">https://digiplus.com.ph/app/uploads/2025/03/First-Aid-Policy.pdf</a>  <a href="https://digiplus.com.ph/app/uploads/2025/03/Hazard-Identification-Risk-Assessment-and-Control-HIRAC-Inspection-Policy.pdf">https://digiplus.com.ph/app/uploads/2025/03/Hazard-Identification-Risk-Assessment-and-Control-HIRAC-Inspection-Policy.pdf</a>  <p>In addition, all newly-hired employees undergo an orientation</p>	
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		from the head office regarding basic rules and regulations of the Company.	
3. Company has policies and practices on training and development of its employees.	Compliant	<p>New employees assigned in provincial branches undergo orientation in their respective branches conducted by the Operations Supervisor for Human Resource.</p> <p>Training Programs, in-house or off-site, are conducted as the need arises based on the result of Training Needs Analysis.</p> <p>The Company is embarking on several programs for the benefit of its employees, including but not limited to, Personality Enhancement Programs, Leadership, and Management Training Programs for its junior managers and officers.</p> <p>See below Training Policy of the Company  <a href="https://digiplus.com.ph/app/uploads/2025/03/Training-Policy.pdf">https://digiplus.com.ph/app/uploads/2025/03/Training-Policy.pdf</a></p>	
<b>Recommendation 15.2</b>			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	Please see Section 15.2 of the MCG. Please see link to the Company's Code of Business Conduct and Ethics:	

		<a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-Code-of-Business-Conduct-and-Ethics_v14-09-2020.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-Code-of-Business-Conduct-and-Ethics_v14-09-2020.pdf</a>	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	<p>The MCG is posted in the Company's website.</p> <p><a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a></p> <p>In addition, newly-hired employees are given employment orientation regarding the basic rules and regulations of the Company as well as the general rules in the Bingo Parlors.</p>	
<b>Supplement to Recommendation 15.2</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	<p>Please refer to the attached Employee Handbook which is currently being applied to the entire DigiPlus Group of Companies</p> <p>In terms of procedure, the Internal Audit Team conducts surprise audit on branches with shortages and late deposits. Such audit report will be submitted to HR for issuance of Show Cause Memo. HR, Legal and Audit Teams shall then conduct an administrative hearing. If the subject employee is found guilty of malversation, HR will issue termination of services, including the filing of criminal and civil actions as may be</p>	

		appropriate, upon recommendation of the Personnel Committee.	
<b>Recommendation 15.3</b>			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	<p>Please refer to below link to the Company's Whistle-blowing policy and procedure:  <a href="https://digiplus.com.ph/corporate-governance/#board-of-committees">https://digiplus.com.ph/corporate-governance/#board-of-committees</a></p> <p><a href="https://digiplus.com.ph/app/uploads/2024/02/IAD-PP-2024-002-DigiPlus-Whistleblowing-Policy-and-Procedures.pdf">https://digiplus.com.ph/app/uploads/2024/02/IAD-PP-2024-002-DigiPlus-Whistleblowing-Policy-and-Procedures.pdf</a></p> <p>The framework includes procedures to protect the employees from retaliation.</p> <p>Below are the contact details to report any illegal or unethical behavior:  Email: <a href="mailto:whistleblow@digiplus.com.ph">whistleblow@digiplus.com.ph</a>  Phone: +63-9171605068  Via mail to: Head of Internal Audit Department  22<sup>nd</sup> Floor, EcoTower Bldg.,  32<sup>nd</sup> Street Corner 9th Avenue,  BGC, Taguig City, 1635</p>	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	<p>Please see below link to the Whistleblowing Policy of the Company posted on its website:  <a href="https://digiplus.com.ph/corporate-governance/#board-of-committees">https://digiplus.com.ph/corporate-governance/#board-of-committees</a></p>	



		<a href="https://digiplus.com.ph/app/uploads/2024/02/IAD-PP-2024-002-DigiPlus-Whistleblowing-Policy-and-Procedures.pdf">https://digiplus.com.ph/app/uploads/2024/02/IAD-PP-2024-002-DigiPlus-Whistleblowing-Policy-and-Procedures.pdf</a>	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	<p>Under the Whistleblowing Company Policy:            "The Company is committed to conduct its business in accordance with the highest ethical business standards. As the Company undertakes to maintain a culture of good corporate governance by observing integrity in all their transactions, it expects that its directors, officers and employees perform their respective duties and responsibilities in a manner anchored to the tenets of truth, honesty, fairness, accountability and ethical behavior."</p> <p>Please see link below:  <a href="https://digiplus.com.ph/corporate-governance/#board-of-committees">https://digiplus.com.ph/corporate-governance/#board-of-committees</a>   <a href="https://digiplus.com.ph/app/uploads/2024/02/IAD-PP-2024-002-DigiPlus-Whistleblowing-Policy-and-Procedures.pdf">https://digiplus.com.ph/app/uploads/2024/02/IAD-PP-2024-002-DigiPlus-Whistleblowing-Policy-and-Procedures.pdf</a></p>	
<b>Principle 16:</b> The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
<b>Recommendation 16.1</b>			

1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	<p>Section 16 of the MCG states: "The company should recognize and place an importance on the interdependence between business and society, and promote a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates."</p> <p>See below link: <a href="https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf">https://digiplus.com.ph/app/uploads/2024/02/LRWC-New-Manual-on-Corporate-Governance.pdf</a></p> <p>Please see below link to the Company's FY 2024 Sustainability Report: <a href="https://digiplus.com.ph/sustainability/#sustainability-report">https://digiplus.com.ph/sustainability/#sustainability-report</a></p>	
<b>Optional: Principle 16</b>			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development			
2. Company exerts effort to interact positively with the communities in which it operates			

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Taguig City on this 16 day of MAY 2025.

**SIGNATURES**

  
**EUSEBIO H. TANCO**  
Chairman of the Board

  
**TIMOTEO B. AQUINO**  
Independent Director

  
**ARTHUR R. TAN**  
Independent Director

  
**TSUI KIN MING**  
President

  
**RAMON PANCRATIO D. DIZON**  
Independent Director

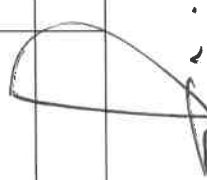
  
**KRISTINE MARGARET R. DELOS REYES**  
Compliance Officer

  
**CAROL V. PADILLA**  
Corporate Secretary

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_ day of 16 MAY 2025 2025, affiants exhibiting to me competent evidences of their identities, as follows:

NAME	GOVERNMENT ID	DATE OF ISSUE	PLACE OF ISSUE
EUSEBIO H. TANCO	TIN 141-978-255		BIR
TSUI KIN MING	TIN 507-239-740		BIR
TIMOTEO B. AQUINO	TIN 115-929-761		BIR
RAMON D. DIZON	TIN 102-085-577		BIR
ARTHUR R. TAN	TIN 204-185-820		BIR
KRISTINE MARGARET R. DE LOS REYES	TIN 255-777-553		BIR
CAROL V. PADILLA	TIN 271-536-679		BIR

Doc. No. 34;  
Page No. 9;  
Book No. I;  
Series of 2025  
**29102339**

  
**ADRIAN A. TADENA** NOTARY PUBLIC  
Notary Public for Taguig City  
Until December 31, 2026  
Appointment No. 112 (2025-2026)  
Roll No. 69132  
IBP Lifetime No. 1680 / 05.17.2017  
PTR No. 6470952 / 02.03.2025 / Taguig City  
MCLE Compliance No. VII-0019612 / 01.13.2025  
25th Floor One World Place, 32nd Street, Bonifacio Global City  
Fort Bonifacio, Taguig City

## **Annexes**

A – Retirement Policy

B – RPT Disclosure Form

C - Evaluation Form for the assessment of the performance of Board of Directors and Board Committees

D - Attestation by the President and Audit Officer

E- ESOP Plan Rules

F - ABLE Employee Handbook


G - Fraud Policy

H - Minutes reflecting directors asking for clarifications

I - SEC Resolution Approval of ESOP

J – Internal Audit Charter

K – Certificate of Engagement from the Institute of Corporate Directors

Policy No. HR -20	Title of Manual <b>Policy Manual</b>		
Date Prepared: 6 November 2020	Policy Name <b>EMPLOYEE RETIREMENT</b>	Version No. <b>1</b>	
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.

Policy No. HR -20	Title of Manual <b>Policy Manual</b>		
Date Prepared: 6 November 2020	Policy Name <b>EMPLOYEE RETIREMENT</b>	Version No. <b>1</b>	
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

- 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.

Policy No. HR -20	Title of Manual <b>Policy Manual</b>		
Date Prepared: 6 November 2020	Policy Name <b>EMPLOYEE RETIREMENT</b>	Version No. <b>1</b>	
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

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 13<sup>th</sup> 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.





## Related Party Disclosure Form

Page 1 of 4

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

Page 2 of 4



## Related Party Disclosure Form

Page 3 of 4

### 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

# Related Party Disclosure Form

## Degrees of Relationship

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Y

**4<sup>th</sup> Degree**  
Great Great Grandparent  
Great Uncle/Aunt  
First Cousin  
Grand Nephew/Niece

**3<sup>rd</sup> Degree**  
Great Grandparent  
Uncle/Aunt  
Nephew/Niece  
Great Grandchild

**2<sup>nd</sup> Degree**  
Grandparent  
Sibling  
Grandchild

**1<sup>st</sup> Degree**  
Parent  
Child

**YOU / SPOUSE**

**1<sup>st</sup> Degree**  
Parent-in-law  
Child-in-law

**2<sup>nd</sup> Degree**  
Grandparent-in-law  
Sibling-in-law  
Grandchild-in-law

**3<sup>rd</sup> Degree**  
Great Grandparent-in-law  
Uncle/Aunt-in-law  
Nephew/Niece-in-law  
Great Grandchild-in-law

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

A  
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Y

## 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 0

- 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 0

- 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
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**

- 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:**



REPUBLIC OF THE PHILIPPINES )  
MAKATI CITY ) S.S.

**2024 ATTESTATION OF INTERNAL AUDIT, CONTROL & COMPLIANCE SYSTEM**

KNOW ALL MEN BY THESE PRESENTS:

We, **TSUI KIN MING, KRISTINE MARGARET R. DELOS REYES, and ROSALYN D. BATAY**, all of legal age, and with office address at 35<sup>th</sup> Floor, Ecoprime Bldg., 32<sup>nd</sup> St. corner 9th Avenue, Bonifacio Global City, Taguig City, after having been duly sworn in accordance with law, do hereby certify that:

1. Digiplus Interactive Corp. ("Corporation") recognizes that good corporate governance is essential to build an environment of trust, transparency and accountability. The Corporation's corporate governance system includes a combination of internal and external mechanisms such as the structure of the Board of Directors and its committees, the oversight it exercises over management and the formulation of sound policies and controls.
  - a. The Board of Directors (BOD) is responsible in providing governance and overseeing the implementation of adequate internal control mechanisms and risk management process.
  - b. The Audit Committee assists the BOD in fulfilling oversight responsibilities over the Corporation's system of internal controls.
  - c. Management is primarily responsible in designing, implementing and maintaining an adequate and effective system of internal controls and risk management processes to ensure compliance with laws, rules and regulations.
  - d. The Corporation has an independent audit mechanism to monitor the adequacy and effectiveness of its governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficacy of operations, the safeguarding of assets, and compliance with laws, rules, regulations, and contracts;
  - e. The Corporation's external auditor, Isla Lipana & Co., is responsible for assessing and expressing an opinion regarding the conformity of the audited financial statements of the Corporation with Philippine Financial Reporting Standards and the overall quality of the financial reporting process;
  - f. Internal Audit adopts a risk-based approach in developing its annual audit plan and conduct reviews to assess the adequacy and effectiveness of the Corporation's internal controls;
  - g. The Corporation's Head of Internal Audit reports functionally to the Audit Committee to ensure independence and objectivity allowing Internal Audit to fulfill its responsibilities; and





h. Internal audit activities conform with the International Standards for the Professional Practice of Internal Auditing.

2. Based on the results of the activities and reviews undertaken by internal and external auditors of the Corporation for the year 2024, we attest that the Corporation's internal controls, risk management, compliance and governance systems and processes are designed adequately and working effectively.

