



**THE PHILIPPINE STOCK
EXCHANGE, INC.
Corporate Governance Guidelines
For
Listed Companies**

PREMIUM LEISURE CORP (“PLC”)

2014

Disclosure Survey

	COMPLY	EXPLAIN
Guidelines No. 1: DEVELOPS AND EXECUTES A SOUND BUSINESS STRATEGY		
1.1 Have a clearly defined vision, mission and core values.	YES	Ref: p8, Annual Corporate Governance Report
1.2 Have a well-developed business strategy.	YES	Ref: Minutes of Meeting – BOD
1.3 Have a strategy execution process that facilitates effective performance management, and is attuned to the company's business environment, management style and culture.	YES	Ref: Minutes of Meeting – BOD
1.4 Have its board continually engaged in discussions of strategic business issues.	YES	Ref: Minutes of Meeting – BOD
Guidelines No. 2: ESTABLISHES A WELL-STRUCTURE AND FUNCTIONING BOARD		
2.1 Have a board composed of directors of proven competence and integrity.	YES	Ref: p5, pp12-19, ACGR
2.2 Be led by a chairman who shall ensure that the board functions in an effective and collegial manner.	YES	Ref: p11, ACGR
2.3 Have at least three (3) or thirty percent 30%, whichever is higher, of its directors as independent directors.	YES	Ref: p5, ACGR
2.4 Have in place written manuals, guidelines and issuances that routine procedures and processes.	YES	Ref: Corporate Policies and Procedures
2.5 Have Audit, Risk, Governance and Nomination and Election Committees.	YES	Ref: pp6-7, p31, ACGR
2.6 Have its Chairman and CEO positions held separately by individuals who are not related to each other.	YES	Ref: p11, ACGR
2.7 Have a director nomination and election process that ensures that all shareholders are given the opportunity to nominate and elect directors	YES	Ref: p7, p56 ACGR

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individually based on the number of shares voted.		
2.8 Have in place a formal board and director development program.	YES	Ref.p19-20, ACGR
2.9 Have a corporate secretary.	YES	Ref: p27 ACGR; Premium Leisure Corp General Information Sheet
2.10 Have no shareholder agreements, by-laws provisions, or other arrangements that constrains the directors' ability to vote independently.	YES	Ref: p25, ACGR
Guidelines No. 3: MAINTAINS A ROBUST INTERNAL AUDIT AND CONTROL SYSTEM		
3.1 Establish the internal audit function as a separate unit in the company which would be overseen at the board level.	YES	Ref: p43, ACGR; Minutes of Meeting – Audit Committee (MOM-AC)
3.2 Have a comprehensive enterprise-wide compliance program that is annually reviewed.	YES	Ref: p41, ACGR
3.3 Institutionalize quality service programs for the internal audit function.	YES	Ref: p42-43, ACGR
3.4 Have in place a mechanism that allows employees, suppliers and other stakeholders to raise valid issues.	YES	Ref: p45-46 ACGR / Code of Ethics
3.5 Have the Chief Executive Officer and the Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	YES	Ref: p45, ACGR. Being done for Chief Executive Officer. Going forward we will have the Chief Audit Executive attest.
Guidelines No. 4: RECOGNIZES AND MANAGES ITS ENTERPRISE RISKS		
4.1 Have its board oversee the company's risk management function.	YES	Ref: p7, pp31-32 ACGR; Minutes of Meeting – Risk Management Committee (MOM-RMC)

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4.2 Have a formal risk management policy that guides the company's risk management and compliance processes and procedures.	YES	Ref: p34-35, ACGR; MOM-RMC
4.3 Design and undertake its Enterprise Risk Management (ERM) activities on the basis of, or in accordance with, internationally recognized frameworks such as, but not limited to, COSO, (The Committee of Sponsoring Organizations of the Treadway Commission) I and II.	YES	Ref: p12, ACGR; MOM-RMC
4.4 Have a unit at the management level, headed by a Risk Management Officer (RMO).	YES	Ref: MOM-RMC
4.5 Disclose sufficient information about its risk management procedures and processes as well as the key risks the Company is currently facing including how these are being managed.	YES	Ref: p31, ACGR; MOM-RMC
4.6 Seek external technical support in risk management when such competence is not available internally.	YES	Ref: MOM-RMC; Coordination with SMIC Corporate Governance & Risk Management
Guidelines No. 5: ENSURES THE INTEGRITY OF FINANCIAL REPORTS AS WELL AS ITS EXTERNAL AUDITING FUNCTION		
5.1 Have the board Audit Committee approve all non-audit services conducted by the external auditor. The committee should ensure that the non-audit fees do not outweigh the fees earned from the external audit.	YES	Ref: p34, ACGR
5.2 Ensure that the external auditor is credible, competent, and should have the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	YES	Ref: p34, ACGR
5.3 Ensure that the external auditor has adequate quality control procedures.	YES	Ref: p34, ACGR

