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|  PREMIUM LEISURE CORP. | POLICY | Governance & Corporate Affairs | Policy No. GOV 2017-008 | |
| | | | Reference: Annual Corporate Governance Report | |
| | VENDOR ACCREDITATION and SELECTION and PURCHASE OF GOODS & SERVICES | Effective Date as approved by BOD on 07.29.2013 | Amended on 01.01.2017 Ver.2, Rev. 1 | |

1. Purpose

This policy outlines the procedures to be followed by concerned and authorized personnel of the Company engaged in purchasing transactions. Existing and potential vendors and suppliers are required to conform to the Company's Code of Business Conduct and Ethics as a pre-requisite for the accreditation process.

2. Accreditation of Vendors and Purchase of Goods and Services Process

2.1. Premium Leisure Corp. (PLC) purchases its goods and services through its subsidiary, PremiumLeisure & Amusement, Inc. (PLAI). This is done in accordance with professionalism and sound business practice to obtain value for money by incurring the lowest costs to address the Company's needs in terms of quality and service.

2.2. The authority to buy is vested in PLAI. It is mainly responsible for the following:

- 2.2.1. Issuance of Purchase Requests to which each order shall conform to the required signatories based on the latest authority protocol policy;
- 2.2.2. Verification that all allocations are approved and budgeted in the current fiscal year;
- 2.2.3. Verification that the funds are available and that the appropriate budget department's approval is secured;
- 2.2.4. It should on the other hand be provided with accurate specifications at the time request of purchase is made as well as ample lead time for bidding and processing of orders. It shall verify all delivered orders for accuracy and completeness;
- 2.2.5. A Bidding Committee shall be set up by PLAI Management for the procurement of big-ticket items;
- 2.2.6. Only accredited vendors are awarded contracts. Vendors to be accredited should be corporations, which are required to submit their latest General Information Sheet, duly accomplished Accreditation Form, Code of Business Conduct and Ethics, Disclosure Form and accreditation summary. The officers, owners or employees of the corporation to be accredited should not be connected up to the 3rd degree of consanguinity and affinity to any officers or employees of PLAI or PLC.

2.3. PLAI shall be the control point for all the goods received. Original invoices are required in order to facilitate payment process. All contracts or agreement documents shall be reviewed and approved by the Legal Department.

2.4. For computer hardware, audio-visual equipment, etc., the Group's IT Department must be consulted for pre-configuration and installation.

3. Policy Review

This policy will be subject to review by the Executive Committee annually.