**IN WITNESS WHEREOF**, we have hereunto set our hands this MAY 08 2025 at MAKATI CITY.

  
**KRISTINE MARGARET R. DELOS REYES**  
Compliance Officer

  
**ROSALYN D. BATAY**  
Internal Audit Head

  
**TSUI KIN MING**  
President

**SUBSCRIBED AND SWORN** to before me this MAY 08 2025 at MAKATI CITY, affiants exhibiting to me the following competent evidence of their identities:

NAME	GOVERNMENT ISSUED ID
TSUI KIN MING	TIN ID # 507 - 239 - 740
ROSALYN D. BATAY	PRC # 0094808
KRISTINE MARGARET R. DELOS REYES	TIN ID# 255 - 777 - 553

NOTARY PUBLIC

Doc. No. 73  
Page No. 16  
Book No. 74  
Series of 2025.

**ATTY. ROMEAL MONEFORT**  
Notary Public City of Makati  
Until December 31, 2025  
Appointment No. 15032 (2024-2025)  
PTR No. 10451001, Vol. 7, 0125/Makati City  
IBP No. 006070 Del. 27, 2024  
MCLE NO. VII-0027570 Roll No. 27932  
101 Urban Ave. Compos Rueda Bldg.  
Brgy. Pio Del Pilar, Makati City





## **EMPLOYEE SHARE OPTION PLAN (ESOP)**

### **Plan Rules**

## 1 PURPOSE OF THE PLAN

1.1 Leisure & Resorts World Corporation (the "Company" or "LRWC") Employee Share Option Plan (the "Plan" or "ESOP") is proposed on the basis that it is important to recognise identified Employees (the "Participants") whose contributions are essential to growing the business and delivering shareholder returns. The Plan will enable Share Options to be granted to Participants and will help to achieve the following objectives:

- a. To recognise the contribution of key individuals to the overall growth in business value;
- b. To attract and retain key individuals whose contributions are essential to delivering key strategic objectives of the Company in the long-term;
- c. To provide a competitive pay package with a high upside potential subject to the Company's performance; and
- d. To align the interest of employees with the interest of the shareholders of the Company.

## 2 EFFECTIVITY AND DURATION OF THE PLAN

2.1 This Plan shall take effect subject to and is conditional upon:

- a. The securing and passing of the necessary resolutions by the Board of Directors and Shareholders of the Company in a meeting called for the purpose of approving the implementation of the ESOP and the adoption of the Plan's rules;
- b. The Securities and Exchange Commission ("SEC") approving the registration statement or request for exemption, as may be applicable, covering the Plan, and the Shares to be issued to the vesting of an Award or exercise of the Options under this Plan; and
- c. Securing such other corporate and regulatory approvals as may be required under applicable law.

## 3 DEFINITIONS

3.1 In the LRWC Employee Share Option Plan (the "**Plan**"), unless the context otherwise requires, the following words and expressions shall have the following meanings:

<b>"Act"</b>	The applicable laws of the Republic of the Philippines.
--------------	---

<b>“Adoption Date”</b>	The date on which the Plan is adopted by the Company upon securing and passing the necessary resolutions by the Directors and Shareholders.
<b>“Auditors”</b>	The auditors of the Company.
<b>“Award”</b>	An award of Share Options granted under Rule 04.
<b>“Award Date”</b>	In relation to an Award, the date on which the Award is granted pursuant to Rule 04.
<b>“Award Letter”</b>	A letter from the Committee, in such form as it may adopt, confirming and approving Award granted to a Participant.
<b>“Board”</b>	Board of Directors of the Company.
<b>“Communication”</b>	An Award, including the Award Letter and/or any correspondence made or to be made under the Plan (individually or collectively).
<b>“Committee”</b>	Compensation Committee of the Board, and/or its sub-committee specially created for purposes of administering the Plan.
<b>“Company”</b>	Leisure & Resorts World Corporation (LRWC)
<b>“Consultant”</b>	Any consultant or adviser who renders bona fide services to the Company, or a consultant or adviser, who is a natural person, contracted directly by the Company to render services.
<b>“Directors”</b>	The members of the Board of Directors of the Company.
<b>“Exercise Date”</b>	In relation to an Award, the date on which the Share Options are exercised by a participant pursuant to Rule 12.
<b>“Exercise Price”</b>	The price, as determined in accordance with the rules of this Plan, at which a Participant shall subscribe for each Share upon the exercise of a Share Option.
<b>“Exercise Period”</b>	The period for the exercise of a Share Option being a period commencing from the date an Option has vested until the term limit of the plan or otherwise as may be determined by the Committee from time to time.
<b>“Employee”</b>	Any person employed by any parent or subsidiary of the Company, including officers and directors, who is subject to the control and direction of the Company as to both the work to be performed and the method of performance.

<b>“Participant”</b>	The receiver of Share Options (including, where applicable, personal representative of such receiver).
<b>“Performance-related Award”</b>	An Award in relation to which a Performance Condition is specified.
<b>“Performance Condition”</b>	In relation to a Performance-related Award, the condition(s) specified as stated in the Award Letter that must be complied with by the Participant in order to be eligible for the Award.
<b>“Performance Parameters”</b>	In relation to the Plan, the Performance Conditions, Performance Period and the extent to which the Award is vested.
<b>“Performance Period”</b>	In relation to a Performance-related Award, a period, the duration of which is to be determined by the Committee on the Award Date and stated in the Award Letter, during which the Performance Condition(s) is/are to be satisfied.
<b>“Plan”</b>	The LRWC Employee Share Option Plan 2022, as modified or altered from time to time.
<b>“Shares”</b>	Common shares of the Company.
<b>“Share Option”</b>	The right to subscribe to the Shares further to the Plan.
<b>“Change-in-control”</b>	<ol style="list-style-type: none"> <li>1. Any transaction or series of related transactions whether involving the issue of shares by the Company or sale of shares in the Company which, after the completion of such transaction(s), results in: <ol style="list-style-type: none"> <li>1. the Shareholders immediately prior to transaction(s), owning 50% or less of the issued share capital of the Company (all calculated on a deemed converted basis); or</li> <li>2. a party, other than the Shareholders immediately prior to the transaction(s), being entitled to exercise or control the exercise of not less than 50% of the voting power in the Company;</li> </ol> </li> <li>2. A merger or a consolidation of the Company with or into any other corporation(s) in which: <ol style="list-style-type: none"> <li>1. the Company is the surviving corporation of such merger or consolidation and holders of the Company’s issued Shares immediately prior to such merger and consolidation do not hold a majority or more of issued Shares</li> </ol> </li> </ol>

	<p>immediately after such merger and consolidation; or</p> <p>2. the Company is not the surviving corporation of such merger or consolidation and holders of the Company's issued Shares immediately before such merger, or consolidation do not, immediately after such merger or consolidation, hold a majority or more of the voting power of the surviving corporation or holding company, as the case may be, of such merger or consolidation; or</p> <p>3. A sale (in a single transaction or a series of transactions) of all or substantially all of the properties, assets, business or undertaking of the Company including a sale (in a single transaction or a series of transactions) of one or more subsidiaries (whether by way of merger, consolidation, recapitalisation, reclassification, reorganization or sale of all or substantially all of the assets or securities) which constitute all or substantially all of the consolidated assets or business of the Company</p>
<b>"Unvested"</b>	In relation to an Award, the period post Award Date during which absolute entitlement to all or some of the Award has not been vested to the recipient or are not yet exercisable.
<b>"Vested"</b>	<p>In relation to an Award, a process wherein awarded un-exercisable option shares shall become exercisable for all or some of the Share Options granted to the recipient, pursuant to Rule 12</p> <p>"Vest" and "Vested" shall be construed accordingly.</p>
<b>"Vesting Date"</b>	In relation to an Award, the date on which the Share Options are deemed to be Vested pursuant to Rule 12.
<b>"Vesting Period"</b>	In relation to an Award, the period between the Award Date and period as determined by the Committee for the awarded option shares to become exercisable.
<b>"year"</b>	Calendar year, unless otherwise stated.
<b>"%"</b>	Per centum or percentage.

3.2 Words importing the singular number shall, where applicable, include the plural number and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter gender.

- 3.3 The expression "related corporation" shall have the meaning ascribed to it in the Act.
- 3.4 Any reference to a time of a day in the Plan is a reference to the Philippines time.
- 3.5 Any reference in the Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and not otherwise defined in the Plan and used in the Plan shall have the meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

## 4 GRANT OF AWARDS

- 4.1 The number of Share Options which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined by the Committee, which shall take into account such criteria as the Committee considers fit, including (but not limited to), job level, job performance, potential for future development, or contribution to the success and development of the Company.
- 4.2 The Committee shall decide, in relation to an Award:
- a. the Participants;
  - b. the Award Date;
  - c. the number of Share Options which are the subject of the Award;
  - d. Performance Parameters:
    - i. The Performance Conditions(s);
    - ii. The Performance Period; and
    - iii. The extent to which the Award, and timing thereof, shall be Vested, subject to the Performance Condition(s) being satisfied at the end of the Performance Period;
  - e. the Vesting Period(s), if any;
  - f. the Vesting Date(s), if any; and
  - g. the date of Release and schedule, if any;
  - h. the Retention Period in relation to any or all of the Share Options which are the subject of the Award, if any; and
  - i. any other condition which the Committee may determine, in its absolute discretion, relative to that Award.
- 4.3 Based on the approval from the Committee, the Human Resource Department shall send an Award Letter to each Participant confirming the Award and specifying:
- a. the Award Date;
  - b. the number of Share Options subject of the Award;
  - c. Performance Parameters:
    - i. The Performance Conditions(s);

- ii. The Performance Period; and
  - iii. The extent to which the Award, and timing thereof, shall be Vested subject to Performance Condition(s) being satisfied at the end of the Performance Period;
  - d. the Vesting Period(s), if any;
  - e. the Vesting Date(s), if any;
  - f. the date of Release and schedule, if any;
  - g. the Retention Period in relation to any or all of the Share Options subject of the Award, if any; and
  - h. and any other condition which the Committee may determine in its absolute discretion relative to the Award.
- 4.4 Participants are not required to pay for the grant of Awards but, should they decide to exercise the Share Option they must tender the amount equivalent to the Exercise Price of the Share Options availed of.
- 4.5 An Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Share Options to which the Vested Award relates, and shall not be transferable, chargeable, assignable, subject to pledge or other means of disposal of, in whole or in part, or with the prior written approval of the Committee. If a Participant shall do, suffer or permit any act or thing where he or she would be deprived of any rights under an Award or Vested Award without the prior written approval of the Committee, that Award or Vested Award shall immediately be considered as rescinded and lapsed.

## 5 ELIGIBILITY

- 5.1 Persons eligible to participate in the Plan include key employees which may include executives, department heads, key business personnel and consultants of the Company and its subsidiaries, as may be determined by the Committee, who are largely responsible for the further growth and development of the Company.
- 5.2 Prior to an Option Offer Date, the Committee shall receive the recommendation for eligible Participants from the Company to whom Options may be granted for that calendar year and determine the number of Shares to be covered.
- 5.3 In determining the eligibility of an Employee to receive an Option; as well as the number of Shares, the Committee shall consider the position and responsibilities of the Employee, the nature and value of his/her services and accomplishments, his/her present and potential contribution to the success of the Company, and such other factors as the Committee may deem relevant.



## **6 SIZE AND LIMITATION OF THE PLAN**

- 6.1 Upon the effectivity of the Plan, the Company shall allot up to 528 million common shares for the Share Options. The foregoing allotment may be increased by the Company after securing the necessary approvals and resolutions from the Directors, stockholders, and regulators, as may be required and necessary under applicable law. Such increase in allotment shall be subject to the provisions of Rule 6.2.
- 6.2 The aggregate number of Shares over which the Committee may grant Share Options on any date, when added to the number of Shares issued and issuable in respect of all Share Options granted under the Plan shall not exceed 528 million common shares.

## **7 PERFORMANCE CONDITIONS, PERIOD AND TARGETS**

- 7.1 The Committee can determine to grant Share Options with or without Performance Conditions based on the purpose and business needs.
- 7.2 For Share Options with the Performance Conditions, they will be determined by the Committee at the time of granting such Awards and communicated to Participants through an Award Letter.
- 7.3 Targets for each of the Performance Conditions for each Award cycle will be determined by the Committee, at the point of granting the Award, based on reasonable forecasts of the Company's performance over the Performance Period.