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5.4 Disclose relevant information on the external auditors.	YES	Ref: p30-31, p33 ACGR
5.5 Ensures that the external audit firm is selected on the basis of a fair and transparent tender process.	YES	Ref: p34 ACGR; MOM – Audit Committee
5.6 Have its audit committee conduct regular meetings and dialogues with the external audit team without anyone from management present.	YES	Ref: MOM – Audit Committee
5.7 Have the financial reports attested to by the Chief Executive Officer and Chief Financial Officer.	YES	Ref: MOM – ARMC; SEC Form 20-IS; Statement of Mgt Responsibility for F/S
5.8 Have a policy of rotating the lead audit partner every five years.	YES	Ref: MOM – Audit Committee
Guidelines No. 6: RESPECTS AND PROTECTS THE RIGHTS OF ITS SHAREHOLDERS, PARTICULARLY THOSE THAT BELONG TO THE MINORITY OR NON- CONTROLLING GROUP		
6.1 Adopt the principle of "one share, one vote."	YES	Ref: p54 ACGR; SEC Form 20-IS
6.2 Ensure that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	YES	Ref: p54 ACGR; SEC Form 20-IS
6.3 Have an effective, secure and efficient voting system.	YES	Ref: p54 ACGR; SEC Form 20-IS
6.4 Have effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	YES	Ref: p50 ACGR; SEC Form 20-IS
6.5 Provide all shareholders with the notice and agenda of the annual general meeting (AGM) at least thirty (30) days before a regular meeting and twenty (20) days before a special meeting.	YES	Ref: SEC Form 20-IS; Notice of Annual Stockholders' Meeting; Disclosures to PSE
6.6 Allow shareholders to call a special shareholders meeting, submit a proposal for	YES	Ref: pp51-52 &56-57 ACGR; SEC Form 20-IS

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consideration at the AGM or the special meeting, and ensure the attendance of the external auditor and other relevant individuals to answer shareholder questions in such meetings.		
6.7 Ensure that all relevant questions during the AGM are answered.	YES	Ref: p52-53 ACGR; SEC Form 20-IS; Minutes of Annual Stockholders' Meeting (MO-ASM)
6.8 Have clearly articulated and enforceable policies with respect to treatment of minority shareholders.	YES	Ref: p56-58 ACGR; SEC Form 20-IS
6.9 Avoid anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group.	YES	Ref: pp56-58 ACGR; SEC Form 20-IS
6.10 Provide all shareholders with accurate and timely information regarding the number of shares of all classes held by controlling shareholders and their affiliates.	YES	Ref: pp56-58 ACGR; SEC Form 20-IS
6.11 Have a communication strategy to promote effective communication with shareholders.	YES	Ref: p58 ACGR; SEC Form 20-IS
6.12 Have at least thirty percent (30%) public float to increase liquidity in the market.	YES	Ref: p50 ACGR; SEC Form 20-IS
6.13 Have a transparent dividend policy.	YES	Ref: p7 ACGR; SEC Form 20-IS
Guidelines No. 7: ADOPTS AND IMPLEMENTS AN INTERNATIONALLY-ACCEPTED DISCLOSURE AND TRANSPARENCY REGIME		
7.1 Have written policies and procedures designed to ensure compliance with the PSE and SEC disclosure rules, as well as other disclosure requirements under existing laws and regulations.	YES	Ref: Corporate Policies; Disclosures to PSE
7.2 Disclose the existence, justification, and details on shareholders agreements, voting trust agreements, confidentiality agreements, and such other agreements	YES	Ref: p26 ACGR; Corporate Policies; Disclosures to PSE

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that may impact on the control, ownership, and strategic direction of the company.		
7.3 Disclose its director and executive compensation policy.	YES	Ref: pp 28-29 ACGR
7.4 Disclose names of groups of individuals who hold five percent (5%) or more ownership interest in the company, significant cross-shareholding relationship and cross guarantees, as well as the nature of the company's other companies if it belongs to a corporate group.	YES	Ref: pp 47-48 ACGR
7.5 Disclose annual and quarterly consolidated reports, cash flow statements and special audit revisions. Consolidated financial statements shall be published within ninety (90) days from the end of the financial year, while interim reports shall be published within forty-five (45) days from the end of the reporting period.	YES	Ref: SEC form 17A, 17C; Disclosures to PSE
7.6 Disclose to shareholders and the Exchange any changes to its corporate governance manual and practices, and the extent to which such practices conform to the SEC and PSE CG Guidelines.	YES	Ref: Disclosures to PSE
7.7 Publish and/or deliver to its shareholders in a timely fashion all information and materials relevant to corporate actions that require shareholder approval.	YES	Ref: Minutes of Meeting – BOD
7.8 Disclose the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This shall also include the disclosure of the company's purchase of its shares from the market (e.g share buy-back program).	YES	Ref: PSE Report on Number of Stockholders; Foreign Ownership Report, Disclosures to PSE
7.9 Disclose in its annual report the principal risks to minority shareholders 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.	YES	Ref: p43 ACGR