## **8 AWARD VEHICLES, EXERCISE PRICE, VESTING, AND PAY OUT CONDITIONS**

- 8.1 The Award is delivered in Share Options.
- 8.2 The Award will be granted based on the Committee's absolute discretion and subject to Rule 6.1, to allow for continuity of the grant over time, and ensuring that the Award granted is commensurate with the phase of growth and underlying valuation of the Company at each point in time.
- 8.3 The Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee in its absolute discretion based on a valuation methodology consistent with generally accepted valuation methodologies for pricing financial instruments, and as deemed appropriate by the Committee.

- 8.4 The Committee may consider using a pre-determined exercise price or the volume weighted average of share price for the 30-trading days immediately prior to the grant date.
- 8.5 The Share Options will be vested in three equal tranches annually over the Vesting Period, and/or subject to achievement of Performance Conditions as defined under Rule 7 if applicable.
- 8.6 Owners of Option Shares, vested or unvested, are not entitled to the rights of a stockholder such as voting rights and payment of dividends, until such Share Option is exercised.
- 8.7 All Vested Share Options are only exercisable post vesting, and up to a maximum of 5 years from the vesting date.

## 9 LEAVER PROVISIONS

- 9.1 Whenever a Participant ceases to be employed with the Company due to the following reasons, the Participant shall be considered as a “Good Leaver”:
  - i. long-term ill health, injury or disability (either of which would prevent the individual from physically carrying out his duties in a satisfactory manner, and in each case, evidenced to the satisfaction of the Committee);
  - ii. retirement on or after the legal retirement age;
  - iii. redundancy;
  - iv. voluntary resignation approved by the Committee in its absolute determination of a reasonable and amicable departure; or
  - v. any other event approved by the Committee,

If a Participant is a Good Leaver, any Vested Awards will remain exercisable within one year from separation or expiration of exercise period whichever comes first, or any other period as determined by the Committee. Any unvested Awards will be forfeited upon separation from employment of Participants (Good Leaver). Participants (Good Leavers) will, at the point of a Change-in-control event, be entitled to the same rights accorded to all other Participants in accordance with Rule 10 below.

- 9.2 Whenever a Participant ceases to be employed with the Company due to the following reasons, the Participant shall be considered as a “Bad Leaver”:
  - i. termination for cause due to gross misconduct, negligence, or non-performance;
  - ii. any other reason determined by the Committee in its absolute discretion as constituting a “Bad Leaver”,

If a Participant is a Bad Leaver, all vested and unvested Awards will be automatically forfeited upon termination of employment

## **10 Change-in-control**

10.1 In a Change-in-control event, the Company shall within [10] ten business days thereof give notice of the occurrence of the Change-in-control event. From the date of such notice, all Unvested Share Options shall be deemed vested as of the date of such announcement and Participants shall be entitled to either:

- a. exercise their Vested Share Options in accordance with Rule 12.3 below; or
- b. if a purchaser of the Company's shares in a Change-in-control event makes an offer, encash their Vested but unexercised Share Options, equivalent in value to the difference between the Exercise Price and Change-in-control event price per share, in lieu of exercising their Vested Share Options. In this regard, the Committee will exert reasonable efforts to procure that the purchaser shall make an offer to the Participants to encash any Vested Share Options based on a price equivalent in value to the difference between the Exercise Price and the Change-in-control event price per share, in lieu of exercising their Vested Share Options.

## **11 EVENTS PRIOR TO VESTING DATE**

11.1 An Award shall, to the extent not yet Vested, immediately lapse without any claim whatsoever against the Company:

- a. in the event that an order is made for the winding-up of the Company on the basis of, or by reason of, its insolvency; or
- b. subject to Rule 9 where the Participant is a "Bad Leaver" employee, upon the Participant ceasing to be in the employment of the Company for any reason whatsoever

11.2 In a Change-in-control event, the provisions of Rule 10 above will apply accordingly.

## **12 REVIEW OF PERFORMANCE CONDITION(S) AND VESTING OF AWARDS**

12.1 Review of Performance Condition(s)

- a. The Committee shall, as soon as reasonably practicable after the end of the relevant Performance Period, review the Performance

Condition(s) specified in respect of such Award and determine at its discretion:

- i. Whether a Performance Condition has been satisfied and if so, the extent to which it has been satisfied; and
  - ii. Whether any other condition applicable to such Award has been satisfied.
- b. The Committee shall have full discretion to determine whether any Performance Condition has been satisfied (whether fully or partially) or exceeded and in making such determination, the Committee shall have the right to make reference to the audited results of the Company to take into account such factors as the Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further (but without prejudice to the provisions of Rule 7), the right to amend any Performance Condition if the Committee decides that a changed performance target would be an objectively fairer measure of performance.

## 12.2 Exercise of Share Options

- a. Subject to such modifications as the Committee may from time to time determine, Share Options which are vested pursuant to Rule 12.2 or Rule 10, may only be exercised during the Exercise Period, in accordance with the Rules of this Plan in whole or in part, by a Participant giving written notice to the Company, and such notice must be accompanied by a remittance to the Company for the full amount of the aggregate Exercise Price in respect of the Shares for which the vested Share Options are exercised and any other documentation the Committee may require. All payment shall be made by cheque, cashier's order, wire transfer, or bank draft made out in favor of the Company.
- b. Unless otherwise approved by the Committee in its absolute discretion, all vested Share Options can only be exercised during the Exercise Period and upon the expiry of such period, all the Vested Share Options shall immediately lapse.
- c. The Committee may, in its sole discretion, give the Employees the option to exercise and cash-settle their vested but unexercised Share Options at any point in time leading up to or upon completion of a Change-in-control event.
- d. The Company shall keep sufficient unissued Shares available to satisfy the full exercise of all Options, provided that such Shares

set aside for such purpose shall not exceed 528 million common shares for the Share Options.

## **13 ADMINISTRATION OF THE PLAN**

- 13.1 The Plan shall be administered by the Committee in its absolute discretion, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards granted or to be granted to him/her. If the Committee does not yet exist or ceases to exist, the Board of Directors acting by majority of its members in office shall conduct the general administration of the Plan if required by Applicable Law and respect to Awards granted to Independent Directors and for purposes of such Awards the term "Committee" as used in the Plan shall be deemed to refer to the Board.
- 13.2 The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Vested Awards to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan or any rule, regulation, or procedure thereunder or any rights under the Plan shall be determined by the Committee in its absolute discretion.
- 13.3 Neither the Plan nor Awards granted under the Plan shall give rise to any liability on the Company or the Committee or any of its members in connection with:
- a. the lapsing of any Awards pursuant to any provision of the Plan;
  - b. the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Plan; and/or
  - c. any decision or determination of the Committee made pursuant to any provision of the Plan.
- 13.4 Any decision or determination of the Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final, binding, and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Plan or any rule, regulation, or procedure hereunder or as to any rights under the Plan). The Committee shall not be required to furnish any reasons for any decision or determination made by it.

## **14 NOTICES AND COMMUNICATIONS**

- 14.1 Any notice required to be given by a Participant to the Company shall be sent to the Company's electronic mail address, and the hardcopy original document(s) submitted to the registered office of the Company or facsimile number, and

marked for the attention of the Committee, as may be notified by the Company to the Participant in writing.

- 14.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to the Participant by hand or sent to the Participant at his home address or facsimile number or via electronic mail according to the records of the Company or the last known address or facsimile number or electronic mail address provided by the Participant to the Company.
- 14.3 Any notice or other communication from a Participant to the Company shall be irrevocable and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, if by hand delivery, at the time of delivery at the address specified in Rule 14.2 or, if sent by post, on the fifth business day following the date of posting or, if sent by facsimile transmission or electronic mail, on the business day immediately following the day of dispatch.
- 14.4 It shall be the Participant's sole responsibility to ensure that all information contained in a Communication is complete, accurate, current, true, and correct.
- 14.5 The Company's records of the Communications, and its record of any transactions maintained by any relevant person authorized by the Company relating to or connected with the Plan, whether or not stored in printed form, shall be binding and conclusive on the Participant and shall be conclusive evidence of such Communications and/or transactions. All such records shall be admissible in evidence and the Participant shall not challenge or dispute the admissibility, reliability, accuracy or the authenticity of the contents of such records merely on the basis that such records were incorporated and/or set out in electronic form or were produced by or are the output of a computer system, and the Participant waives any of his rights (if any) to so object.

## **15 MODIFICATIONS TO THE PLAN**

- 15.1 Any or all of the provisions of the Plan may be modified and/or altered at any time and from time to time by a resolution of the Committee, and in particular, the Committee may at any time by resolution (and without other formality) amend or alter the rules or provisions of the Plan in any way to the extent necessary in the opinion of the Committee, to cause the Plan to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body.
- 15.2 Written notice of any modification or alteration made in accordance with this Rule 15 shall be given to all Participants.

## **16 TERMS OF EMPLOYMENT UNAFFECTED**



The terms of employment of a Participant shall not be affected by his/her participation in the Plan, which shall neither form part of such terms nor entitle him/her to take into account such participation in calculating any compensation or damages on the termination of his/her employment for any reason whatsoever.

## **17 DURATION OF THE PLAN**

17.1 The Plan shall continue to be in force until the earliest of the following take place:

- a. subject to a maximum period of ten (10) years commencing on the Adoption Date, provided always that the Plan may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required;
- b. the Plan may be terminated at any time by the Committee or, at the discretion of the Committee, by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be granted by the Committee hereunder.

17.2 The expiry or termination of the Plan shall not affect Awards which have been granted prior to such expiry or termination, whether the Share Options pursuant to such Awards have been exercised (whether fully or partially) or not.

## **18 TAXES**

All taxes (except for Documentary Stamp Tax relating to stock issuance) arising from the grant, Vesting or Exercise of any Award granted to any Participant under the Plan shall be borne by that Participant. No shares shall be delivered under the Plan to any Participant until such Participant has made arrangements acceptable to the Committee for the satisfaction of any income and employment tax withholding obligations under Applicable Laws. The Company or any Subsidiary shall have the authority and the right to deduct or withhold or require a Participant to remit to the Company, an amount sufficient to satisfy national, local and foreign taxes required by law to be withheld.

## **19 DISCLAIMER OF LIABILITY**

Notwithstanding any provisions herein contained, the Committee and the Company and the Directors, officers, employees, representatives or agents shall not under any circumstances be held liable for any costs, losses, expenses and damages arising from any event contemplated in relation to this Plan.

## **20 DISPUTES**

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

## **21 GOVERNING LAW**

The Plan shall be governed by and construed in accordance with the applicable laws of Republic of the Philippines. The Participants, by accepting grants of Awards in accordance with the Plan, and the Company submit to the exclusive jurisdiction of the courts of the Republic of the Philippines.

## **22 CONTRACTS (RIGHTS OF THIRD PARTIES)**

No person, other than the Company or a Participant, shall have any right to enforce any provision of the Plan or any Share Option by virtue applicable laws in the Philippines.



**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 "Reynaldo P. Pineda". The signature is fluid and cursive, with the first name being the most prominent.

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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, Mail/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 13<sup>th</sup> Month Pay**

The Company shall grant 13<sup>th</sup> 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 13<sup>th</sup> 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 13<sup>th</sup> Month Pay. Any computed 13<sup>th</sup> month pay adjustment after the calendar year will be reflected on the first payroll of the succeeding year.

The 13<sup>th</sup> Month Pay shall be computed as:

Total Basic Pay + Employee Support Allowance earned from January 1<sup>st</sup> to December 31<sup>st</sup> 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 13<sup>th</sup> 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 14<sup>th</sup> Month Pay**

The 14<sup>th</sup> 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 13<sup>th</sup> 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 4<sup>th</sup> 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 5<sup>th</sup> and 20<sup>th</sup> 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.

<b>Job Grade</b>	<b>Coverage</b>	<b>Room</b>
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 18<sup>th</sup> of the month for 1-15 cut-off and the 3<sup>rd</sup> 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 ABLE 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 5<sup>th</sup> and 20<sup>th</sup> 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 5<sup>th</sup> of the month payroll includes basic earnings for all work performed within the 16<sup>th</sup> day to end of the month payroll period of the previous month and adjustments/deductions for 1-15<sup>th</sup> payroll period of the previous month.

The 20<sup>th</sup> of the month payroll includes basic earnings for all work performed within the first day to the 15<sup>th</sup> day of the present month payroll period and adjustments/deductions for 16<sup>th</sup> 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 <sup>st</sup> - 15 <sup>th</sup> of month	20 <sup>th</sup> of month	5 <sup>th</sup> of following month
16 <sup>th</sup> - 31 <sup>st</sup> of month	5 <sup>th</sup> of following month	20 <sup>th</sup> of following month

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

Suspension schedule:	+/- Adjustment reflected on:
1 <sup>st</sup> - 15 <sup>th</sup> of month	20 <sup>th</sup> of present month
16 <sup>th</sup> - 31 <sup>st</sup> of month	5 <sup>th</sup> 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 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>
<b>WORK SCHEDULE</b>							
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 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>
<b>TIMEKEEPING</b>							
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
<b>GOOD HOUSEKEEPING AND GROOMING</b>							
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		
<b>BUSINESS ETHICS AND CONDUCT</b>							
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					

CONDUCT IN THE WORKPLACE									
Threatening, intimidating, coercing, provoking or instigating fights, engaging in physical fight towards customers / co-workers within the company premises	1 WS	D							
Committing acts causing scandal or disturbances prejudicial to peace and order in company premises	2 WS	1 MS	D						
SAFETY RULES									
Bringing of firearms, weapons, explosives, dangerous devices or substances within the company premises without proper authorization	D								
COMPANY PROPERTY									
Unintentional damage of company property, or causing company supplies to be wasted due to carelessness or negligence	1 WS	2 WS	D						
Theft or removal of any property of the company or fellow employee from the company premises	D								

OTHER MATTERS									
Unjustified failure to submit plane ticket, boarding pass (official air travel) or Bus tickets (official land travel)	W W	1 DS	3 DS	1 WS	2 WS	1 MS	D		
	W W	1 DS	3 DS	1 WS	2 WS	1 MS	D		
	W W	1 DS	3 DS	1 WS	2 WS	1 MS	D		
SYSTEMS, PROCEDURES, OBLIGATIONS PER DEPARTMENT									
<b>Materials Control</b>									
Cards	W W	3 DS	1 WS	D					
Properties and Supplies	W W	1 DS	3 DS	2 WS	1 MS	D			
Receiving policy	W W	1 DS	3 DS	1 WS	2 WS	1 MS	D		
As Card Custodian	W W	1 DS	1 WS	1 MS	D				
Stockroom accountability	W W	1 DS	3 DS	2 WS	1 MS	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
<b>Traditional Bingo Operations</b>							
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	
<b>Treasury</b>							
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
<b>Accounting</b>							
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
<b>Purchasing and General Services</b>							
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
<b>Operations Supervisor for Human Resource</b>							
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
<b>Information Technology Management and Services</b>							
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	W W	1 DS	3 DS	1 WS	2 WS	D	
Emails	W W	1 DS	3 DS	1 WS	2 WS	D	
Downloading or file sharing	W W	1 DS	3 DS	1 WS	2 WS	D	
Network resources	W W	1 DS	3 DS	1 WS	2 WS	D	

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## LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES FRAUD POLICY

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### 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, resources, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Fraudulent financial reporting
- Recording of transaction 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.



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FRAUD POLICY**

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**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  
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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 26<sup>th</sup> day of April, 2005.

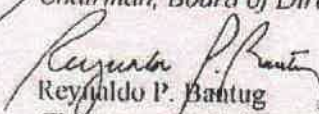
Pasig City, Philippines

**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

**DIGIPLUS INTERACTIVE CORP.**

Minutes of the Meeting of the Board of Directors  
Held on 9 August 2024 at 10:30 AM  
via Zoom Teleconference

**Directors Present:**

Mr. Eusebio H. Tanco  
Mr. Tsui "Andy" Kin Ming  
Mr. Willy N. Ocier  
Mr. Ramon Pancratio D. Dizon  
Mr. Renato G. Nuñez  
Mr. Rafael Jasper S. Vicencio  
Atty. Mardomeo N. Raymundo, Jr.  
Atty. Jose Raulito E. Paras  
Atty. Timoteo B. Aquino

**Others Present:**

Atty. Kristine Margaret Delos Reyes, *Compliance Officer*  
Atty. Carol V. Padilla, *Corporate Secretary*  
Mr. Wilfredo Pielago – *Chief Finance Officer*  
Mr. John David O. Oiga – *Financial Controller*  
Mr. Elias John Kukas – *Head, Investments*

**1. CALL TO ORDER**

The Chairman, Mr. Eusebio H. Tanco, 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, with the presence of all members of the Board, a quorum was present for the transaction of the business. The Corporate Secretary also certified that proper notices were given to the directors of the Corporation.

**3. APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING**

The Corporate Secretary confirmed that copies of the minutes of the previous meeting was sent via email to the members of the Board. The Chairman, as confirmed by the Corporate Secretary, stated that no comments were received.

Thus, upon motion duly made by Mr. Ocier and seconded by Atty. Raymundo, the Board passed the following resolution:

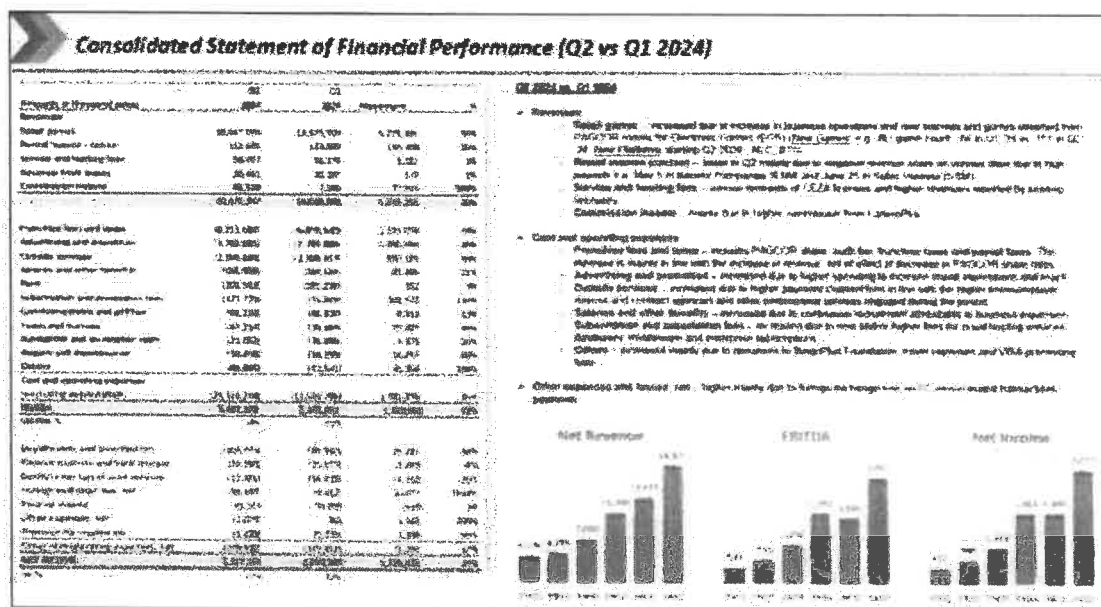
**"RESOLVED**, as it hereby resolved, that the minutes of the meeting held on 26 July 2024 is hereby approved."

**4. SECOND (2<sup>nd</sup>) QUARTER OF CALENDAR YEAR (CY) 2024 FINANCIAL RESULTS AND EARNINGS RELEASE STATEMENT**

**2<sup>nd</sup> Quarter of CY 2024 Financial Results**

*a. Consolidated Statement of Financial Performance*

The CFO, Mr. Wilfredo Pielago, presented the results of the Company's consolidated financial performance for Q2 2024 vis-à-vis Q1 2024, as follows:



In terms of revenue, Mr. Pielago reported that it increased by almost 40% or from Php13.6 Billion to Php18.9 Billion. The total revenues include retail games, rental income from casino, service and hosting fees, and commission income.

One of the major factors that contributed to the good performance of the Company other than the revenue is the lowering of franchise fees which started last 1 April 2024. Although the revenues increased by 40%, the Company's franchise fees and taxes only increased by 19% due to the harmonization of PAGCOR rates wherein it charged lower rates on electronic games which comprised majority of the Company's revenues.

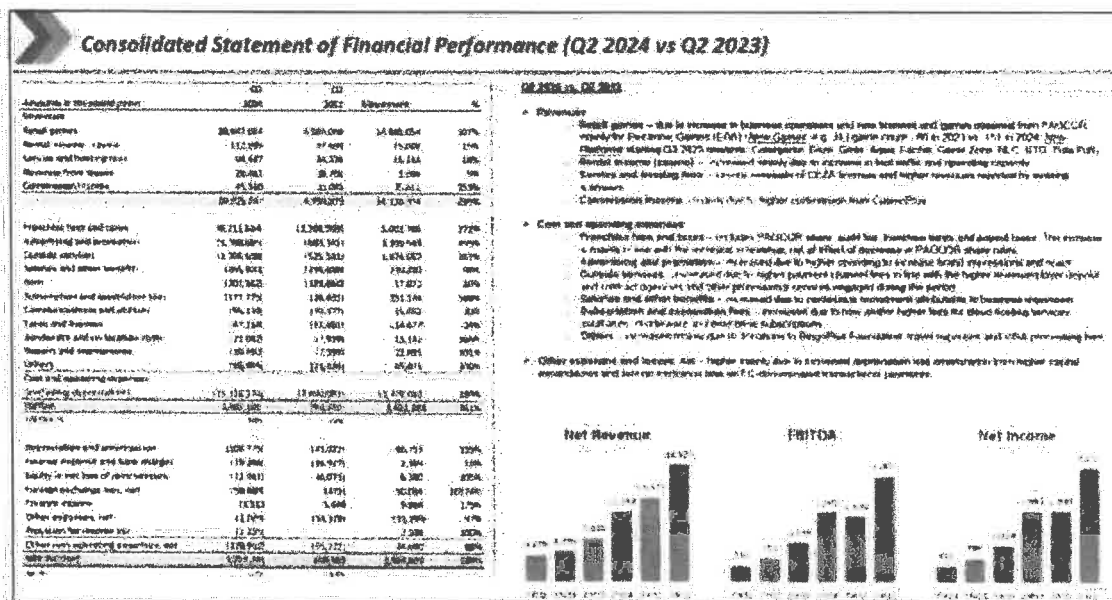
The Company's expenses for outside services also increased from Php1.5 Billion to Php2.4 Billion. These are payment of channel fees arising from the higher deposit fees from its players. Another major expense is the subscription and association dues which includes payment for cloud hosting services, databases, middleware, and enterprise subscriptions. The Company had two (2) new platform games that started in Q2 requiring bigger databases and higher payment of fees. In total, the Company's expenses increased from Php11.5 Billion in Q1 to Php15.5 Billion in Q2. It was also in Q2 that the Company became more aggressive in its 'advertising and promotion' which increased from Php2.3 Billion in Q1 to Php3.8 Billion in Q2.

In terms of EBITDA and net income, the improved revenue and PAGCOR rates have no big impact. Nonetheless, the EBITDA still improved from 15% in Q1 to 18% in Q2.

Finally, the Company's net income increased from Php2 Billion in Q1 to Php3.2 Billion in Q2. It improved by 61% as compared to the last quarter.

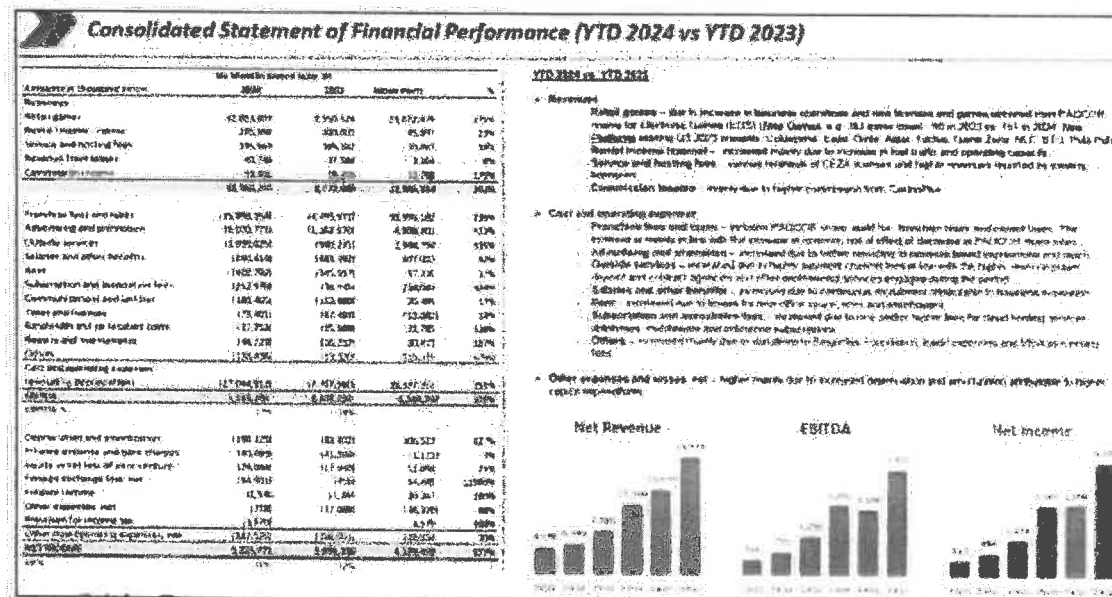
Mr. Pielago presented a graph showing a smooth trend in revenue, EBITDA, and net income on a quarter-to-quarter basis.