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Guidelines No. 8: RESPECTS AND PROTECTS THE RIGHTS AND INTEREST OF EMPLOYEES, COMMUNITY, ENVIRONMENT, AND OTHER STAKEHOLDERS		
8.1 Establish and disclose a clear policy statement that articulates the company's recognition and protection of the rights and interests of key stakeholders specifically its employees, suppliers and customers, creditors as well the community, environment and other key stakeholder groups.	YES	Ref: p45-47, ACGR; Code of Ethics (COE)
8.2 Have in place a workplace development program.	YES	Ref: p47, ACGR; COE
8.3 Have in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, aligns their interests with those of the shareholders.	YES	Ref: p47, ACGR; COE
8.4 Have in place a community involvement program.	YES	Ref: p46, ACGR; COE
8.5 Have in place an environment-related program.	YES	Ref: p46, ACGR; COE
8.6 Have clear policies that guide the company in its dealing with its suppliers, customers, creditors, analysts, market intermediaries and other market participants.	YES	Ref: Corporate Policies; COE
Guidelines No. 9: DOES NOT ENGAGE IN ABUSIVE RELATED-PARTY TRANSACTIONS AND INSIDER TRADING		
9.1 Develop and disclose a policy governing the company's transactions with related parties.	YES	Ref: p49 ACGR; Corporate Policies
9.2 Clearly define the thresholds for disclosure and approval for RPTs and categorize such transactions according to those that are considered de minimis or transactions that need not be reported or announced, those that need to be	YES	Ref: p49 ACGR; Corporate Policies

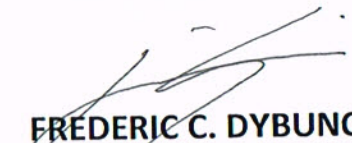
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disclosed, and those that need prior shareholder approval. The aggregate of RPT within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.		
9.3 Establish a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions in shareholders meetings.	YES	Ref: p49-50 ACGR; Corporate Policies
9.4 Have its independent directors or audit committee play an important role in reviewing significant RPTs.	YES	Ref: Minutes of Meeting– BOD; Minutes of Meeting– Audit Committee
9.5 Be transparent and consistent in reporting its RPTs. A summary of such transactions shall be published in the company's annual report.	YES	Ref: Disclosures to PSE
9.6 Have clear policy in dealing with material non-public information by company insiders.	YES	Ref: p8, ACGR; CoE
9.7 Have a clear policy and practice of full and timely disclosure to shareholders of all material transactions with affiliates of the controlling shareholders, directors or management.	YES	Ref: p8, ACGR; Disclosures to PSE
Guidelines No. 10: DEVELOPS AND NURTURES A CULTURE OF ETHICS, COMPLIANCE AND ENFORCEMENT		
10.1 Formally adopt a code of ethics and proper conduct that guides individual behavior and decision making, clarify responsibilities, and inform other stakeholders on the conduct expected from company personnel.	YES	Ref: p6 ACGR; Code of Ethics
10.2 Have a formal comprehensive compliance program covering compliance with laws and relevant regulations. The program should include appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	YES	Ref: p6 & 22, ACGR; COE

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10.3 Not seek exemption from the application of a law, rule regulation especially when it refers to a corporate governance issue. Should it do so, it has to disclose the reason for such action as well present the specific steps being taken to finally comply with the applicable law, rule or regulation.	YES	Ref: Code of Ethics (COE)
10.4 Have clear and stringent policies and procedures on curbing and penalizing company or employee involvement in offering, paying and receiving bribes.	YES	Ref: p20-22, ACGR; COE
10.5 Have a designated officer responsible for ensuring compliance with all relevant laws, rules, and regulation, as well as all regulatory requirements.	YES	Ref: p45, ACGR; COE
10.6 Respect intellectual property rights.	YES	Ref: p20 ACGR; COE
10.7 Establish and commit itself to an alternative dispute resolution system so that conflicts and difference with counterparties, particularly with shareholders and other key stakeholders, would be settled in a fair and expeditious manner.	YES	Ref: p25, ACGR; COE

This is to certify that the undersigned reviewed the contents of this document and to the best of my knowledge and belief, the information contained set forth in this documents is true, complete and correct.

Done this 30th day of March 2015 in Pasay City, Philippines.


JUAN VICTOR S. TANJUATCO
 Independent Director


FREDERIC C. DYBUNCIO
 President and Chief Executive Officer