Thereafter, Mr. Pielago presented and compared the Company's Financial Performance for Q2-CY 2023 vis-à-vis Q2-CY 2024, as follows:



In terms of revenue, Mr. Pielago stated that the total revenue jumped by 295% or from Php4.8 Billion in Q2-CY 2023 to Php18.9 Billion in Q2-CY 2024. For the cost and operating expenses, it also jumped by 284% or from Php4 Billion in Q2-CY 2023 to Php15.5 Billion in Q2-CY 2024. The increase in expenses is mainly due to expenses directly attributable to the Company's revenue, which are advertising and outside services. The Company's EBITDA also improved by 351% or from Php754.8 Million in Q2-CY 2023 to Php3.4 Billion in Q2-CY 2024. The Company's net income also increased by 389% or from Php659.6 Million in Q2-CY 2023 to Php3.2 Billion in Q2-CY 2024.

Mr. Pielago proceeded to compare the Company's Year to Date (YTD) financial performance for Q2 2023 and YTD Q2 2024, as follows:



Thereafter, Mr. Pielago discussed the Company's performance vis-à-vis the budget, as follows:



1H 2024				
Amounts in thousand pesos	Actuals	Budget	Movement	%
<b>Revenues</b>				
Retail games	32,023,003	25,143,946	6,879,057	27%
Rental income - casino	245,698	277,311	(31,613)	-11%
Service and hosting fees	195,663	160,270	35,393	22%
Revenue from leases	40,748	14,811	25,937	175%
Commission income	53,096	-	53,096	100%
	32,558,208	25,596,338	6,961,870	27%
Franchise fees and taxes	(15,090,154)	(11,258,441)	3,831,713	34%
Advertising and promotion	(6,070,771)	(5,736,980)	333,791	6%
Outside services	(3,909,025)	(2,514,139)	1,394,886	55%
Salaries and other benefits	(850,414)	(1,262,616)	(412,202)	-33%
Rent	(402,792)	(412,198)	(9,406)	-2%
Subscription and association fees	(252,978)	(110,859)	142,119	-128%
Communications and utilities	(180,465)	(163,098)	17,367	11%
Taxes and licenses	(75,401)	(246,823)	(171,422)	-69%
Bandwidth and co-location costs	(37,753)	(8,004)	29,749	372%
Repairs and maintenance	(46,723)	(26,805)	19,918	74%
Others	(128,436)	(767,516)	(639,080)	-83%
<b>Cost and operating expenses (excluding depreciation)</b>	(27,044,912)	(22,507,479)	4,537,433	20%
<b>EBITDA</b>	<b>5,513,296</b>	<b>3,088,859</b>	<b>2,424,437</b>	<b>78%</b>
<b>EBITDA %</b>	<b>17%</b>	<b>12%</b>		

The Company outperformed its revenue budget by 27%, or from the budget of Php25.6 Billion, the Company earned Php32.6 Billion. The Company's expense and EBITDA also exceeded its budget. The Company's actual EBITDA is Php5.5 Billion which outperformed the budget of only Php3 Billion while the actual expense was Php27 Billion compared to the budget of Php22 Billion.

#### b. Consolidated Statement of Financial Position

Moving on to the Consolidated Statement of Financial Position, Mr. Pielago discussed the following:

Consolidated Statement of Financial Position (1/2)				
Amounts in thousand pesos	June 2024	December 2023	November	%
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	8,876,958	4,259,238	4,025,888	198%
Receivables, net	1,196,948	1,321,581	864,497	28%
Costs of contracts to be performed	408,748	34,364	1,227	3%
Prepaid expenses and other current assets	127,679	196,027	794	0%
Other non-current assets	1,548,343	1,058,888	86,474	7%
Total current assets	11,958,676	6,719,108	5,782,680	7%
<b>Non-current assets</b>				
Property, plant and equipment, net	897,184	917,134	74,868	8%
Intangible assets, net of accumulated amortization and impairment	117,184	14,111	4,924	8%
Other non-current assets	7,675,748	7,714,874	12,084,411	2%
Other non-current assets	74,465	125,578	8,457	1%
Financial assets at fair value through profit or loss (FVTPL)	4,574,843	1,304,843	658,150	10%
Other non-current assets	1,529,040	1,058,888	86,474	0%
Total non-current assets	14,268,604	10,230,948	12,910,732	10%
Total assets	26,227,280	16,950,056	18,693,412	5%
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable	1,196,948	1,321,581	864,497	28%
Other current liabilities	1,196,948	1,321,581	864,497	28%
Total current liabilities	2,393,896	2,643,162	1,728,994	10%
<b>Non-current liabilities</b>				
Long-term debt	1,196,948	1,321,581	864,497	28%
Other non-current liabilities	1,196,948	1,321,581	864,497	28%
Total non-current liabilities	2,393,896	2,643,162	1,728,994	10%
Total liabilities	4,787,792	5,286,324	3,457,988	10%
<b>Equity</b>				
Share capital	1,196,948	1,321,581	864,497	28%
Reserves	1,196,948	1,321,581	864,497	28%
Total equity	1,196,948	1,321,581	864,497	28%

- Cash and cash equivalents** - Our liquidity position strengthened significantly, driven by robust cash inflows from operating activities.
  - Receivables, net** - We observed an increase in receivables, attributed to higher Queen Vaya hotel services as of June 30, which have been subsequently collected. This also encompasses the reclassification of P27.6M in advances to Streamly, previously recorded as investments and advances.
  - Prepaid expenses & other current assets** - The increase is primarily due to augmented expenditures in advertising and marketing, taxes and licenses, along with advances to our existing suppliers.
  - Intangible assets and advances** - The decline is a result of our equity share in the 2023 reported by H&P.
  - Financial assets at FVTPL** - This reflects the adjustment in the fair value of our CFI21 shares.
  - Property and equipment** - We invested in site renovations and new construction, which contributed to the overall increase, offset slightly by depreciation over the period.
  - Other noncurrent assets** - The rise is mainly due to outstanding advances to suppliers and contractors, as well as deferred project costs.
- These strategic moves align with our ongoing efforts to enhance operational efficiency and drive long-term value creation.

Mr. Pielago stated that the Company's total assets increased by 21% from December 31, 2023 to the current quarter. The Company's current assets grew by 63% or Php5.4 Billion mainly due to the increase of cash and cash equivalents, receivables, and prepaid expenses as a result of the Company's good operation activities. One major factor is the Company's increase in cash balances from Php4.3 Billion to Php8.9 Billion. For prepaid expense, the Company usually pays in advance its advertisements to television stations such as ABS, GMA, and TV5. The advertisement for Q3 was also already paid to the television stations thereby increasing the prepaid expense.

The Company's non-current assets also increased by 5% or Php1 Billion. The big ticket for this is the property and equipment which is mainly due to the renovation and construction of new sites.

	June 2024	December 2023	Change	%
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Trade accounts payable and other current liabilities	8,349,387	1,341,101	7,008,286	520%
Dividends payable	0	2,111	(2,111)	(100%)
Short-term loans payable	15,000	1,000	14,000	1400%
Current portion of:				
Long-term loans payable	1,617,480	5,717,400	(4,099,920)	(72%)
Lease liabilities	207,393	173,254	34,139	20%
Unearned fees	200	133	67	50%
<b>Total current liabilities</b>	<b>10,174,160</b>	<b>7,235,900</b>	<b>2,938,260</b>	<b>41%</b>
<b>Non-current liabilities</b>				
Long-term loans payable, net of current portion	608,131	888,823	(280,692)	(32%)
Lease liabilities, net of current portion	817,366	166,031	651,335	392%
Portion of non-current liabilities	89,341	19,841	69,500	350%
Unearned fees, net of current portion	30,441	30,441	0	0%
<b>Total non-current liabilities</b>	<b>1,535,279</b>	<b>1,094,295</b>	<b>440,984</b>	<b>40%</b>
<b>Total liabilities</b>	<b>11,709,439</b>	<b>8,330,195</b>	<b>3,379,244</b>	<b>41%</b>
<b>EQUITY</b>				
Contributed stock	6,102,364	6,102,364	0	0%
Additional paid-in capital	6,366,363	6,366,363	0	0%
Retained earnings	1,911,596	491,596	1,420,000	290%
Unearned fees	12,307	12,307	0	0%
Portion of non-current liabilities	207,393	173,254	34,139	20%
Unearned fees, net of current portion	200	133	67	50%
<b>Total equity</b>	<b>14,599,920</b>	<b>13,145,917</b>	<b>1,454,003</b>	<b>11%</b>
<b>Total assets</b>	<b>26,309,359</b>	<b>21,476,112</b>	<b>4,833,247</b>	<b>23%</b>

#### June 2024 vs. December 2023

- Trade payables & other current liabilities - increased mainly due to growth in business volume during the period resulting in higher costs and expenses.
- Dividends payable - due to retention of outstanding dividends payable to FCLRC minority shareholders.
- Short-term loans - loan disbursements from US \$11, PEB 1544, and Sterling 1524.
- Fair value reserve - due to change in fair value of DPOT shares.
- Other reserve - due to purchase of minority interest in Summit Brgs. and FCLRC.
- Retained earnings - net income attributable to equity holders of parent company during the period, net of dividends declared.

The Company's total liabilities also went up by 19% or by Php2 Billion. The significant movements came from the trade payables and other current liabilities due to the growth of the Company's GGR, which thereby increased its related payables. The Company has no outstanding dividends payable since this was all paid in Q2. The Company's long-term loans payable decreased by 24% due to the payment of its AUB loan.

The Company's equity also increased by 23% or by Php4.3 Billion which is mainly attributable to the increased retained earnings as a result of the operations for the first half of the current year.

#### c. Consolidated Statement of Cash Flows

Moving on to the Consolidated Statement of Financial Position, Mr. Pielago presented the following:

Consolidated Statement of Cash Flows		June 30, 2024	June 30, 2023
Cash flows from operating activities			
Income before income tax		8,210,341	1,008,338
Adjustments to:			
Depreciation and amortization		1,141,225	83,800
Finance expenses		24,822	41,084
Gain on sale of non-current assets		(24,096)	17,100
Unrealized foreign exchange loss			185
Dividends on employee stock options			(37,787)
Financial results		(31,877)	(11,289)
Change in non-current assets and liabilities		5,443,754	1,254,921
Increase in:			
Receivables		(647,258)	(266,737)
Prepaid expenses and other current assets		(54,004)	(87,485)
Decrease in:			
Trade payables and other current liabilities		2,238,148	3,948,238
Customer deposits		74	4,027
Net cash generated by operating activities		8,806,848	2,443,111
Finance income		(138)	77,388
Net cash provided by operating activities		8,807,710	2,520,500
Cash flows from investing activities			
Acquisition of property, plant and equipment		(807,021)	(206,898)
Acquisition of intangible assets		(177,808)	
Acquisition of subsidiaries		(151,709)	(175,343)
Net cash used in investing activities		(1,136,538)	(382,241)
Cash flows from financing activities			
Dividends on equity			(1,852,818)
Interest on loans		(16,010)	(1,725,080)
Decrease in:			
Long-term payables		(171,000)	(12,024,880)
Dividends		(804,062)	(11,384)
Net cash used in financing activities		(1,067,072)	(13,273,202)
Net increase in cash and cash equivalents		6,604,100	(11,134,943)
Cash and cash equivalents at beginning of period		4,244,235	1,308,887
Cash and cash equivalents at end of period		10,848,335	2,173,944

Mr. Pielago explained that the Company generated Php7 Billion of cash from its operating activities which is higher than last year's Php2.5 Billion. The Company's investing activities are mainly paid to renovate gaming sites amounting to Php1.3 Billion. For the financing activities, the Company paid some its loans payable and fully paid its dividends payable. As of 30 June 2024, the Company had cash and cash equivalents amounting to Php8.9 Billion.

#### d. Significant Changes in Notes to Financial Statements

Mr. Pielago discussed the significant changes in the 'Notes to Financial Statement' as follows:

Event / Transaction	Note Reference	ES Disclosure
New standards effective beginning January 1, 2024	Note 2.3 - Changes of accounting policies and procedures	<p>New standards, interpretations and amendments adopted by the Group</p> <p>The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ending December 31, 2023 except for the new PFRS, amended PFRS, interpretations to PFRS and amendments which were adopted beginning January 1, 2024. Unless otherwise indicated, the Group does not expect the future adoption of the said pronouncements to have a significant impact on its financial position and consolidated financial statements.</p> <ul style="list-style-type: none"> <li>Amendments to PFRS 2, Presentation of Financial Statements, Classification of liabilities as current or non-current</li> <li>Amendments to PFRS 28, Equity Liability in a Sale and Leaseback</li> <li>Revised basis on PFRS 7 and PFRS 7, Disclosure: Supplier Finance Arrangements</li> </ul>
Acquisition of minority interest in Summit Bingo, Inc. and FLCRC	Note 2.3 - Basis of consolidation	<p>In 2024, ABCE acquired the remaining 40% minority interest in Summit Bingo, Inc. by raising its ownership interest to 100%. Cash consideration was paid to the non-controlling shareholders.</p> <p>In 2024, DigiPlus acquired additional 10% minority interest in First Sagayan Leisure and Resort Corporation. Cash consideration was paid to the non-controlling shareholders. As of date, the Company is awaiting for the Certificate Authorizing Registration of transfer of the shares from the PRC.</p> <p>Notes:</p> <p>This is part of the strategy coming from the President, Chairman and COO about streamlining ownership on the operating subsidiaries of DigiPlus to:</p> <ol style="list-style-type: none"> <li>1. achieve strategic alignment and synergy</li> <li>2. enhance shareholder value</li> <li>3. improve risk management</li> </ol>

In relation to the acquisition of minority interest in Summit Bingo and FLCRC, one of the Company's key initiatives is to streamline and unify the ownership of DigiPlus including its subsidiaries. Thus, the Company completed its acquisition of Summit Bingo.

The other significant notes to financial statements are as follows:

Significant Changes in the Notes to Financial Statements		
Events / Transactions	Note Reference	IS Disclosure
Reincorporation of main company (Brazil)	Note 2.1 - Basis of consolidation	On May 29, 2024, Alltel Incorporated (Alltel) and Alltel Plus Corporation (Alltel+) as its wholly-owned subsidiary. The primary purpose of the Company is to engage in the production, marketing and sales advertisement and/or advertising supported sports and entertainment content services through the creation and aggregation of local and international programming. The principal office of the corporation is located at 35th Floor, Conditum Building, 35th Street corner Ninth Avenue, Bonifacio Global City, Taguig City.
Transfer of interest in Commonwealth Integrated Inc. from the company to another (within the Group)	Note 2.3 - Basis of consolidation	On July 12, 2024, the 2024 has issued the Certificate authorizing Registration of transfer of 15% share in Commonwealth Integrated Inc. from K-B Group (and Holdings, Inc. (K-BHI)) to Digipho Interactive Corp.
(Subsequent event) Reincorporation of new subsidiaries (Foreign)	Note 2.3 - Basis of consolidation	On July 1, 2024, Alltel Incorporated Digipho Brazil Holding Ltda. as its wholly-owned subsidiary. The Company's corporate purpose is holding equity stakes, as member, shareholder or stakeholder, in other companies and ventures in Brazil or abroad. The registered office address of the Company is in São Paulo, Brazil.  On July 24, 2024, Digipho Brazil Holding Ltda. incorporated Digipho Brazil Interactive Ltda. as its wholly-owned subsidiary. The Company's corporate purpose is operation of fixed-odds betting and holding equity stakes, as member, shareholder or stakeholder, in other companies and ventures in Brazil or abroad. The registered office address of the Company is in São Paulo, Brazil.
Declaration and payment of Dividends	Note 5 - Equity	On March 19, 2024, Digipho's Board of Directors approved the declaration of cash dividends to all stockholders of the Parent Company amounting to P0.18 per outstanding common share. <u>The cash dividends were paid on April 26, 2024 to stockholders of record as of April 4, 2024.</u>
Changes in PASCOR Share Rates	Note 6 - Gaming license to operate bingo games	<u>Bingo games.</u> On August 15, 2023, PASCOR issued a memorandum on the Regulatory Framework for the Fees and Rates on Gaming Site Operations. Effective August 2023 to March 2024, Alltel retains 20% PASCOR share on edge from 17%. <u>Starting April 2024, PASCOR share is calculated at 25% of GGR.</u>  <u>Operation of traditional bingo games.</u> Alltel and its subsidiaries pay PASCOR 15% of its gross bingo revenue as franchise fee until July 2023. Effective August 2023 to March 2024, PASCOR share is calculated at 20% of GGR. <u>Starting April 2024, PASCOR share is calculated at 25% of GGR.</u>  <u>Operation of electronic bingo games.</u> Alltel and its subsidiaries pay PASCOR 50% of its revenue less payouts as franchise fee until July 2023. Effective August 2023 to March 2024, PASCOR share is calculated at 42.5% of GGR. <u>Starting April 2024, PASCOR share is calculated at 55% of GGR.</u>  <u>Electronic games.</u> The Company pays PASCOR 25%-47.5% of its revenue as franchise fee until July 2023. Effective August 2023 to March 2024, PASCOR share is calculated at 22.5%-41.25% of GGR. <u>Starting April 2024, PASCOR share is calculated at 25%-45% of GGR.</u>

The Chairman of the Audit Committee, Mr. Dizon, informed the Board that the Audit Committee met on 7 August 2024 to discuss the Q2 Financial Report. He presented the highlights of the meeting as follows:

- The rapid growth of the advances and promotional expenses, and outside services fees out-phased the revenue growth. These expenses also exceeded its budget. Budget revisions should be approved by the Board.
- The excess cash over the working capital requirement and advised the management to maximize the use of the excess cash such as investing in short term deposits.
- The excess retained earnings over the capital should be addressed either by appropriation for future projects or by a dividend declaration.
- There should be a formal investment policy considering the increased investing activity of the Company.

On the first item, Mr. Tanco suggested that the Board need not change the budget, but that the management has to provide an explanation on the variance. Any variance, negative or positive,

should be reported to the Board.

On the final item, Mr. Tsui explained that the management is already finalizing its investment policy and ensuring that it captures both local and foreign investments.

Upon completion of the items in the report, Mr. Dizon endorsed the approval of the Second Quarter Financial Report. Thus, upon motion duly made and seconded, the following resolution was approved:

**"RESOLVED**, as it hereby resolved, that the Board of Directors hereby approves the Corporation's Second (2<sup>nd</sup>) Quarter Financial Report for Calendar Year 2024."

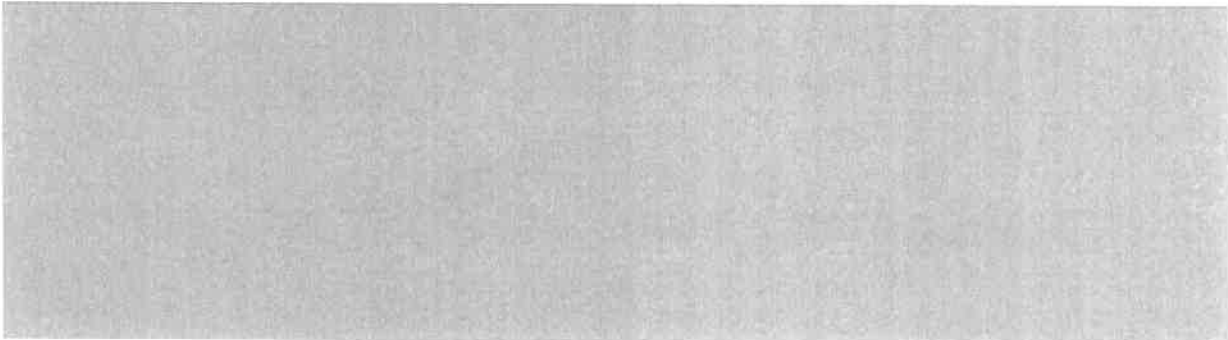
### **Earnings Release Statement**

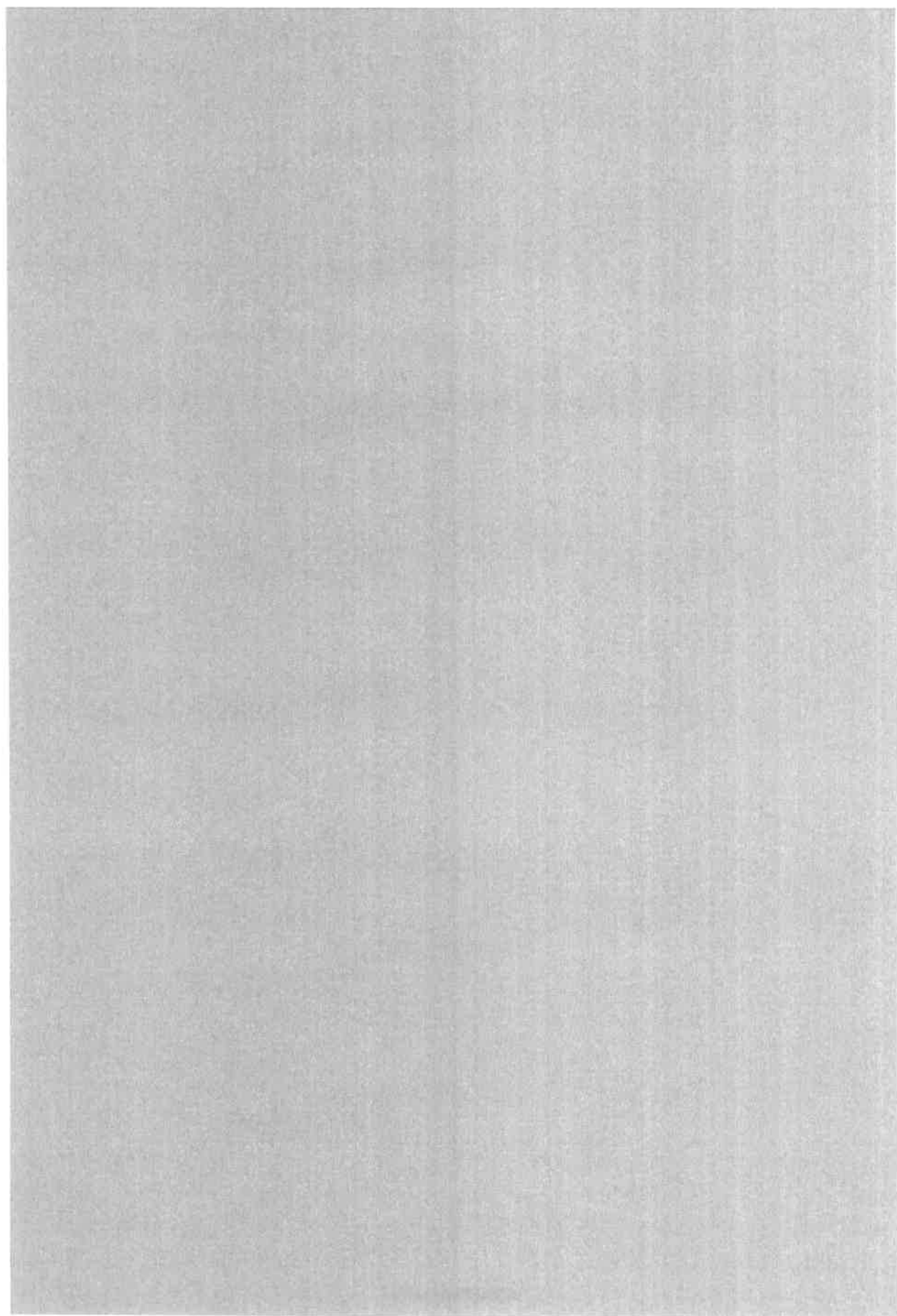
Mr. Dizon also added that the Earnings Release Statement is for approval of the Board. Mr. Ocier said that he read the statement and commented on the bullish numbers of the Company.

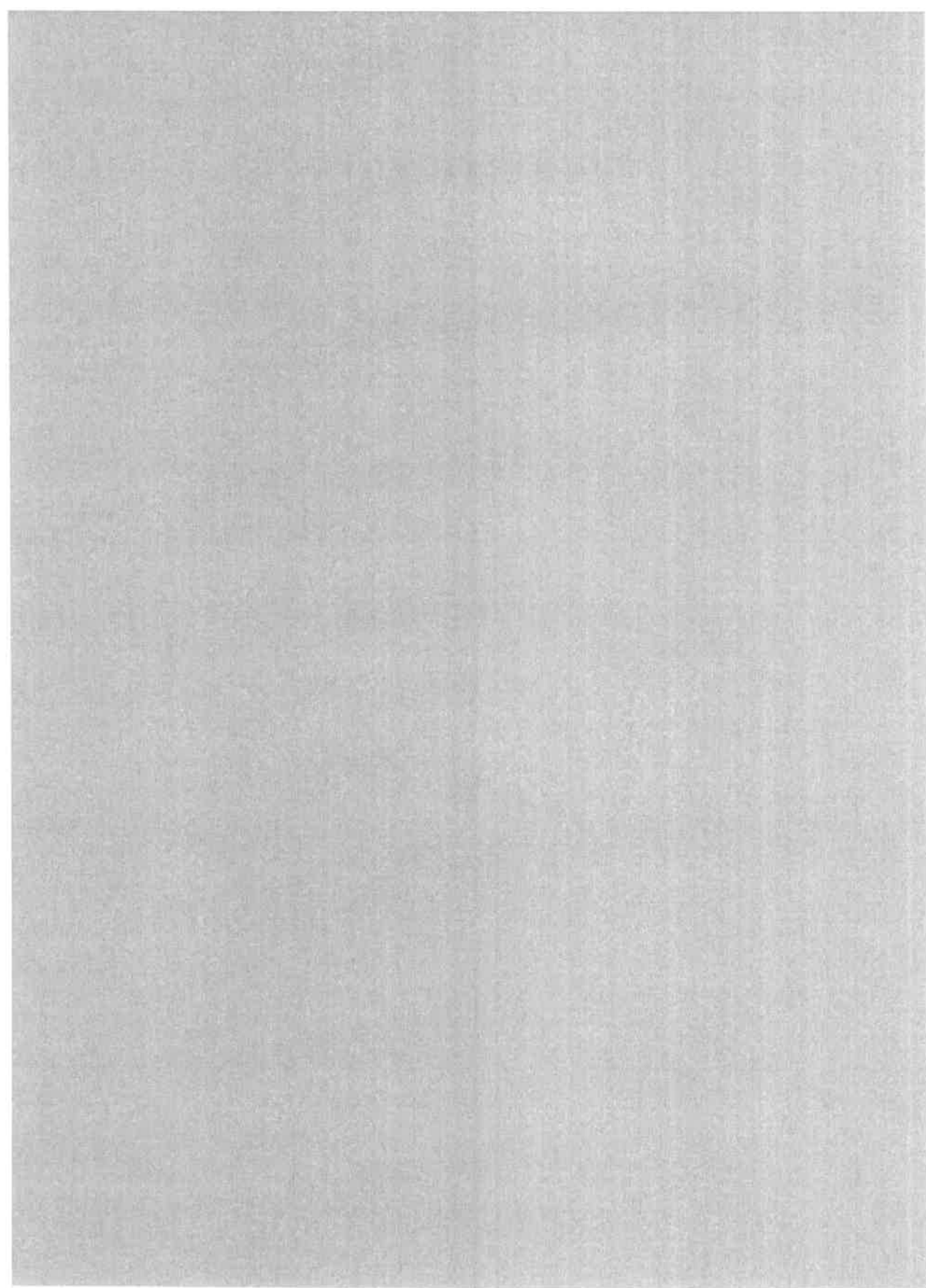
Mr. Dizon commented that the Php15.1 Billion "taxes" should be corrected to "fees and taxes" as it is not purely taxes. Mr. Pielago noted the same for revision.

Upon presentation of the earnings release statement, it was endorsed for approval of the Board. Thus, upon motion duly made and seconded, the following resolution was approved:

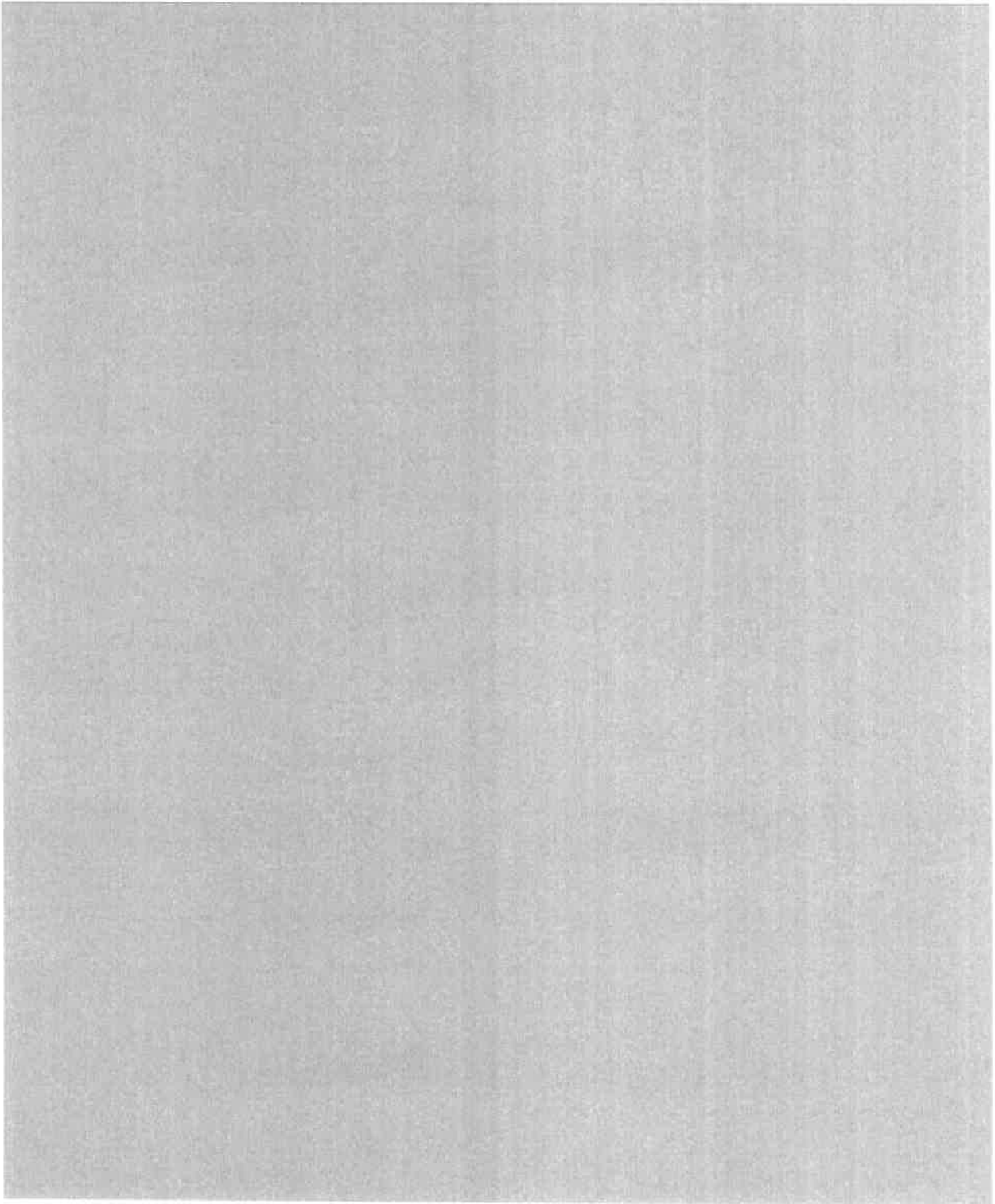
**"RESOLVED**, as it hereby resolved, that the Board of Directors hereby approves the Corporation's Earnings Release Statement for the Second (2<sup>nd</sup>) Quarter Financial Report for Calendar Year 2024."











**6. ADJOURNMENT**

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



Certified correct:

  
**ATTY. CAROL V. PADILLA**  
*Corporate Secretary*


  
**EUSEBIO H. TANCO**  
*Director/Chairman*

  
**TSUI KIN MING**  
*Director/President*

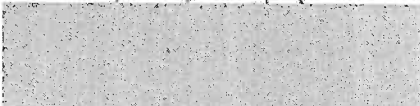
  
**WILLY N. OCIER**  
*Director*

  
**RAFAEL JASPER S. VICENCIO**  
*Director*

  
**ATTY. MARDOMEIO N. RAYMUNDO JR.**  
*Director*

  
**RENATO G. NUÑEZ**  
*Director*

  
**RAMON PANCRATIO D. DIZON**  
*Independent Director*

  
**ATTY. JOSE RAULITO E. PARAS**  
*Director*

  
**ATTY. TIMOTEO B. AQUINO**  
*Independent Director*



MARKETS AND SECURITIES REGULATION DEPARTMENT

DIGIPLUS INTERACTIVE CORP.

MSRD Resolution No. 6  
Series of 2024

X-----X

**RESOLUTION**

This pertains to the application filed by **DIGIPLUS INTERACTIVE CORP.** (the "**Company**"), a corporation organized under the laws of the Republic of the Philippines, requesting<sup>1</sup> for exemption from registration requirements mandated in Sections 8 and 12 of the Securities Regulation Code (the "**Code**"). The Company invokes Section 10.2 of the Code as the basis for exemption from registration of its proposed issuance of **Two Hundred Twenty Million Three Hundred Eighty Two Thousand Nine Hundred Fifty Eight (220,382,958) common shares** in favor of the qualified employees of the Company and its subsidiaries, **AB Leisure Exponent, Inc.** and **Blue Chip Gaming & Leisure Corporation** (jointly referred hereinafter as the "**participating subsidiaries**"), pursuant to the terms of the Leisure & Resorts World Corporation's Employee Share Option Plan ("**ESOP**" or the "**Plan**").

In view of the fact that the issuance of the shares shall be limited to the qualified employees of the Company, and its subsidiaries who will have continuous access to the Company's financial documents and other disclosures given that the Company is a publicly listed company, the Commission finds that compliance with the requirements for registration under Sections 8 and 12 of the Code is not necessary in the public interest or for the protection of the investors. Hence, the Commission is of the position and so resolved in its meeting on 4 July 2024 that the issuance thereof is exempt from the registration requirement pursuant to Section 10.2 of the Code, provided that the Company and/or its participating subsidiaries, shall file within ten (10) days from the end of every year, while the Plan is in force, a report showing the names of the optionees and the number of shares subscribed by them.

It is understood that any future offer or sale thereof is subject to the registration requirements of the Code unless such offer or sale qualifies as an exempt transaction.

**IT IS RESOLVED.**

Makati City, Philippines, 4 July 2024.

  
ATTY. OLIVER O. LEONARDO  
Director

<sup>1</sup> A total of PhP2,978,241.22 was paid by the Company on 4 July 2024 evidenced by electronic Official Receipt No. 20240704-LBP-0030366-12 covering the filing fees for the request for exemption.

# **digiplus**

## **Internal Audit Charter**

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## **INTERNAL AUDIT CHARTER DIGIPLUS INTERACTIVE CORP.**

### **I. MISSION AND PURPOSE**

This Internal Audit Charter of DigiPlus Interactive Corp. ("DigiPlus") is established on the principle that internal control is a process effected by the Board, Senior Management and all levels of personnel. It is therefore understood that a control system shall be designed, managed and implemented in order that the overall goals and objectives of DigiPlus are met, that long-term financial viability is achieved, and reliable financial and managerial reporting is maintained.

The purpose of Internal Audit ("IA") is to provide an independent, objective and reasonable assurance and advisory services relative to this internal control system designed to add value and improve DigiPlus operations. It assists the organization to accomplish its objectives through a systematic, disciplined approach in evaluating and improving the effectiveness of the company's established internal control system, risk management and governance processes, as designed and represented by management.

The core mission of the IA function is to deliver innovative and value-added assurance services by fostering a culture of transparency, integrity, and continuous improvement. IA is committed to safeguarding organizational value by evaluating and enhancing the effectiveness of governance, risk management, and internal controls, ensuring the highest standards of quality and trust for our stakeholders.

### **II. STANDARDS OF AUDIT PRACTICE**

The Internal Audit Department ("IAD") shall adhere to the Global Internal Audit Standards ("GIAS") as prescribed by the International Internal Audit Standards Board thru the Institute of Internal Auditors ("IIA"). This includes adherence to the Standards embodied in the five (5) Domains namely, Purpose of Internal Auditing, Ethics & Professionalism, Governing the Internal Audit Function, Managing the Internal Audit Function, and Performing Internal Audit Services.

Furthermore, IAD shall uphold the pertinent policies and procedures established by DigiPlus and relevant rules and regulations. These practices will be carried out in accordance with IAD's standard operating procedures and guidelines.

### **III. AUTHORITY AND ORGANIZATION**

- A. To effectively carry out IA's mission, the Chief Audit Executive / Head of Internal Audit (CAE/HIA) is authorized to:
  - 1. Directly access and communicate with any officer or employee, to examine any activity or entity of the institution, as well as to access any record, file, or data whenever relevant to the exercise of IA's assignment



2. Have full freedom of access to the Highest Ranking Officer, Board of Directors and the Audit Committee.
3. Allocate resources previously approved as part of the budgeting process, set frequencies, select subjects, determine scopes of work, apply the approaches/techniques and determine appropriate staffing required accomplishing audit objectives with the approval of the Board/Audit Committee.
4. Examine any activity and entity of the institution as well as its affiliates or subsidiaries consistent with its objectives and functions.
5. Obtain assistance of specialists or professionals where considered necessary from within or outside DigiPlus, subject to the approval of the Audit Committee.

B. The Internal Audit Department (IAD) shall not be authorized to:

1. Evaluate the performance of a business unit or department where an IA officer previously worked or held responsibility in the past twelve (12) months.
2. Undertake operational tasks for both the Company and its subsidiaries, including affiliated entities.
3. Implement internal controls, establish procedures, and introduce systems. However, the IAD may be consulted to assess the sufficiency of related controls.
4. Initiate or authorize accounting transactions, except for those directly related to IA operations.
5. Supervise the activities of employees within the Company and its subsidiaries, including affiliated entities, unless such employees have been appropriately designated as part of the audit team.

C. IAD shall report to the Highest Ranking Officer for administrative interface and to the Board, through the Audit Committee for strategic direction and accountability as follows:

1. Administrative Reporting Line includes activities/functions related to:
  - a. Budgeting and Management Accounting
  - b. Human Resource Administration
  - c. Internal Communications and Information flows
  - d. Internal policies and procedures (expense approvals, leave, attendance, availment of benefits, etc.)
2. Relative to the Strategic Direction and Functional Accountability, the Audit Committee shall:
  - a. Approve the IA Charter
  - b. Approve the IA's Strategic Audit Plan and Budget

*Internal Audit Plan*

The CAE/HIA shall present and submit, on an annual basis, an Internal Audit Plan subject to review and approval by Senior Management and the Audit Committee (who are members of the Board). The plan shall include the structured internal audit

schedule, allocation of resources and budget requirements for the next year. It should be based on a comprehensive, documented risk assessment, integrating insights from various risk management functions.

Any adjustments in the approved plan, as necessary, in response to changes in Company's operations, systems and controls shall be promptly communicated to Senior Management and the Audit Committee.

- c. Receive timely communications from the CAE/HIA on the IAD's performance corresponding to its internal audit plan and other related matters, including efficiency and quality metrics.
- d. Approve decisions regarding the appointment and removal of the CAE/HIA. The Audit Committee may, at its discretion, engage in consultation or seek input from the Highest Ranking Officer.
- e. Determine the relevancy of the internal audit scope, and sufficiency and appropriateness of audit resources, ensuring the plan addresses key risk areas relevant to the organization.

The Board, through the Audit Committee, should ensure that the internal audit activity has adequate authority to fulfill its duties, including matters such as compensation and performance appraisal, which should be determined by the Board through the Audit Committee. However, inputs and comments to such performances shall still be considered and sourced from concerned units such as Human Resource Department and Highest Ranking Officer. Additionally, the internal audit function should develop a clear mandate, vision, and strategic plan that aligns with the organization's overall objectives.

#### **IV. INDEPENDENCE AND OBJECTIVITY**

To provide for the independence of the IAD, its personnel reports to its CAE/HIA, who reports functionally to the Audit Committee and administratively to the Highest Ranking Officer of DigiPlus in a manner outlined below. At least annually, the CAE/HIA shall report to the Audit Committee the departmental performance and that of his/her staff.

Independence is a basic principle for an effective IA function to be carried out objectively and within reasonable limits. Therefore:

- 1. The IA function must be independent of the activities audited and must not be involved in the company's day to day activities.
- 2. IA must be able to carry out its assignment on its own initiative in all areas of the organization. In instances where the IA function possesses or anticipates roles and/or responsibilities that extend beyond the purview of internal auditing, the CAE/HIA will undertake measures to establish safeguards aimed to mitigate potential impairments to independence and objectivity.
- 3. IA must be free to report and disclose its findings, opinions, appraisals and other information to the appropriate levels of the organization, the Chairman, the Audit Committee or the Highest Ranking Officer.

4. In the event that independence is compromised, whether in fact or in appearance, or if situations involving potential and actual conflicts of interest arise, it should be disclosed to the CAE/HIA, who will then promptly report such matters to the Board Audit Committee.

IAD shall commit to uphold the ethical principles of integrity, objectivity, confidentiality and competency as embodied in its ethical standards

## **V. SCOPE OF WORK**

The scope of work of IA includes the review of internal control systems, risk management procedures, and governance processes of DigiPlus, its affiliates and subsidiaries. This work also involves periodic testing of transactions, best practice reviews, special investigations, appraisals of regulatory requirements, and measures to help detect and prevent fraud. It must determine whether these processes are adequate and functioning to ensure that:

1. Risks are appropriately identified, managed and reported
2. Interaction with the various governance groups occur as needed
3. Significant financial, managerial and operating information is accurate, reliable and timely
4. Employee's actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
5. Resources are acquired economically and used efficiently, and adequately protected.
6. Programs, plans and objectives are achieved.
7. Quality and continuous improvement are fostered in the organization's control process.
8. Significant legislative or regulatory issues impacting the organization are recognized and addressed appropriately.

Results of IA activities shall be reported to the Board through the Audit Committee and/or Senior Management, whichever is appropriate with the end in view of not merely assuring that policies and procedures are being complied with but to provide management with information for improving management control, profitability and image of the organization should such opportunities be observed during audit.

The CAE/HIA shall prepare and submit the internal audit report, which must incorporate management's response, detailing any corrective measures taken in alignment with the audit findings and recommendations. Management's response, whether initially included in the original audit report or subsequently provided, must include a schedule for the completion of planned actions and an explanation for any corrective actions that will not be implemented.

The IAD shall monitor the status of audit findings and recommendations. All findings will remain open until they are cleared. Clearance of audit findings shall only be granted upon presentation of documented evidence or reports verifying the actions taken.

## **VI. ACCOUNTABILITY**

The CAE/HIA department shall be responsible and accountable to the Audit Committee for:

1. Ensuring that IA is updated on the best practices in the profession in conformance with IIA Standards and that the organization is compliant with government laws and regulations. He / She must also ensure that internal auditors are operationally independent, appropriately trained and competent. A continuing training and competence upgrading shall be integrated into the Strategic Audit Plan prepared annually by IA.

2. Preparation of a flexible annual audit plan using an appropriate risk and/or compliance based audit approaches for any risk or control concern identified by management or the Board and submit that plan to management and the Audit Committee for review and approval. In cases of resource limitations, promptly communicate with Senior Management and the governing body to apprise them of the impact of these limitations on the audit plan.
3. Directs IA staff in planning, conducting, reporting, and following up on audit projects included in the audit plan, and decides on the scope and timing of audits.
4. Ensure the conduct of audit fieldwork in a professional and timely manner which shall include an open process with the auditee to agree on the facts and the validity of audit recommendations. A detailed audit report to the Audit Committee, Management, and the Board shall be prepared containing the objective, scope, observations, and recommendations. A brief Executive Summary, including the Internal Audit Rating, shall be attached to it to facilitate their review and appreciation.
5. Submission of an Annual Assessment Report to the Audit Committee on the results of audit work including significant risk exposure and control issues. An annual overall evaluation of the results of IA operations including staff performance shall also be submitted to the Board of Directors through the Audit Committee.

The CAE/HIA shall ensure that IA officers and staff perform their functions with proficiency and due professional care under the highest norm of ethical conduct in accordance with the Code of Ethics for Internal Auditors.

## **VII. RESPONSIBILITY**

The IAD shall be responsible for the following:

### **A. General**

1. Uphold and continuously enhance professionalism and competence to meet the standards outlined in this IA Charter.
2. Implement and oversee a quality assurance program for IA to provide the Audit Committee with assurance regarding the effectiveness of internal auditing activities.
3. Facilitate coordination and serve as a resource for the Company, its subsidiaries, and affiliates to encourage the exchange of best practices and the standardization of IA methodologies.
4. Provide optimal audit coverage, taking into consideration the scope of work of internal and external assurance at a reasonable overall cost.
5. Assist and coordinate with the CAE/HIA and Senior Management in developing the annual audit plan, which shall be flexible and responsive to any risks or control issues identified by management.
6. Execute the approved IA plan, which shall include any special assignments or projects requested by both management and the Audit Committee.



7. Assess the reliability and integrity of the financial reporting process, operational data, and the methodologies used for identification, measurement, classification, and reporting of such information.
8. Ensure the existence of an appropriate mechanism for addressing employee concerns or complaints related to questionable accounting or auditing matters and regularly update the Audit Committee on the status and resolution of such complaints.
9. Conduct audits to investigate suspected or reported fraudulent activities within the Company, its subsidiaries, and its affiliates. Results of the audit investigation shall be communicated to both management and the Audit Committee.

#### ***B. Corporate Governance***

1. Actively cooperate with the Compliance Officer to ensure full and proper compliance with the corporate governance guidelines outlined in the Company's manual and its subsidiaries, including affiliated entities
2. Assist the Audit Committee in fulfilling its oversight role concerning corporate governance, including establishing a communication framework to address financial reporting and risk management processes, compliance with laws and regulations, and internal controls.
3. Conduct audit investigations resulting from whistleblower disclosures in accordance with DigiPlus Whistleblowing Policies and Procedures.

#### ***C. Enterprise-Wide Risk Management***

1. Assess the sufficiency and Company adherence with the risk management policy, including environmental and social risk reporting
2. Assess the effectiveness and efficiency of the risk management process and risk mitigation strategies developed by the risk owners.

### **VIII. QUALITY ASSURANCE AND IMPROVEMENT PROGRAM**

The IA function shall uphold a comprehensive quality assurance and improvement program covering all aspects of IA activities, inclusive of its evaluation for compliance with IIA Standards.

The CAE/HIA shall periodically report the outcomes of this quality assurance and improvement program to Senior Management and the Audit Committee. Additionally, an external assessment of IA activities shall be required at least once every five (5) years, with at least one member of the external assessment team holding the Certified Internal Auditor (CIA) designation.

### **IX. AMENDMENTS AND APPROVAL**

Any additions, deletions, or revisions to this Internal Audit Charter shall require formal approval by the Audit Committee and endorsement by Senior Management.



# Institute of Corporate Directors

## Certification

The Institute of Corporate Directors certifies that an ONGOING independent  
Third-Party Board Evaluation for 2024 is being conducted for

## DigiPlus Interactive Corporation

The Third-Party Board evaluation is conducted through questionnaires answered by every Director. The scope includes structure and composition, responsibilities and duties, board processes, dynamics and relationships, and corporate governance practices related to the strategy, policy, oversight, and accountability functions giving insights on the effectiveness of the Board, the Committee, the Chairperson, and the Directors.

*May 2025*

*Makati City, Philippines*

  
**Catherine Denise Jalandoni**  
Executive Director